



Indiana

Family and Social Services Administration

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

Annual Report

October 1, 2020

in compliance with IC 12-10-10-11

July 1, 2019 – June 30, 2020

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 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 (AAAs).

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, defined as an individual with a severe chronic disability that is attributable to a mental or physical impairment or combination of mental and physical impairments that is likely to continue indefinitely;
- 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 2020 Federal Poverty Level for a one-person household is \$12,760 and a two-person household is \$17,240.¹ 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 (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 2020 (SFY 2020), which encompasses July 1, 2019 through June 30, 2020.

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 17, 2020.

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 2020	Total	State	Federal
Aged & Disabled Medicaid Waiver	\$ 435,864,666	\$ 145,578,798	\$ 290,285,868
Traumatic Brain Injury Waiver	\$ 4,991,112	\$ 1,667,031	\$ 3,324,081
Social Services Block Grant	\$ 9,781,434	\$ 687,396	\$ 9,094,038
Older Americans Act - Title III	\$ 24,435,787	\$ 253,437	\$ 24,182,350
CHOICE	\$ 48,765,643	\$ 48,765,643	\$ -
SFY 2020 Total Allocations	\$ 523,838,642	\$ 196,952,306	\$ 326,886,336

Clarification on CHOICE Allocations for State Fiscal Year 2020	
Total Appropriation	\$ 48,765,643
Match for Medicaid Waiver (HEA 1001-2019)	\$ (18,000,000)
Transfer to OMPP for Waiver intake	\$ (3,750,000)
Reserve (Required)	\$ (1,500,000)
State Administration	\$ (1,215,643)
AAA Contracted CHOICE Services	\$ 24,300,000

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: **7,273³**

² Waiver expenditures were obtained from June 2020 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: **931⁴**

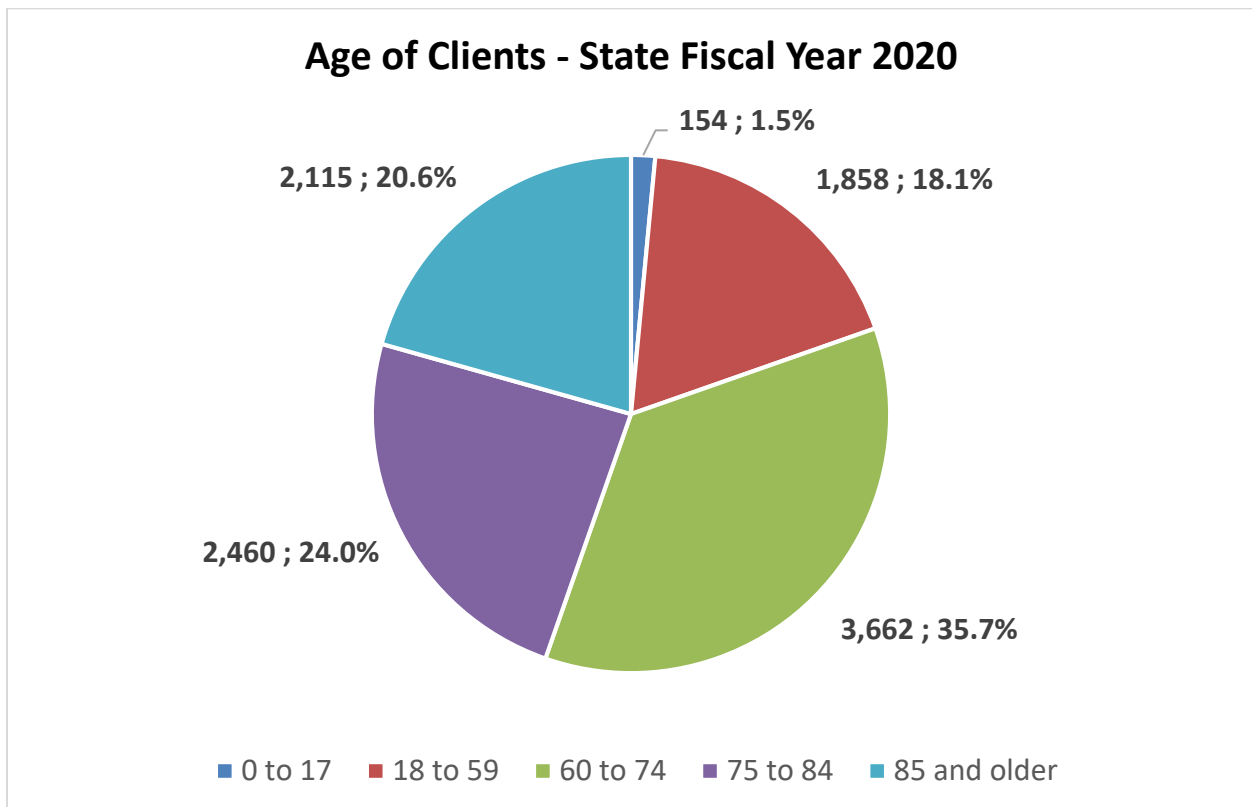
Types of Participating CHOICE Providers:

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)

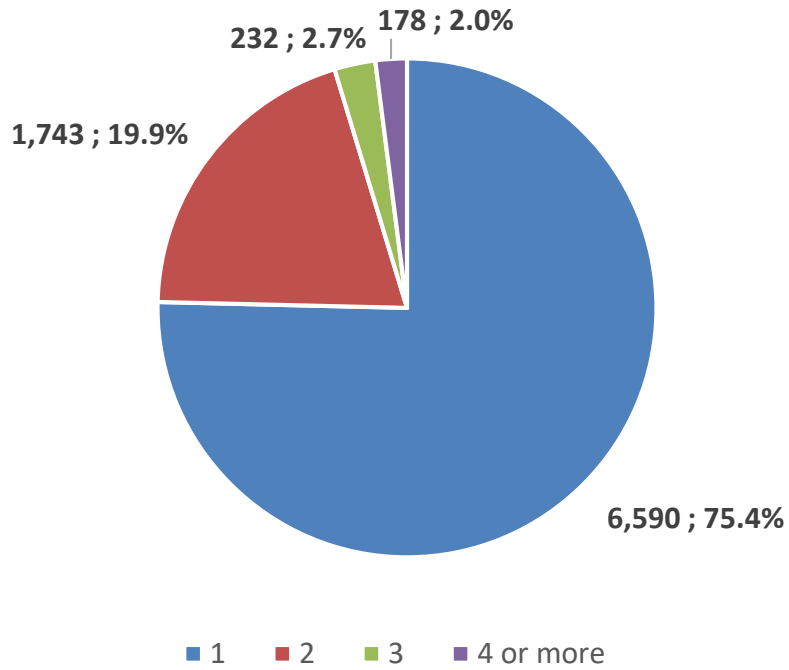
In SFY 2020, a total of 10,254 individuals were served with CHOICE funds.



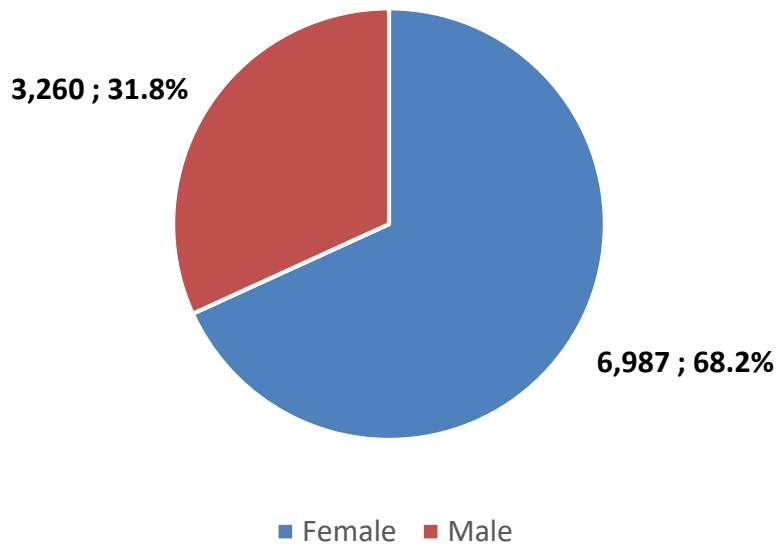
⁴ Reflects the total number of providers contracted to provide services and not only those selected by participants to deliver services.

⁵ As reported by the Area Agencies on Aging per CaMSS (Care Management for Social Services system). Totals may not add up to total clients served due to missing data.

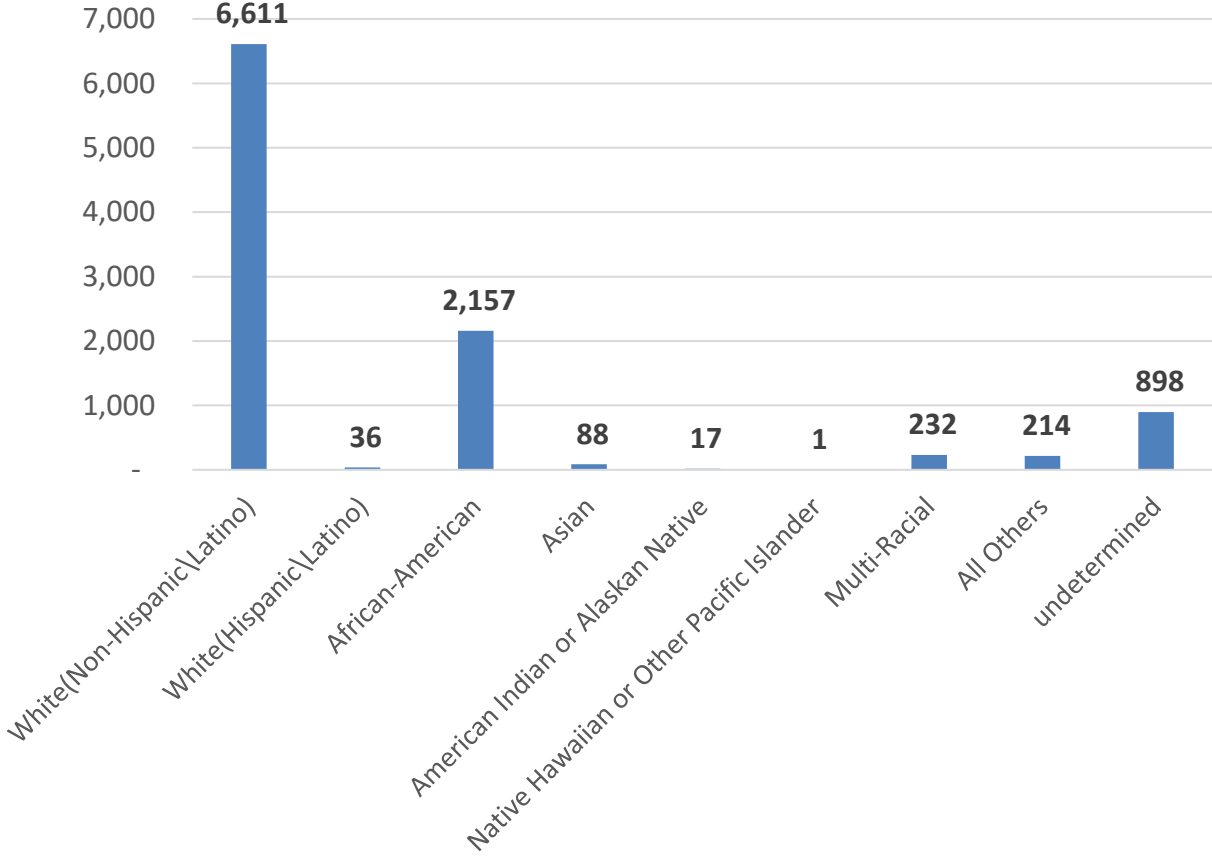
Household Size of Clients- State Fiscal Year 2020



Gender of Clients - State Fiscal Year 2020



Race of Clients - State Fiscal Year 2020



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

Primary Diagnosis - State Fiscal Year 2020		
Diagnosis	Number	% of Total
Diseases of the Circulatory System	1,380	13.46%
Alzheimer's and Dementia Related	850	8.29%
Diseases of the Nervous System	554	5.40%
All Others	6,250	60.95%
No Diagnosis Code	1,220	11.90%

Secondary Diagnosis - State Fiscal Year 2020		
Diagnosis	Number	% of Total
Diseases of the Circulatory System	1,565	15.26%
Diseases of the Nervous System	272	2.65%
Alzheimer's and Dementia Related	246	2.40%
All Others	6,581	64.18%
No Diagnosis Code	1,590	15.51%

Tertiary Diagnosis - State Fiscal Year 2020		
Diagnosis	Number	% of Total
Diseases of the Circulatory System	1,333	13.00%
Diseases of the Nervous System	243	2.37%
Alzheimer's and Dementia Related	124	1.21%
All Others	6,317	61.61%
No Diagnosis Code	2,237	21.83%

⁶ As reported by the Area Agencies on Aging per CaMSS (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 2020	Total	State	Federal
Average cost per participant based on 3,560 participants served per month, and an average utilization of 4.2 months			
Per Day	\$ 19	\$ 19	\$ 0
Per Month	\$ 569	\$ 569	\$ 0
Per Year	\$ 2,370	\$ 2,370	\$ 0
Nursing Facilities State Fiscal Year 2020			
	Total	State	Federal
Average Cost Per Participant			
Per Day	\$ 159	\$ 53	\$ 106
Per Month	\$ 4,761	\$ 1,590	\$ 3,171
Per Year	\$ 57,132	\$ 19,082	\$ 38,050

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

CHOICE provided community and home care services as an alternative to institutional care for 10,254 participants in SFY 2020, serving an average of 3,560 each month. For SFY 2020, there were 2,038 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 2020, CHOICE participants accessed an array of services, which included the following:

- | | |
|-------------------------------------|----------------------------|
| Adult Day Services | Information and Assistance |
| Transportation – Adult Day Services | Interpreter |
| Specialized Medical Equipment | Medication 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 (ADL) 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
340	297	416	4,376
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
187	391	1,108	2,062
All CHOICE			
Impairment in 0 ADLs	Impairment in 1 ADL	Impairment in 2 ADLs	Impairment in 3 or more ADLs
527	688	1,524	6,438

⁸ As reported by the Area Agencies on Aging per CaMSS (Care Management for Social Services system). Categories do not add up to 10,254 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 (excluding care management only recipients) was \$133 lower than the average cost to support someone in an institution (\$26 CHOICE versus \$159 nursing facility). The State and Federal portions of the savings (by day, month, and year) are illustrated below.

State Fiscal Year 2020	Daily	Monthly	Annual
A. Nursing Facility	\$ 159	\$ 4,761	\$ 57,132
B. CHOICE	\$ 26	\$ 795	\$ 6,079
C. Savings (A-B)	\$ 133	\$ 3,966	\$ 51,053
D. State Share of Savings (33.4%)	\$ 44	\$ 1,325	\$ 17,052
E. Federal Share of Savings (66.6%)	\$ 88	\$ 2,641	\$ 34,001

For further comparison, the Medicaid Waiver costs per enrollee per month¹⁰ in SFY 2020 were as follows:

- Aged and Disabled Medicaid Waiver: \$1,581
- Traumatic Brain Injury Medicaid Waiver: \$2,472

COVID-19

In March 2020, Indiana was experiencing a COVID-19 pandemic. Adult day services, senior centers, and congregate nutrition sites closed as stay-at-home orders were introduced and residents socially distanced to mitigate the spread of the coronavirus.

In response to the pandemic, the Division of Aging received two rounds of supplemental federal Older Americans Act funding: \$4,672,826 in Older Americans Act nutrition funding through the Families First Coronavirus Response Act and \$15,536,426 in Older Americans Act funds for nutrition services, in-home and community support services, and caregiver funding through the CARES Act. These funds were distributed to the Area Agencies on Aging through the intrastate population-based funding formula. In addition to supporting traditional Older Americans Act funded services for older adults and caregivers such as in-home care, care management, transportation, and meals, these supplemental funds supported pandemic response activities such as wellness check-in calls, purchase of technology to assist

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) but excludes those who receive care management only.

¹⁰ Waiver data obtained from June 2020 Milliman information.

in supporting virtual communications and services, and expansion of meal programs for older adults and caregivers.

As CHOICE is the funding of last resort, these new federal funds were spent first. The Division of Aging presumes that this contributed to a 23.5% decrease in overall clients served in SFY 2020 through the CHOICE program compared to the prior year (10,254 in SFY 2020 vs. 13,408 in SFY 2019). It should be noted that this decrease reflects a 32.4% decrease in the number of individuals receiving only care management (6,496 in SFY 2020 vs. 9,604 in SFY 2019), as the number of CHOICE participants receiving other services plus care management remained relatively level with a very slight decrease (3,758 in SFY 2020 vs. 3,804 in SFY 2019).

Total funding allocated to the AAAs in their SFY 2020 CHOICE grants was also reduced in SFY 2020, from \$25,321,483 in SFY 2019 to \$24,300,000 in SFY 2020. This included \$500,000 that was reallocated, in consultation with the AAAs, to the Aging and Disability Resource Center contracts for Medicaid waiver intake services, which receives a 50/50 federal match thereby increasing those contracts for the AAAs by a total of \$1,000,000. The remaining funds were used to meet reserve requirements as noted on Page 4.

A breakdown of costs for participants receiving care management only compared to those receiving additional services is included below.

All Participants					
	Participants	Utilization (months) ¹¹	Contracted Total	Monthly cost/participant	Annual cost/participant
SFY 19	13,408	3.8	\$ 25,321,483	\$ 494	\$ 1,889
SFY 20	10,254	4.2	\$ 24,300,000	\$ 569	\$ 2,370
Participants Receiving Care Management Only					
	Participants	Utilization (months)	Amount	Monthly cost/participant	Annual cost/participant
SFY 19	9,604	2.4	\$ 1,916,095	\$ 85	\$ 200
SFY 20	6,496	2.2	\$ 1,454,163	\$ 104	\$ 224
Participants Receiving Care Management and Other Services					
	Participants	Utilization (months)	Amount	Monthly cost/participant	Annual cost/participant
SFY 19	3,804	7.5	\$ 23,405,388	\$ 817.91	\$ 6,153
SFY 20	3,758	7.7	\$ 22,845,837	\$ 794.64	\$ 6,079

¹¹ Average number of months out of twelve that participants actively received at least one CHOICE service.

In SFY 2020, the Division of Aging implemented a new funding allocation method based on population factors and historical spending in an attempt to better target resources toward need and to reduce wait lists. Mid-fiscal year, the Division of Aging worked with the AAAs to amend the grant agreements to further target funds based on spending rates. While some areas were able to reduce their wait lists, others' lists grew. With the reduction in overall grant funds, the wait list for the state increased 5% from SFY 2019. As the population of older Hoosiers continues to grow, it is anticipated that the demand for services will continue to increase.

CHOICE Wait List Counts			
AAA	6/30/2018**	6/30/2019	6/30/2020
01	5	0	0
02	138	31	79
03	591	318	263
04	110	199	134
05	84	12	36
06	270	466	451
07	3	0	117
08	377	412	377
09	0***	3	26
10	56	36	185
11	58	78	144
12	1	0	0
13	51	107	10
14	117	48	7
15	154	195	180
16	32	3	2
TOTAL	2,047	1,908	2,011

**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.

- Please note: Each AAA maintains their own wait list and follows internal processes for adding and removing individuals from their wait list.