



Indiana

Family and Social Services Administration

**Community and Home Options to Institutional
Care for the Elderly and Disabled
(CHOICE)**

Annual Report

State Fiscal Year 2018

In compliance with IC 12-10-10-11

July 1, 2017 – June 30, 2018

Introduction

The Community and Home Options to Institutional Care for the Elderly and Disabled (CHOICE) program was established during the 1987 legislative session through House Enrolled Act 1094 and began as a pilot program in Knox, Daviess, and Tippecanoe counties in 1988. In 1990, the program expanded to eleven additional counties and by 1992, the program included services to all of Indiana's 92 counties. CHOICE is funded exclusively with state dollars and is available through Indiana's network of Area Agencies on Aging.

To be an "eligible individual" for CHOICE program services, one must:

- be a resident of the State of Indiana;
- be at least 60 years of age or an individual with a disability;
- be an individual who applies initially to the program:
 - before July 1, 2017, that has assets that do not exceed five hundred thousand dollars (\$500,000), as determined by the Division of Aging (DA); and
 - after June 30, 2017, that has assets that do not exceed two hundred fifty thousand dollars (\$250,000). In determining assets under this clause, the DA shall exclude an additional twenty thousand dollars (\$20,000) in countable assets. – OR –
 - An individual who applied initially to the program under IC 12-10-10.5 (expired June 30, 2017) between December 31, 2014, and June 30, 2017, within:
 - (A) Area 1;
 - (B) Area 4;
 - (C) Area 13; or
 - (D) Area 14;
 - of the area agencies on aging and had assets that did not exceed two hundred fifty thousand dollars (\$250,000). In determining assets under this subdivision, the DA shall exclude an additional twenty thousand dollars (\$20,000) in countable assets.
- be an individual at risk of losing the individual's independence, as indicated if the individual is unable to perform two (2) or more assessed activities of daily living or fewer than that if it is determined, using established criteria, that a targeted intervention or assistance would significantly reduce the likelihood of the individual's loss of independence and need for additional services.

CHOICE funding for home and community-based services is used after all other possible payment sources have been identified and all reasonable efforts have been employed to utilize those sources. While there are no income restrictions on eligibility, a cost share exists for anyone above 150% of Federal Poverty Level. The 2018 Federal Poverty Level for a one-person household is \$12,140 and a two-person household is \$16,460.¹ In addition, there is an asset threshold as described above and a cost share based on assets.

¹ United States Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation, <https://aspe.hhs.gov/poverty-guidelines>. Accessed August 31, 2018.

Basis for the CHOICE Annual Report

Before October 1 of each year, the Division of Aging, in conjunction with the Office of the Secretary of Indiana's Family and Social Services Administration, shall prepare a report for review by the CHOICE Board and the General Assembly. Per IC 12-10-10-11, the report must include the following information regarding participants and services of the CHOICE program and other long-term care home and community-based programs:

1. The amount and source of all local, state, and federal dollars spent.
2. The use of the community and home options to institutional care for the elderly and disabled program in supplementing the funding of services provided to clients through other programs.
3. The number and types of participating providers.
4. An examination of:
 - a. demographic characteristics; and
 - b. impairment and medical characteristics.
5. A comparison of costs for all publicly funded long-term care programs.
6. Client care outcomes.
7. A determination of the estimated number of applicants for services from the community and home options to institutional care for the elderly and disabled who have:
 - a. one (1) assessed activity of daily living that cannot be performed;
 - b. two (2) assessed activities of daily living that cannot be performed; and
 - c. three (3) or more assessed activities of daily living that cannot be performed; and the estimated effect of the results under clauses (A), (B), and (C) on program funding, program savings, client access, client care outcomes, and comparative costs with other long term care programs.

The relevant Indiana code citation is listed throughout this report along with the appropriate statistics and data from State Fiscal Year 2018 (SFY 2018), which encompasses July 1, 2017 through June 30, 2018.

After receiving this report, the CHOICE Board may do the following:

1. Review and comment on the report.
2. Solicit public comments and testimony on the report.
3. Incorporate its own opinions into the report.

The Board shall then submit the report to the General Assembly after November 15 and before December 31 of each year.

Amount and Source of Local, State and Federal Dollars Spent²
IC 12-10-10-11(a)(1)

State Fiscal Year 2018	Total	State	Federal
Aged & Disabled Medicaid Waiver	\$ 266,671,113	\$ 89,068,152	\$ 177,602,961
Traumatic Brain Injury Waiver	\$ 4,683,962	\$ 1,564,443	\$ 3,119,519
Social Services Block Grant	\$ 8,706,434	\$ 687,396	\$ 8,019,038
Older Americans Act - Title III	\$ 22,810,824	\$ 253,437	\$ 22,557,387
CHOICE	\$ 48,765,643	\$ 48,765,643	\$ -
SFY 2018 Total Allocations	\$ 351,637,976	\$ 140,339,071	\$ 211,298,905

Clarification on CHOICE Allocations for State Fiscal Year 2018	
Total Appropriation	\$ 48,765,643
Match for Medicaid Waiver	\$ (18,000,000)
Reserve (Required)	\$ (1,000,000)
State Administration	\$ (994,000)
Transfer to OMPP for Waiver intake/Pre-Pas	\$ (3,250,000)
ISDH	\$ -
AAA Contracted CHOICE Services	\$ 25,521,643

Use of CHOICE to Supplement the Funding of Services from Other Programs
IC 12-10-10-11(a)(2)

- Number of people who received CHOICE services while Medicaid-eligible: **7,301³**

Number and Types of Providers
IC 12-10-10-11(a)(3)

- Total Number of CHOICE Providers: **794**

² Waiver expenditures were obtained from the Office of Medicaid Policy and Planning. CHOICE, SSBG and Title III expenditures were taken from Division of Aging information.

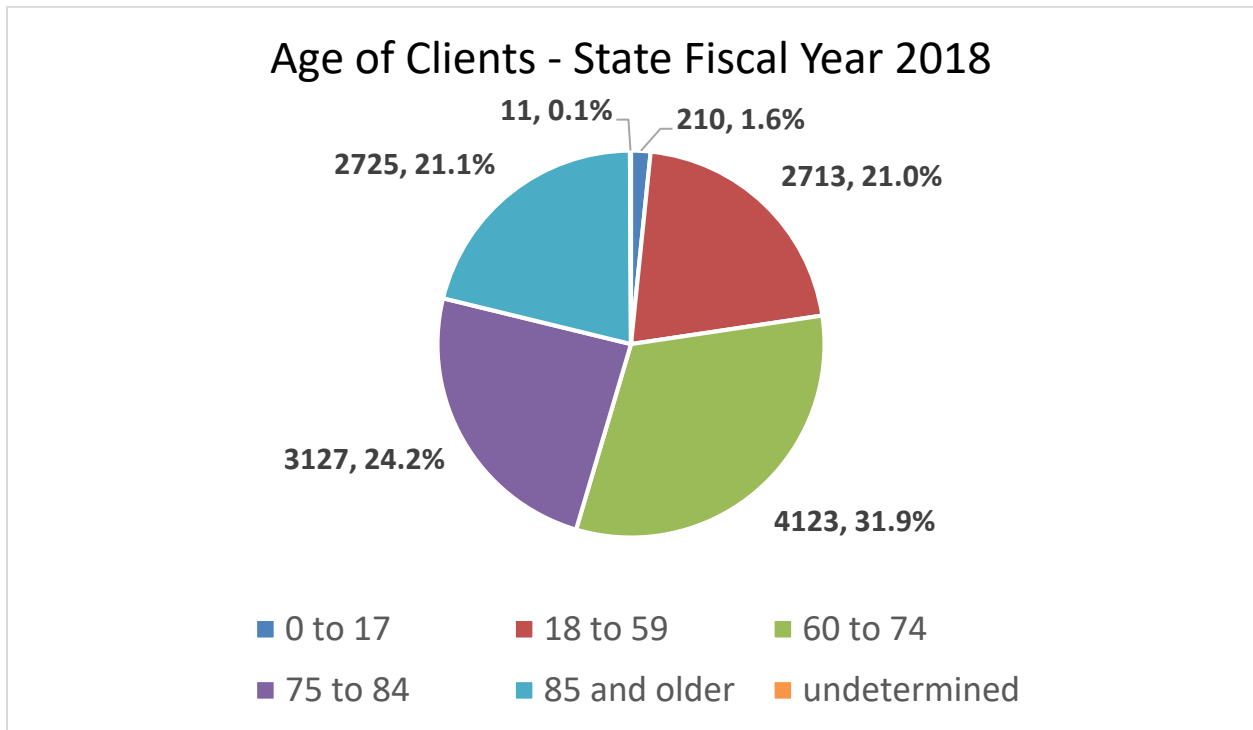
³ Participants matched from CHOICE against Indiana Medicaid for a valid Medicaid number. Individuals may have been in a Medicaid aid category not eligible for waiver participation, e.g. Medicaid only for coverage of Medicare premiums (QMB only).

Types of Participating CHOICE Providers:

Adult Day Care Centers	Area Agencies on Aging	Cleaning Service Companies
Construction Companies	Faith-Based Social Service Agencies	Home-Delivered Meals
Informal Providers	Legal Service Organizations	Local Housing Authorities
Medical Equipment Companies	Mental Health Agencies	Pest Control Companies
Physical Therapists	Transportation Companies	Personal Service Agencies
Home Health Agencies		

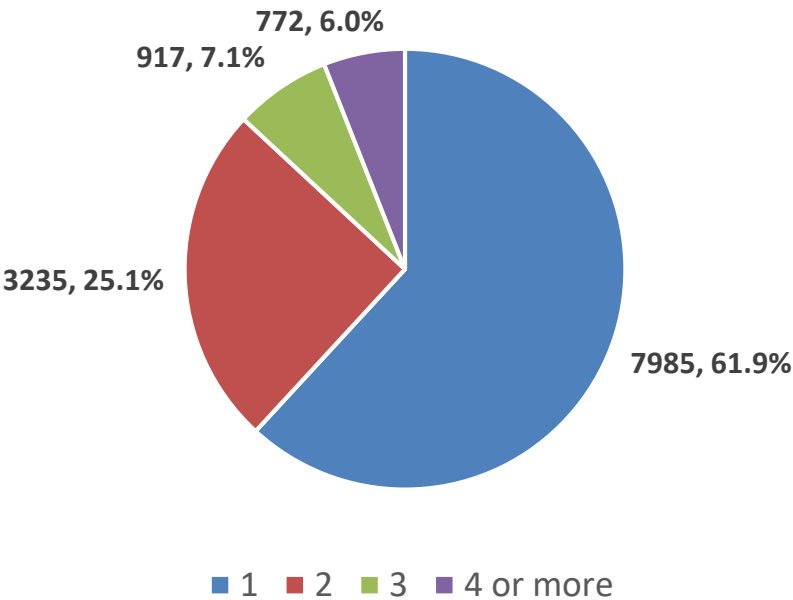
Demographic Characteristics⁴

IC 12-10-10-11(a)(4)(A)

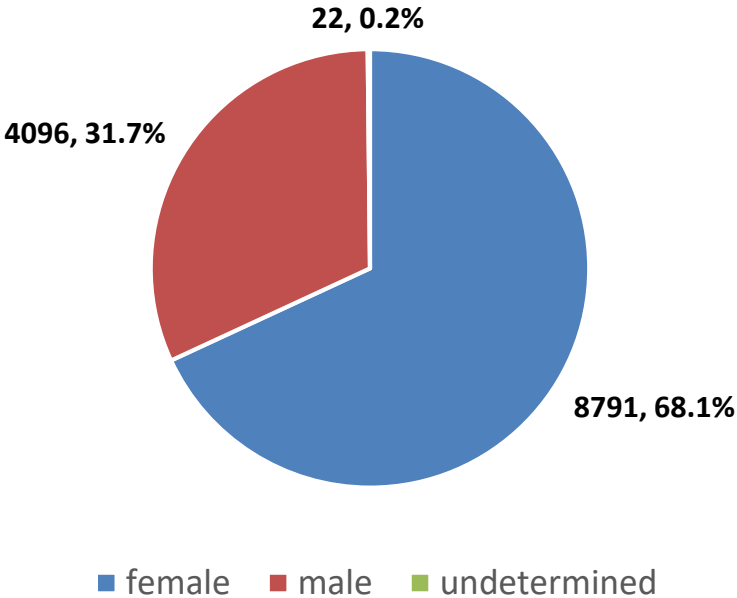


⁴ As reported by the Area Agencies on Aging per INsite (Indiana In-Home Services Information System).

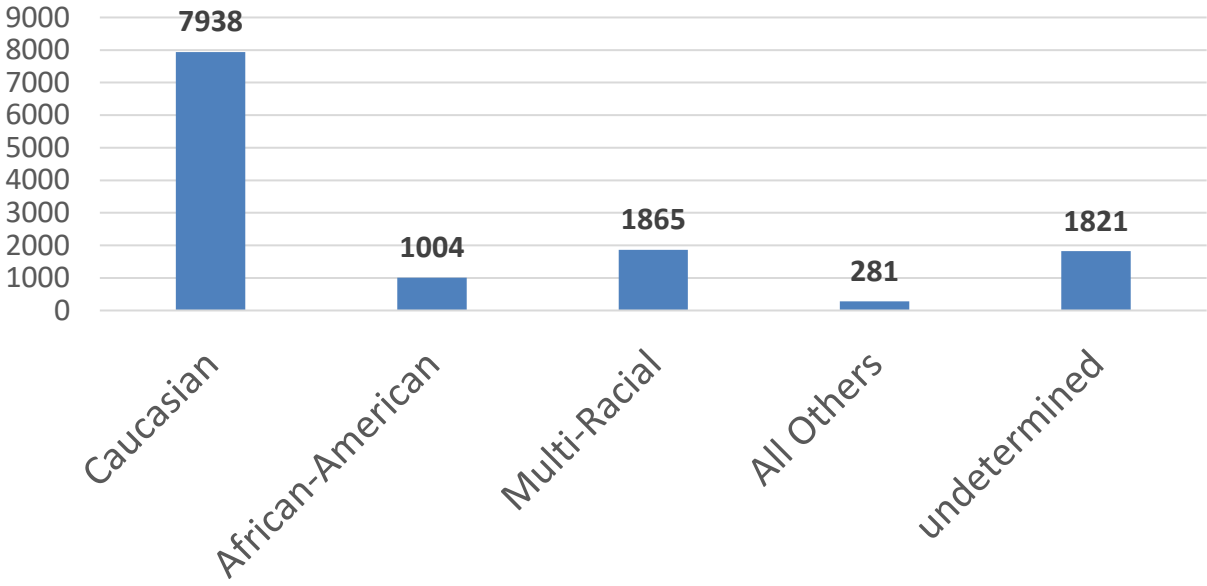
Household Size of Clients- State Fiscal Year 2018



Gender of Clients - State Fiscal Year 2018



Race of Clients - State Fiscal Year 2018



Impairments and Medical Characteristics of CHOICE Clients⁵
IC 12-10-10-11(a)(4)(B)

Primary Diagnosis - State Fiscal Year 2018		
Diagnosis	Number	% of Total
Circulatory	1,364	10.6%
Alzheimer's and Dementia Related	1,027	8.0%
Nervous	654	5.1%
All Others	6,332	49.1%
No Diagnosis Code	3,532	27.4%

Secondary Diagnosis - State Fiscal Year 2018		
Diagnosis	Number	% of Total
Circulatory	1,575	12.2%
Nervous	399	3.1%
Alzheimer's and Dementia Related	292	2.3%
All Others	6,299	48.8%
No Diagnosis Code	4,344	33.7%

Tertiary Diagnosis - State Fiscal Year 2018		
Diagnosis	Number	% of Total
Circulatory	1,344	10.4%
Nervous	300	2.3%
Alzheimer's and Dementia Related	152	1.2%
All Others	5,789	44.8%
No Diagnosis Code	5,324	41.2%

⁵ As reported by the Area Agencies on Aging per INsite (Indiana In-Home Services Information System).

Comparison of Costs for All Publicly Funded Long-Term Care Programs⁶
IC 12-10-10-11(a)(5)

CHOICE State Fiscal Year 2018	Total	State	Federal
Average cost per participant based on 4,292 participants served per month, and an average utilization of 4 months			
Per Day	\$ 17	\$ 17	\$ -
Per Month	\$ 495	\$ 495	\$ -
Per Year	\$ 1,981	\$ 1,981	\$ -
Nursing Facilities State Fiscal Year 2017			
	Total	State	Federal
Average Cost Per Participant			
Per Day	\$ 140	\$ 47	\$ 93
Per Month	\$ 4,020	\$ 1,343	\$ 2,677
Per Year	\$ 48,240	\$ 16,112	\$ 32,128

Client Care Outcomes
IC 12-10-10-11(a)(6)

CHOICE provided community and home care services as an alternative to institutional care for 12,909 participants in SFY 2018, serving an average of 4,292 each month. For SFY 2018, there were 2,685 CHOICE participants who were approved and confirmed to start the Aged and Disabled Waiver and eight CHOICE participants who were approved and confirmed to start the Traumatic Brain Injury Waiver, thus transferring from the CHOICE program to a Medicaid Waiver program.

In SFY 2018, CHOICE participants accessed an array of services, which included the following:

- | | |
|--------------------------------|-------------------------------------|
| Adult Day Services | Information Assistance |
| Transport – Adult Day Services | Interpreter |
| Specialized Medical Equipment | Medication Time Reminders |
| Assisted Transportation | Money Management |
| Attendant Care | Nutritional Supplements |
| Case Management | Pest Control |
| Congregate Meals | Personal Emergency Response Systems |

⁶ Savings may not be realized because a CHOICE participant is not necessarily nursing facility eligible and may not be eligible financially for Medicaid. Additionally the CHOICE costs are based on average days/months of service so short term services reflect in lower annual utilization than if the individual was receiving services the entire year. Nursing facility costs are for a full year. CHOICE costs do include AAA administrative and case management dollars as well.

Durable Medical Equipment
 Environmental Modification
 Handy Chore
 Home Delivered Meals
 Homemaker
 Home Health Aide
 Home Health Supplies

Physical Therapy
 Respite
 Skilled Nursing
 Clinical Therapeutic Services
 Transportation
 Vehicle Modification

Estimated Number of Applicants for Services from CHOICE with Given Activity of Daily Living (ADL) Impairment Counts⁷

IC 12-10-10-11(a)(7)(A-C)

Impairment in 1 ADL	Impairment in 2 ADLs	Impairment in 3 or more ADLs
893	1,419	2,392

Estimated Effect on Program Funding, Program Savings, Client Care Outcomes and Comparative Costs⁸

IC 12-10-10-11(a)(7)(A-C)

The average cost per day for CHOICE services was \$123 lower than the average cost to maintain someone in an institution (\$17 CHOICE versus \$140 nursing facility). The State and Federal portions of the savings (by day, month, and year) are illustrated below.

State Fiscal Year 2018	Daily	Monthly	Annual
A. Nursing Facility	\$ 140	\$ 4,020	\$ 48,240
B. CHOICE	\$ 17	\$ 495	\$ 1,981
C. Savings (A-B)	\$ 123	\$ 3,525	\$ 46,259
D. State Share of Savings (33.4%)	\$ 41	\$ 1,177	\$ 15,451
E. Federal Share of Savings (66.6%)	\$ 82	\$ 2,348	\$ 30,808

⁷ As reported by the Area Agencies on Aging per INsite (Indiana In-Home Services Information System).

⁸ Savings may not be realized because a CHOICE participant is not necessarily nursing facility eligible and may not be eligible financially for Medicaid. Additionally the CHOICE costs are based on average days/months of service so short term services reflect in lower annual utilization than if the individual was receiving services the entire year. Nursing facility costs are for a full year. CHOICE costs do include AAA administrative and case management dollars as well.

CHOICE 2.0

P.L. 145-2014 established a pilot program to demonstrate that, by updating eligibility requirements and assessment protocols, publicly funded services could be braided around information and community supports to reduce the risk of institutionalization. Financial eligibility criteria were also changed to increase personal financial accountability of CHOICE participants. The CHOICE pilot began in January 2015 in four Area Agencies on Aging (AAAs). Under P.L. 87-2017, the pilot was expanded statewide effective July 1, 2017. Since the statewide expansion, the Division of Aging has updated its information system to support the new requirements and is working with the AAAs to ensure statewide clarity and consistency of implementation. While at this point the impact on institutionalization rates is unclear, the following was noted from SFY 2017 to SFY 2018:

- 15% increase in the number of CHOICE participants, from 11,198 in SFY 2017 to 12,909 in SFY 2018.
- There continues to be a waiting list for CHOICE services:

CHOICE Wait List Counts					
AAA	6/30/2014	6/30/2015*	6/30/2016	6/30/2017	6/30/2018**
01	333	155	107	5	5
02	27	3	1	37	138
03	253	139	194	330	591
04	141	143	69	141	110
05	80	6	71	108	84
06	37	271	364	227	270
07	101	47	43	43	3
08	486	224	183	11	377
09	21	32	27	22	0***
10	24	15	5	18	56
11	72	144	158	164	58
12	0	0	1	1	1
13	178	88	53	53	51
14	183	15	140	6	117
15	227	187	150	181	154
16	159	129	87	9	32
TOTAL	2,322	1,598	1,653	1,356	2,047

*CHOICE pilot began January 1, 2015 in AAAs 1, 4, 13, and 14.

**Completion of first year of statewide expansion of the pilot.

***AAA 6 has operated AAA 9 since July 1, 2017. Separate wait lists are maintained for the two areas.

- 93.6% increase in the number of participants who transferred from CHOICE to the Aged & Disabled Waiver, from 1,387 in SFY 2017 to 2,685 in SFY 2018.
- 9.5% decrease in the average annual cost per participant, from \$2,189 in SFY 2017 to \$1,981 in SFY 2018 (based on monthly average of the number of participants served per month and an

average utilization of four months per participant). A breakdown of costs for participants receiving case management only compared to those receiving additional services is included below. Monthly costs per participant decreased from SFY 17 to SFY 18, while annual costs increased due to a slight increase in the utilization⁹ of services.

All Participants					
	Participants	Utilization (months)	Contracted Total	Monthly cost/participant	Annual cost/participant
SFY 17	11,198	4.0	\$ 24,515,643	\$ 551	\$ 2,189
SFY 18 [^]	12,909	4.0	\$ 25,521,643	\$ 495	\$ 1,981
Participants Receiving Case Management-Only					
	Participants	Utilization (months)	Amount	Monthly cost/participant	Annual cost/participant
SFY 17	6,940	1.9	\$ 1,743,202	\$ 131	\$ 251
SFY 18 [^]	8,573	2.1	\$ 2,032,943	\$ 115	\$ 237
Participants Receiving Case Management and Other Services					
	Participants	Utilization (months)	Amount	Monthly cost/participant	Annual cost/participant
SFY 17	4,258	7.3	\$ 22,772,441	\$ 730.59	\$ 5,348
SFY 18 [^]	4,336	7.7	\$ 23,488,700	\$ 700.59	\$ 5,417

[^] Completion of first year of statewide expansion of the pilot.

⁹ Average number of months out of twelve that participants actively received at least one CHOICE service.