



Indiana

Family and Social Services Administration

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

Annual Report

State Fiscal Year 2019

in compliance with IC 12-10-10-11

July 1, 2018 – June 30, 2019

Introduction

The Community and Home Options to Institutional Care for the Elderly and Disabled 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 supports a variety of home and community-based services for older adults and persons with disabilities through Indiana's network of Area Agencies on Aging.

In January 2015, a pilot program established by P.L. 145-2014 began in four Area Agencies on Aging to demonstrate that, by updating CHOICE eligibility requirements and assessment protocols, publicly funded services could be braided around information and community supports to reduce the risk of institutionalization. This was a significant program overhaul that focused on utilizing a person-centered approach to identify and fulfill individuals' needs in their homes or communities. Financial eligibility criteria for the CHOICE program were also changed to increase personal financial accountability of CHOICE participants. Under P.L. 87-2017, the pilot was expanded statewide effective July 1, 2017.

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 \$500,000, as determined by the Division of Aging; and
 - after June 30, 2017, that has assets that do not exceed \$250,000. In determining assets under this clause, the DA shall exclude an additional \$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 \$250,000. In determining assets under this subdivision, the DA shall exclude an additional \$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 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 2019 Federal Poverty Level for a one-person household is \$12,490 and a two-person household is \$16,910.¹ In addition, there is an asset threshold as described above and a cost share based on assets.

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. Pursuant to 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 assessed activity of daily living that cannot be performed;
 - b. Two assessed activities of daily living that cannot be performed; and
 - c. Three 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 2019, which encompasses July 1, 2018 through June 30, 2019.

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.

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 19, 2019.

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 2019	Total	State	Federal
Aged & Disabled Medicaid Waiver	\$ 328,200,757	\$ 109,619,053	\$ 218,581,704
Traumatic Brain Injury Waiver	\$ 4,674,279	\$ 1,561,209	\$ 3,113,070
Social Services Block Grant	\$ 9,781,434	\$ 687,396	\$ 9,094,038
Older Americans Act - Title III	\$ 22,647,102	\$ 253,437	\$ 22,393,665
CHOICE	\$ 48,765,643	\$ 48,765,643	\$ -
SFY 2019 Total Allocations	\$ 414,069,214	\$ 160,886,738	\$ 253,182,477

Clarification on CHOICE Allocations for State Fiscal Year 2019	
Total Appropriation	\$ 48,765,643
Match for Medicaid Waiver (HEA 1001-2019)	\$ (18,000,000)
Transfer to OMPP for Waiver intake	\$ (3,250,000)
Reserve (Required)	\$ (1,000,000)
State Administration	\$ (1,194,160)
AAA Contracted CHOICE Services	\$ 25,321,483

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: **8,279³**

² Waiver expenditures were obtained from June 2019 Milliman information. 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).

Number and Types of Providers

IC 12-10-10-11(a)(3)

- Total Number of CHOICE Providers: **1,096⁴**

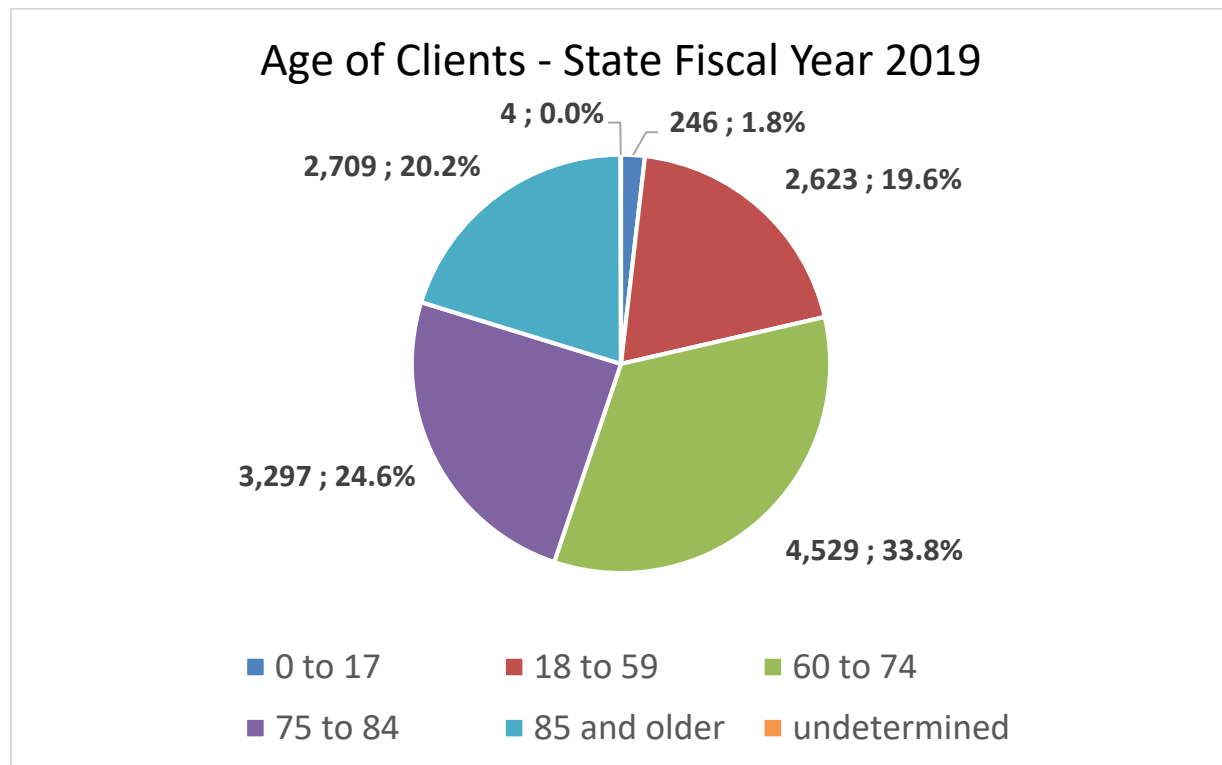
Types of Participating CHOICE Providers:

Adult day care centers	Area agencies on aging	Cleaning service companies
Construction companies	Faith-based social service agencies	Home delivered meal providers
Legal service organizations	Home health agencies	Medical equipment companies
Mental health agencies	Pest control companies	Transportation companies
Personal service agencies		

Demographic Characteristics⁵

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

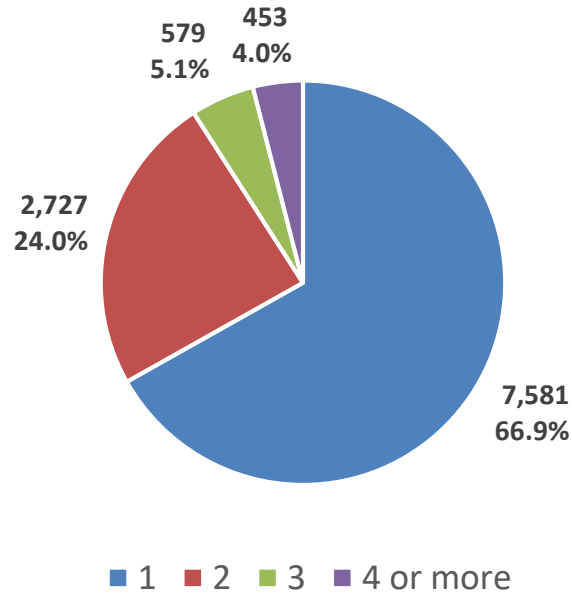
In SFY 2019, a total of 13,408 individuals were served with CHOICE funds.



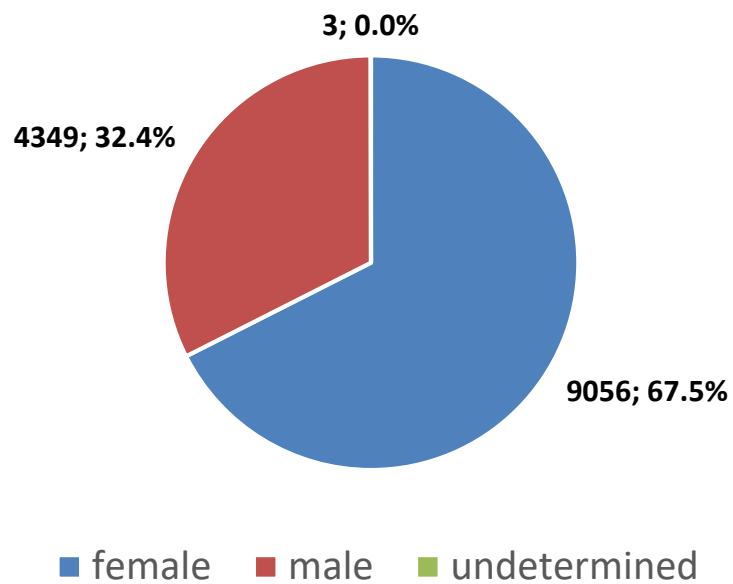
⁴ Reflects the total number of providers contracted to provide services and not only those selected by participants to deliver services.

⁵ As reported by the Area Agencies on Aging per Care Management for Social Services system. CaMSS is the Division of Aging's new care management system launched in April 2019, replacing INsite. Data prior to the launch of the new system was migrated from INsite into CaMSS.

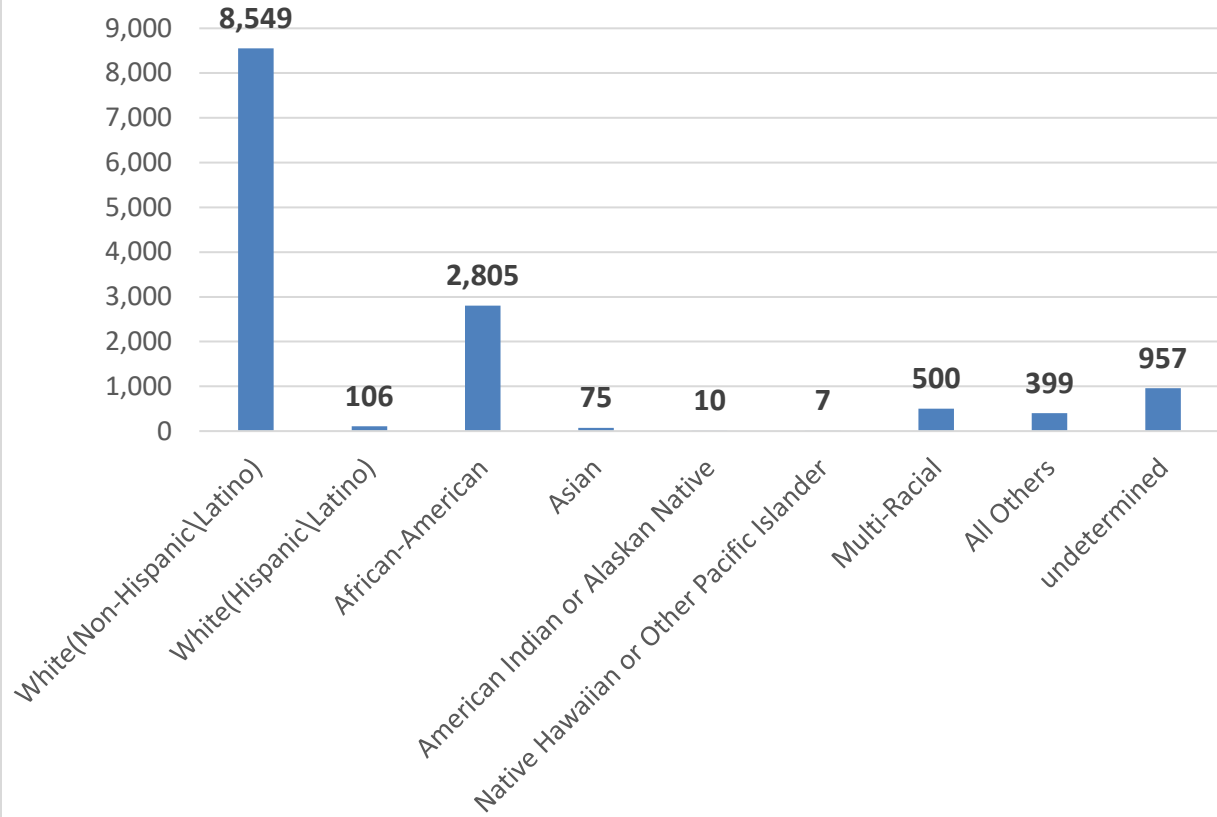
Household Size of Clients- State Fiscal Year 2019



Gender of Clients - State Fiscal Year 2019



Race of Clients - State Fiscal Year 2019



Impairments and Medical Characteristics of CHOICE Clients⁶
IC 12-10-10-11(a)(4)(B)

Primary Diagnosis - State Fiscal Year 2019		
Diagnosis	Number	% of Total
Circulatory	1,549	11.55%
Nervous	679	5.06%
Alzheimer's and Dementia Related	1,242	9.26%
All Others	6,842	51.03%
No Diagnosis Code	3,096	23.09%

Secondary Diagnosis - State Fiscal Year 2019		
Diagnosis	Number	% of Total
Circulatory	1,848	13.78%
Nervous	361	2.69%
Alzheimer's and Dementia Related	299	2.23%
All Others	7,227	53.90%
No Diagnosis Code	3,673	27.39%

Tertiary Diagnosis - State Fiscal Year 2019		
Diagnosis	Number	% of Total
Circulatory	1,593	11.88%
Nervous	274	2.04%
Alzheimer's and Dementia Related	151	1.13%
All Others	6,803	50.74%
No Diagnosis Code	4,857	34.21%

⁶ As reported by the Area Agencies on Aging per Care Management for Social Services system.

Comparison of Costs for All Publicly Funded Long-Term Care Programs⁷
IC 12-10-10-11(a)(5)

CHOICE State Fiscal Year 2019	Total	State	Federal
Average cost per participant based on 4,271 participants served per month, and an average utilization of 3.8 months			
Per Day	\$ 16	\$ 16	\$ -
Per Month	\$ 494	\$ 494	\$ -
Per Year	\$ 1,889	\$ 1,889	\$ -
Nursing Facilities State Fiscal Year 2019			
	Total	State	Federal
Average Cost Per Participant			
Per Day	\$ 155	\$ 52	\$ 103
Per Month	\$ 4,449	\$ 1,486	\$ 2,963
Per Year	\$ 53,388	\$ 17,832	\$ 35,556

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

CHOICE provided community and home care services as an alternative to institutional care for 13,408 participants in SFY 2019, serving an average of 4,271 each month. For SFY 2019, there were 2,036 CHOICE participants who were approved and confirmed to start the Aged and Disabled Waiver and 27 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 2019, 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 |
| Care management | Pest control |

⁷ 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 care management dollars as well.

Congregate meals
 Durable medical equipment
 Environmental modification
 Handy chore
 Home delivered meals
 Homemaker
 Home health aide
 Home health supplies

Personal emergency response systems
 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 Impairment Counts⁸
IC 12-10-10-11(a)(7)(A-C)

Individuals Receiving CHOICE Care Management Only			
Impairment in 0 ADLs	Impairment in 1 ADL	Impairment in 2 ADLs	Impairment in 3 or more ADLs
495	233	414	6,214
Individuals Receiving CHOICE Care Management and Other CHOICE Services			
Impairment in 0 ADLs	Impairment in 1 ADL	Impairment in 2 ADLs	Impairment in 3 or more ADLs
205	358	1,100	2,118
All CHOICE			
Impairment in 0 ADLs	Impairment in 1 ADL	Impairment in 2 ADLs	Impairment in 3 or more ADLs
700	591	1,515	8,331

⁸ As reported by the Area Agencies on Aging per Care Management for Social Services system. Categories do not add up to 13,408 total participants due to missing ADL counts.

Estimated Effect on Program Funding, Program Savings, Client Care Outcomes and Comparative Costs⁹
IC 12-10-10-11(a)(7)(A-C)

The average cost per day for CHOICE services was \$128 lower than the average cost to maintain someone in an institution (\$27 CHOICE versus \$155 nursing facility). The State and Federal portions of the savings (by day, month, and year) are illustrated below.

State Fiscal Year 2019	Daily	Monthly	Annual
A. Nursing Facility	\$ 155	\$ 4,449	\$ 53,388
B. CHOICE	\$ 27	\$ 819	\$ 6,153
C. Savings (A-B)	\$ 128	\$ 3,630	\$ 47,235
D. State Share of Savings (33.4%)	\$ 43	\$ 1,212	\$ 15,776
E. Federal Share of Savings (66.6%)	\$ 85	\$ 2,418	\$ 31,459

For further comparison, the Medicaid Waiver costs per enrollee per month¹⁰ in SFY 2019 were as follows:

- Aged and Disabled Medicaid Waiver: \$1,420
- Traumatic Brain Injury Medicaid Waiver: \$2,259

CHOICE 2.0

SFY 2019 was the second full year of the statewide expansion of CHOICE’s updated functional and financial eligibility requirements and assessment protocols. While at this point the impact on institutionalization rates is unclear, the following was noted from SFY 2018 to SFY 2019:

- 3.86% increase in the number of CHOICE participants, from 12,909 in SFY 2018 to 13,408 in SFY 2019.
- For the first half of SFY 2019 (July 1, 2018 – December 31, 2018), \$120,642.37 in cost share was billed¹¹ for CHOICE services delivered. This is 31% increase over the first half of SFY 2018, during which \$91,984.11 was billed. This demonstrates a significant increase in CHOICE participants’ personal financial accountability toward their services.

⁹ 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 reflect those participants receiving care management as well as additional services (for example home delivered meals, attendant care, homemaker, or personal emergency response systems).

¹⁰ Waiver data obtained from June 2019 Milliman information.

¹¹ The amount billed does not reflect the amount received by the AAAs from their CHOICE participants.

- There continues to be a waiting list for CHOICE services. While the state’s overall wait list count declined 6.8% from SFY 2018 to SFY 2019, the individual AAA wait list changes ranged from complete elimination to more than doubling.

CHOICE Wait List Counts					
AAA	6/30/2015*	6/30/2016	6/30/2017	6/30/2018**	6/30/2019
01	155	107	5	5	0
02	3	1	37	138	31
03	139	194	330	591	318
04	143	69	141	110	199
05	6	71	108	84	12
06	271	364	227	270	466
07	47	43	43	3	0
08	224	183	11	377	412
09	32	27	22	0***	3
10	15	5	18	56	36
11	144	158	164	58	78
12	0	1	1	1	0
13	88	53	53	51	107
14	15	140	6	117	48
15	187	150	181	154	195
16	129	87	9	32	3
TOTAL	1,598	1,653	1,356	2,047	1,908

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

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

***AAA 06 has operated AAA 09 since July 1, 2017. Separate wait lists are maintained for the two areas.

- Each AAA maintains their own wait list and follows internal processes for adding and removing individuals from their wait list.
 - As the population of older Hoosiers continues to grow, it is anticipated that the demand for services will continue to increase.
 - In SFY 2019, the Division of Aging worked with the AAAs on a strategy to change the funding allocation method for SFY 2020 in an attempt to better target resources to increase the number of people served and reduce wait lists.
- A breakdown of costs for participants receiving care management only compared to those receiving additional services is included below. Adjusting for the slight changes in average monthly utilization¹² from SFY 2018 to SFY 2019, the annual cost per participant remained level with a decrease in the annual cost per participant for care management only and an increase for those also receiving services in addition to care management.

¹² Average number of months out of twelve that participants actively received at least one CHOICE service.

All Participants					
	Participants	Utilization (months)	Contracted Total	Monthly cost/participant	Annual cost/participant
SFY 18^	12,909	4.0	\$ 25,521,643	\$ 498	\$ 1,977
SFY 19	13,408	3.8	\$ 25,321,483	\$ 494	\$ 1,889
Participants Receiving Care Management Only					
	Participants	Utilization (months)	Amount	Monthly cost/participant	Annual cost/participant
SFY 18^	8,573	2.1	\$ 2,032,943	\$ 115	\$ 237
SFY 19	9,604	2.4	\$ 1,916,095	\$ 85	\$ 200
Participants Receiving Care Management and Other Services					
	Participants	Utilization (months)	Amount	Monthly cost/participant	Annual cost/participant
SFY 18^	4,336	7.7	\$ 23,488,700	\$ 700.59	\$ 5,417
SFY 19	3,804	7.5	\$ 23,405,388	\$ 817.91	\$ 6,153

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