



**Family and Social Services Administration**  
**Community and Home Options to Institutional**  
**Care for the Elderly and Disabled**  
**(CHOICE)**

**Annual Report**

In compliance with IC 12-10-10-11; IC 12-10-11.5-6 and HB 1001

**State Fiscal Year 2014**

**July 1, 2013 – June 30, 2014**

*Approved by CHOICE Board 11/20/14 pending insertion of Addendum  
Report Addendum attached and adopted by CHOICE Board on 1/15/15*

## Executive Summary

The Community and Home Options to Institutional Care for the Elderly and Disabled (CHOICE) program continued to provide needed services for thousands of Hoosiers in State Fiscal Year 2014 (SFY2014), which encompasses July 1, 2013 through June 30, 2014. In SFY 2014, CHOICE provided community and home care services as an alternative to institutional care for 3,675 Hoosiers. CHOICE served an average of 2429 clients per month, with average expenditures of \$1036 per month<sup>1</sup>. Total CHOICE expenditures for the fiscal year were \$30,201,276, which are exclusively state dollars. Additionally, \$18,000,000 from the CHOICE allocation were used as state match to serve clients through the Aged and Disabled Waiver.

## 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. In 2005, Indiana Code 12-10-10-4 was amended to include an individual asset limit to not exceed the worth of five hundred thousand dollars. CHOICE is funded exclusively with state dollars.

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

- be a resident of the State of Indiana;
- be 60 years of age or older or disabled;
- not have assets exceeding the worth of five hundred thousand dollars, as determined by the
- Indiana Division of Aging; and
- qualify under the criteria developed by the board as having an impairment that places the individual at risk of losing the individual's independence if the individual is unable to perform two (2) or more assessed activities of daily living.

CHOICE funding for 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 2014 Federal Poverty Level for a one-person household was \$11,670 and a two-person household was \$15,730.

## Basis for the CHOICE Annual Report

IC 12-10-10-11 is the basis for the CHOICE annual report. The code is listed throughout this report along with the appropriate statistics and data from SFY 2014, which encompasses July 1, 2013 through June 30, 2014.

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<sup>1</sup> Average number of CHOICE clients served per month was calculated by adding the number of clients served each month as reported by each Area Agency on Aging per the Mid month report and dividing the total number by 12. Includes CHOICE expenditures only; does not include Medicaid, Medicaid Waiver, Social Services Block Grant or Older Americans Act-Title III.

## Reporting Requirements

### IC 12-10-10-11

Before October 1 of each year, the Division, in conjunction with the Office of the Secretary, shall prepare a report for review by the Board and the General Assembly. The report must include the following information regarding clients and services of the Community and Home Options to Institutional Care for the Elderly and Disabled (CHOICE) program and other long term care home and community-based programs.

## Amount and Source of Local, State and Federal Dollars Spent<sup>2</sup>

### IC 12-10-10-11(a) (1)

Total Expenditures (CHOICE, SSBG, Older Americans Act - Title III, Aged and Disabled Medicaid Waiver, and Traumatic Brain Injury Medicaid Waiver) for SFY 2014. **Total Number Served** is not an unduplicated number; individuals may have been served through multiple programs at a point and time during this reporting period.

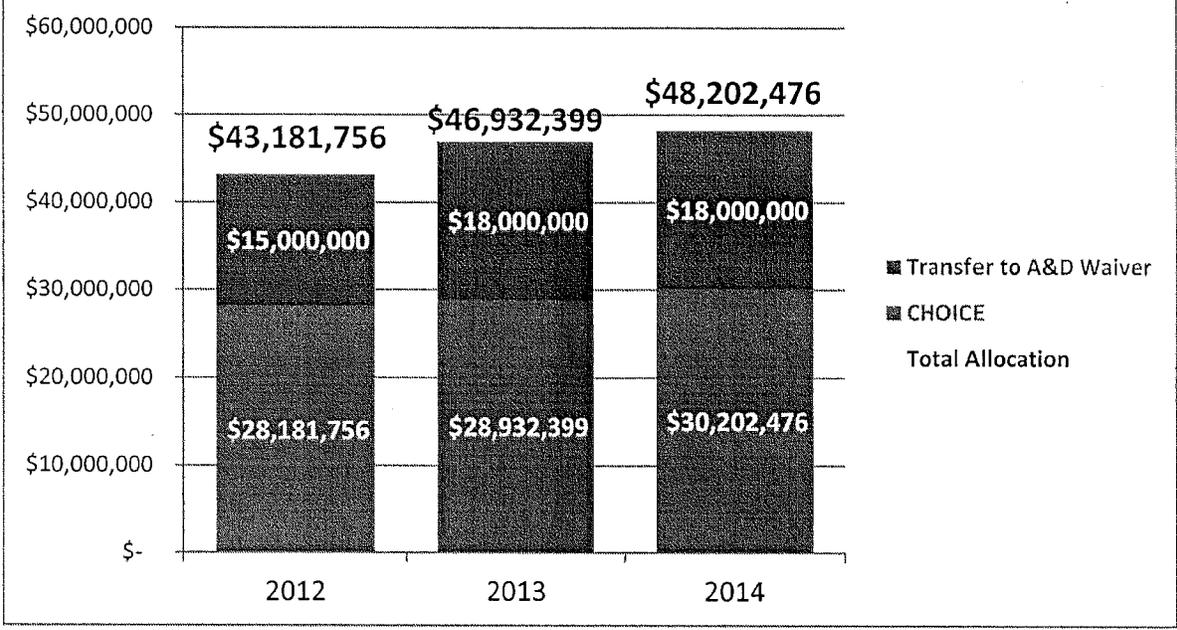
State Fiscal Year 2014	Total	State	Federal	Total Number Served
Aged and Disabled Medicaid Waiver	\$ 156,709,238	\$ 51,751,682	\$ 104,957,556	15,941
Traumatic Brain Injury Medicaid Waiver	\$ 5,147,059	\$ 1,699,593	\$ 3,447,466	199
Social Services Block Grant	\$ 10,429,985	\$ 687,396	\$ 9,742,589	19,714
Older Americans Act - Title III	\$ 21,467,245	\$ 1,486,210	\$ 1,981,035	15,614
CHOICE	\$ 30,202,476	\$ 30,202,476	\$ -	3,675
<b>SFY 2014 Total Expenditures</b>	<b>\$ 223,956,003</b>	<b>\$ 85,827,357</b>	<b>\$ 120,128,646</b>	<b>44,023</b>

Below is a comparison of the past three state fiscal year CHOICE expenditures and number of clients served.

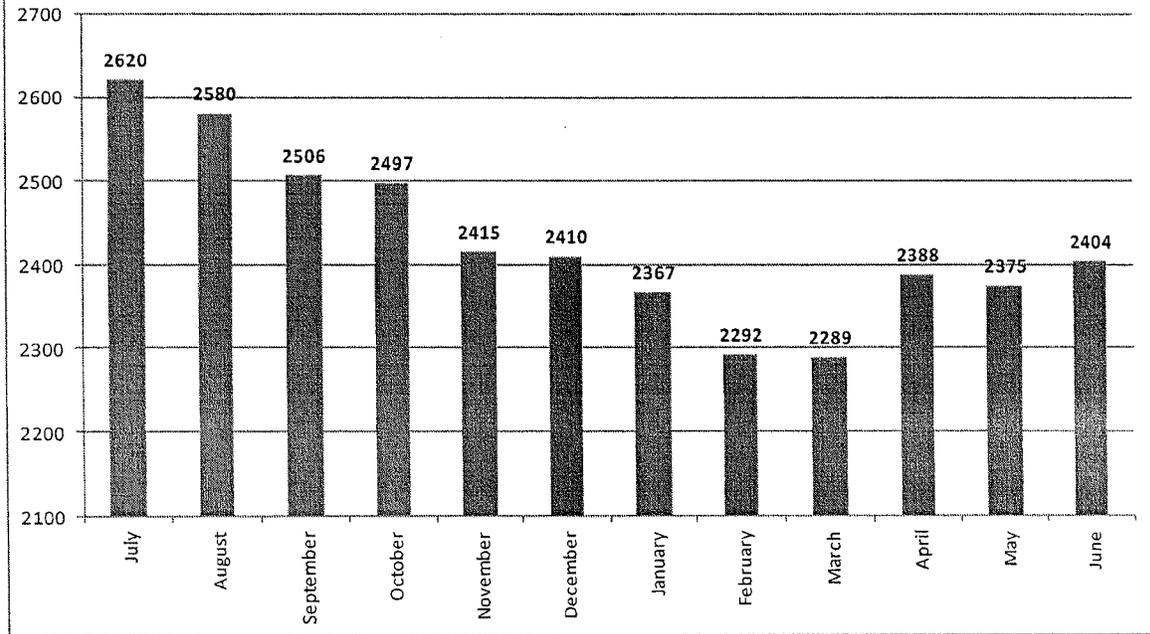
State Fiscal Year	Expenditures	Clients Served	Clients Who Were Medicaid-Eligible
2012	\$ 28,181,756	5,040	2,569
2013	\$ 28,932,399	4,471	2,515
2014	\$ 30,202,476	3,675	1,593

<sup>2</sup> Waiver expenditures were obtained from the Office of Medicaid Policy and Planning. CHOICE, SSBG and Title III expenditures were taken from Division of Aging accounting.

### Expenditures by State Fiscal Year

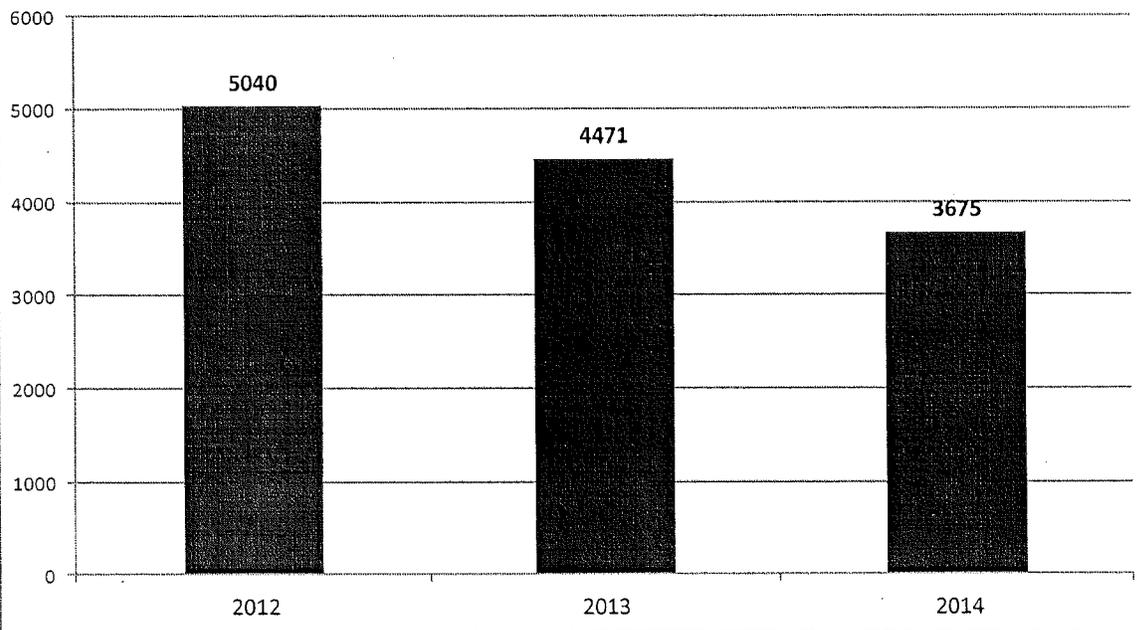


### CHOICE Clients Served by Month State Fiscal Year 2014

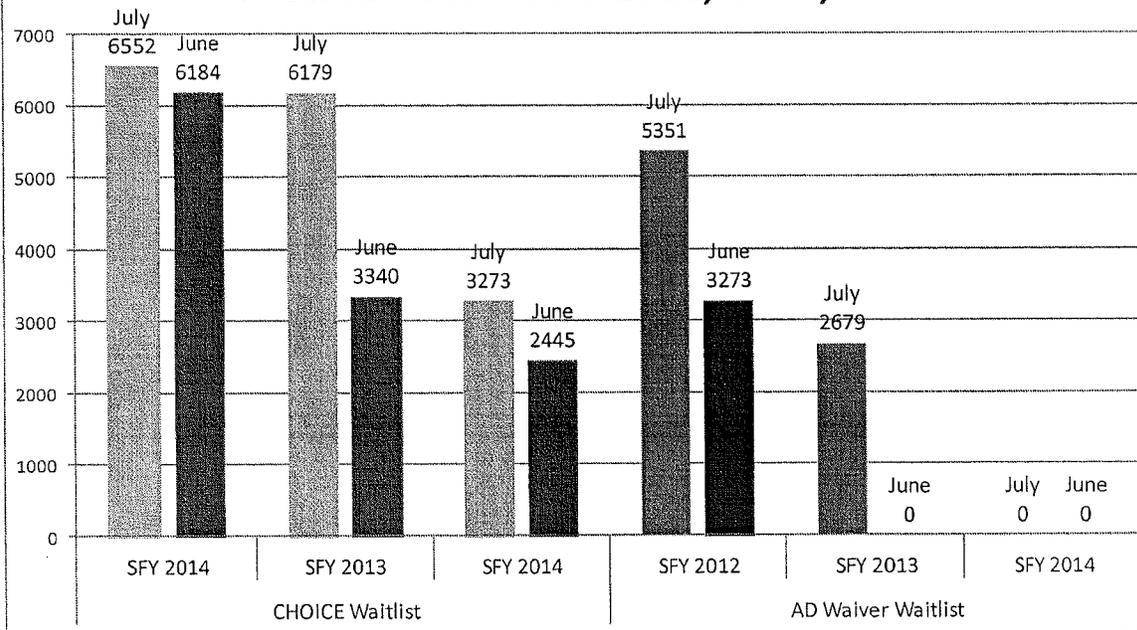


<sup>3</sup> As reported by the Area Agencies on Aging per Insite (Indiana In-Home Services Information System).

### Clients Served by State Fiscal Year



### Waitlist Counts for July and June of State Fiscal Years 2012, 2013, 2014



## 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: 1593<sup>4</sup>

## Number and Types of Providers

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

Total Number of CHOICE Providers: 927

Types of Participating CHOICE Providers:

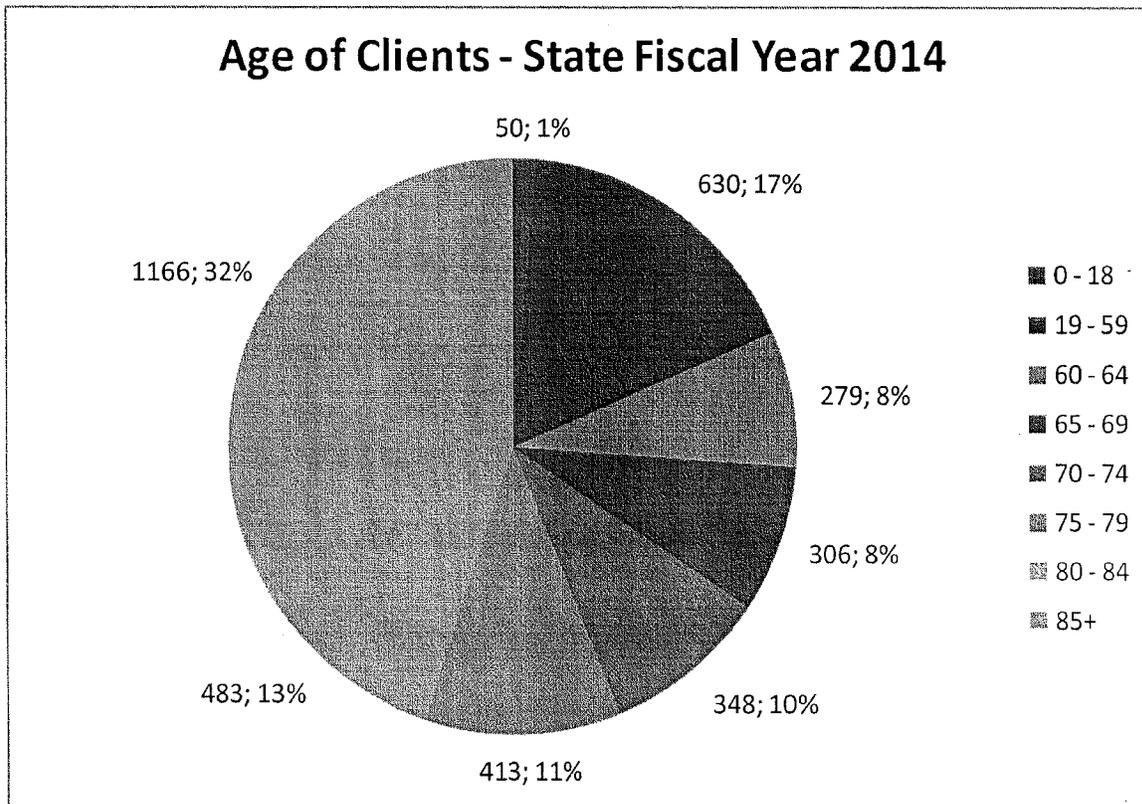
Adult Day Care Centers	Area Agencies on Aging
Assistive Technology Suppliers	Cleaning Service Companies
Construction Companies	Physicians
Faith-Based Social Service Agencies	Home-Delivered Meals Services
Hospitals	Informal Providers
Legal Service Organizations	Local Housing Authorities
Medical Centers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

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<sup>4</sup> Clients matched from CHOICE against Indiana Medicaid

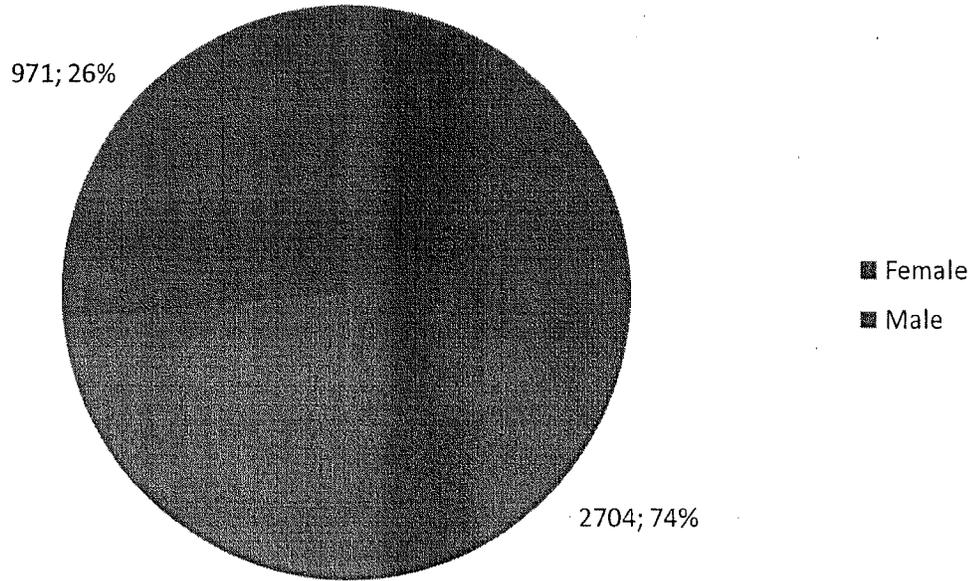
**Demographic Characteristics**  
**IC 12-10-10-11(a)(4)(A)**

State Fiscal Year 2014			
Age	Female	Male	Total
0 - 18	15	35	50
19 - 59	404	226	630
60 - 64	181	98	279
65 - 69	218	88	306
70 - 74	241	107	348
75 - 79	318	95	413
80 - 84	379	104	483
85+	948	218	1166
<b>Total</b>	<b>2704</b>	<b>971</b>	<b>3675</b>



<sup>5</sup> As reported by the Area Agencies on Aging per Insite (Indiana In-Home Services Information System).

## Gender of Clients - State Fiscal Year 2014

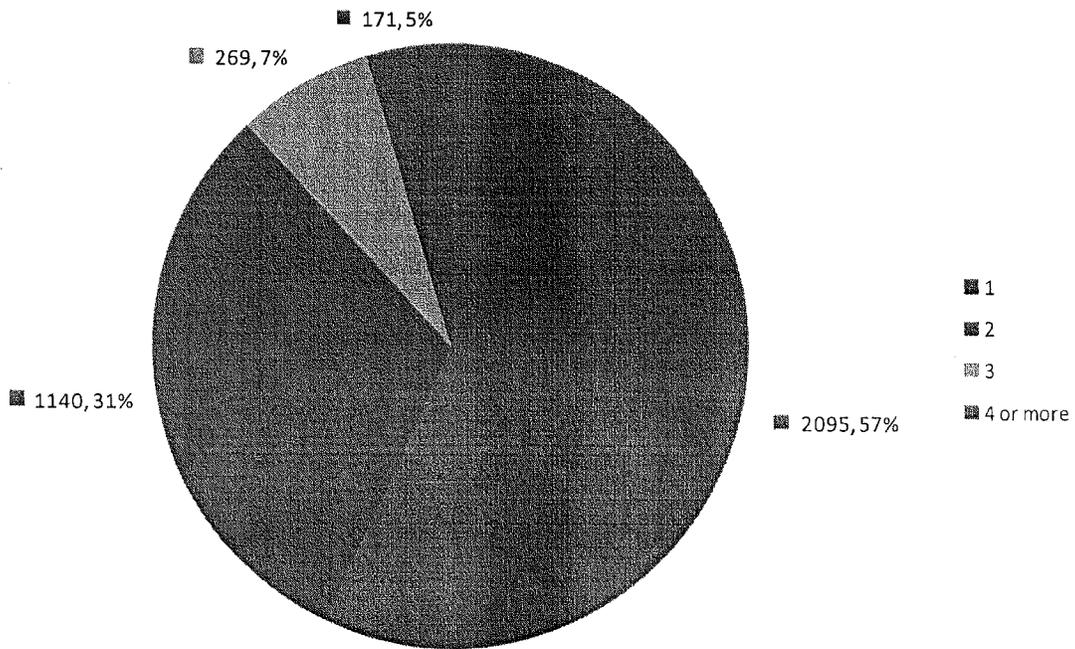


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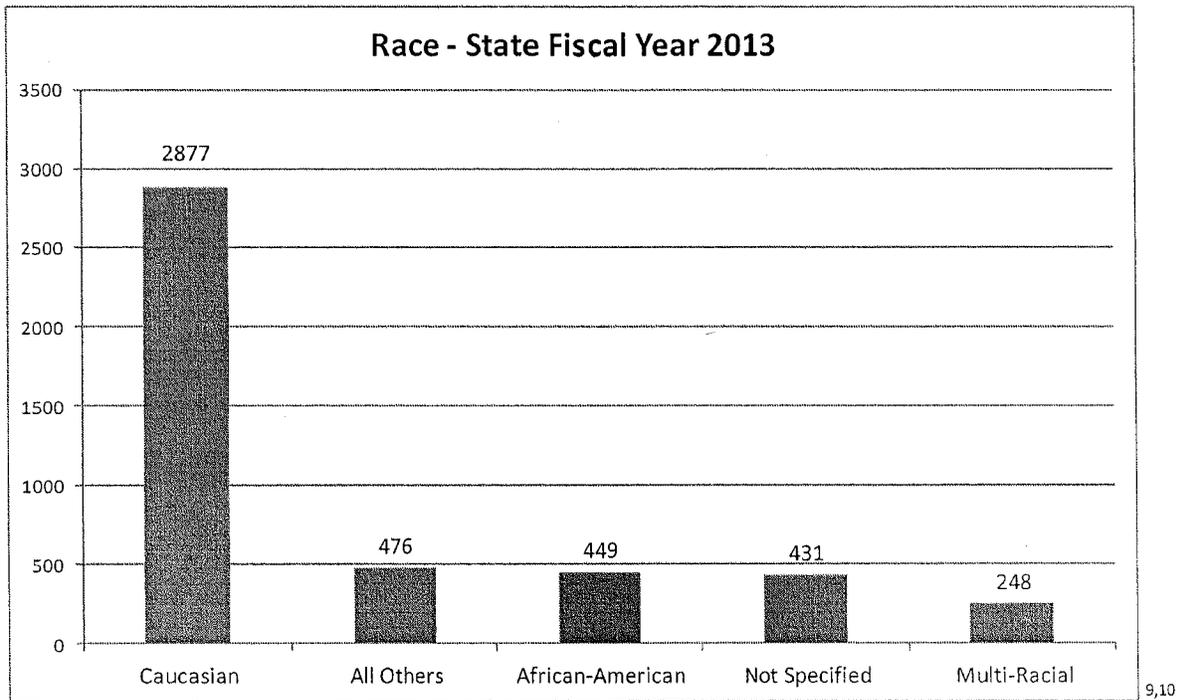
<sup>6</sup> As reported by the Area Agencies on Aging per Insite (Indiana In-Home Services Information System).

State Fiscal Year 2013	
Household Size	Number of Clients
1	2095
2	1140
3	269
4 or more	171

**Household Size of Clients - State Fiscal Year 2014**



State Fiscal Year 2014	
Race	Clients
Caucasian	2877
All Others	476
African-American	449
Not Specified	431
Multi-Racial	248 <sup>7,8</sup>



<sup>7</sup> As reported by the Area Agencies on Aging per Insite (Indiana In-Home Services Information System).

<sup>8</sup> Clients may elect to report more than one racial category.

<sup>9</sup> As reported by the Area Agencies on Aging per Insite (Indiana In-Home Services Information System).

<sup>10</sup> Clients may elect to report more than one racial category.

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

<b>Primary Diagnosis - State Fiscal Year 2013</b>		
<b>Diagnosis</b>	<b>Number</b>	<b>% of Total</b>
No Diagnosis Code	49	1.3%
Circulatory	841	22.9%
Nervous	659	17.9%
Alzheimers and Dementia-Related	411	11.2%
All Others	1,715	46.7%

<sup>11</sup>

<b>Secondary Diagnosis - State Fiscal Year 2013</b>		
<b>Diagnosis</b>	<b>Number</b>	<b>% of Total</b>
No Diagnosis Code	379	10.3%
Circulatory	854	23.2%
Nervous	333	9.1%
Alzheimers and Dementia-Related	119	3.2%
All Others	1,990	54.1%

<sup>12</sup>

<b>Tertiary Diagnosis - State Fiscal Year 2013</b>		
<b>Diagnosis</b>	<b>Number</b>	<b>% of Total</b>
No Diagnosis Code	991	27.0%
Circulatory	661	18.0%
Nervous	258	7.0%
Alzheimers and Dementia-Related	84	2.3%
All Others	1,681	45.7%

<sup>13</sup>

<sup>11</sup> As reported by the Area Agencies on Aging per Insite (Indiana In-Home Services Information System).

<sup>12</sup> As reported by the Area Agencies on Aging per Insite (Indiana In-Home Services Information System).

<sup>13</sup> 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 Programs  
IC 12-10-10-11(a)(5)**

State Fiscal Year 2014	CHOICE	Older Americans Act - Title III	Combined Home and Community- Based Waivers	Social Services Block Grant
Annual Expenditures	\$ 30,202,476	\$ 21,467,245	\$ 161,856,297	\$ 10,429,985 <sup>14</sup>

CHOICE State Fiscal Year 2013	Total	State	Federal
Average cost per client based on 2429 clients served per month			
Per Day	\$ 35	\$ 35	\$ -
Per Month	\$ 1,036	\$ 1,036	\$ -
Per Year	\$ 8,218	\$ 8,218	\$ -
<b>Nursing Facilities State Fiscal Year 2013</b>			
	Total	State	Federal
Average cost per client			
Per Day	\$ 144	\$ 47	\$ 96
Per Month	\$ 4,047	\$ 1,330	\$ 2,717
Per Year	\$ 48,527	\$ 15,961	\$ 32,602 <sup>15</sup>

**Client Care Outcomes**

**IC 12-10-10-11(a)(6)**

CHOICE provided community and home care services as an alternative to institutional care for 3,675 clients in SFY 2014. For SFY 2014, there were 432 CHOICE clients who were approved and confirmed to start the Aged and Disabled Waiver and 1 CHOICE client who was approved and confirmed to start the Traumatic Brain Injury Waiver, thus transferring from the CHOICE program to a Medicaid Waiver program.

<sup>14</sup> Waiver expenditures were obtained from the Office of Medicaid Policy and Planning. CHOICE, SSBG and Title III were taken from Division of Aging accounting.

<sup>15</sup> CHOICE average cost per day calculated as average monthly cost divided by 30. The yearly cost for CHOICE is not simply 12 times the monthly cost, because CHOICE clients were not necessarily in CHOICE for all 12 months of the fiscal year. The average nursing facility cost per month is the average cost per day multiplied by 28.3, which represents the average number of utilization days per month. The average cost per year is the average cost per month multiplied by 12 months per year. All nursing facility expenditures reflect incurred costs. Nursing facility data was obtained from Milliman.

## **Estimated Number of Applicants for Services from CHOICE with One ADL**

### **IC 12-10-10-11(a) (7) (A)<sup>16</sup>**

A determination of the estimated number of applicants for services from the community and home options to institutional care for the elderly and disabled program who have one (1) assessed activity of daily living (ADL) that cannot be performed.

CHOICE clients unable to perform 1 ADL: 75

## **Estimated Number of Applicants for Services from CHOICE with Two ADLs**

### **IC 12-10-10-11(a) (7) (B)<sup>17</sup>**

A determination of the estimated number of applicants for services from the community and home options to institutional care for the elderly and disabled program who have two (2) assessed activities of daily living (ADLs) that cannot be performed.

CHOICE clients unable to perform 2 ADLs: 1305

## **Estimated Number of Applicants for Services from CHOICE with Three or More ADLs**

### **IC 12-10-10-11(a) (7) (C)<sup>18</sup>**

A determination of the estimated number of applicants for services from the community and home options to institutional care for the elderly and disabled program who have three (3) or more assessed activities of daily living (ADLs) that cannot be performed.

CHOICE clients unable to perform 3 or more ADLs: 1592

CHOICE clients with severe medical conditions: 305

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<sup>16</sup> As reported by the Area Agencies on Aging per Insite (Indiana In-Home Services Information System).

<sup>17</sup> As reported by the Area Agencies on Aging per Insite (Indiana In-Home Services Information System).

<sup>18</sup> As reported by the Area Agencies on Aging per Insite (Indiana In-Home Services Information System).

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

IC 12-10-10-11(a) (7) (A) (B) (C)<sup>19</sup>

### Program Savings

The average cost per month for CHOICE services was \$3,011 lower than the average cost to maintain someone in an institution (\$1,036 CHOICE vs. \$4,047 nursing home). The State and Federal portions of the savings (by day, month, and year) are illustrated below.

	Daily	Monthly	Annual
A. Nursing Home	\$ 144	\$ 4,047	\$ 48,527
B. CHOICE	\$ 35	\$ 1,036	\$ 8,218
C. Savings (A-B)	\$ 109	\$ 3,011	\$ 40,309
D. State Share of Savings	\$ 13	\$ 368	\$ 4,416
E. Federal Share of Savings	\$ 96	\$ 2,643	\$ 35,893

### Client Access

In SFY 2014, CHOICE clients had access to an array of services, which include the following:

Adult Day Services	Homemaker
Transport – Adult Day Services	Home Health Aide
Specialized Medical Equipment	Home Health Supplies
Assisted Transportation	LPN
Attendant Care	Medication Setup
Bath Aide	Medication Time Reminders
Behavior Management	Occupational Therapy
Case Management	Other Needed Services
Environmental Modification	Physical Therapy
Family and Care Training	Respite
Foot Care	Resident Based Habilitation
Home Delivered Meals	Respite – Homemaker

<sup>19</sup> Savings may not be realized because a CHOICE client is not necessarily nursing facility eligible and may not be eligible financially for Medicaid.

Skilled Care, RN

Speech Therapy

Respite Nursing

Social Worker

RN

Transportation

Skilled Nursing

Wheelchair Transportation

**Costs of Other Funding Sources for Services and the Annual Costs Compared to CHOICE  
Annual Cost**

<b>State Fiscal Year 2014</b>	<b>Total</b>	<b>State</b>	<b>Federal</b>
Aged and Disabled Medicaid Waiver	\$ 156,709,238	\$ 51,751,682	\$ 104,957,556
Traumatic Brain Injury Medicaid Waiver	\$ 5,147,059	\$ 1,699,593	\$ 3,447,466
Social Services Block Grant	\$ 10,429,985	\$ 687,396	\$ 9,742,589
Older Americans Act - Title III	\$ 21,467,245	\$ 1,486,210	\$ 19,981,035
CHOICE	\$ 30,202,476	\$ 30,202,476	\$ -
<b>Total Expenditures</b>	<b>\$ 223,956,003</b>	<b>\$ 85,827,357</b>	<b>\$ 138,128,646</b>

## SFY 2014 CHOICE Annual Report - Addendum

### Clarification on CHOICE Expenditures:

Total Expenditure ( <i>this number was an estimate given that not all AAA claims had been submitted at that time</i> )	\$48,202,476
Match for Medicaid Waiver	\$18,000,000
Division of Aging Administration (includes the \$120,000 for Farmer's Market)	\$1,000,000
AAA Contracted CHOICE Services	\$26,273,451
AAA Contracted Enhanced ADRC Services	\$1,928,975
AAA Contracted Options Counseling/Medicaid Screening Services (match for OMPP)	\$1,000,050

### Clarification on Cost per Client:

CHOICE cost per client of \$1,035 per month was based on total CHOICE expenditures of \$30,202,476 (excludes the \$18,000,000 in waiver match).

If the calculation were based on AAA Contracted CHOICE Services alone, the monthly cost per client would be \$901. This would include CHOICE dollars the AAA uses for administrative expenses, case management (including waiver admin), and other items not related to CHOICE direct services.

If the calculation was based strictly on average monthly care plan cost, the figure would be around \$659 per client per month. This would include direct services only. Case management expenditures and administrative expenditures of the AAA would be excluded.

### Clarification on Persons Served:

CHOICE dollars serve or help to serve individuals other than those reported as persons served in this report.

Use	CHOICE Dollars SFY14	Estimated Persons Served SFY14*
Waiver match	\$18,000,000	3,884
Farmer's Market	\$120,000	19,352
Enhanced ADRC	\$1,928,975	2,299
Options Counseling/Medicaid Screenings	\$1,000,050	2,495
<b>Contracted CHOICE</b>	<b>\$26,273,451</b>	<b>3,675</b>

\* Please note that these are estimates of unduplicated persons per use (line). They may in fact be duplicated in the aggregate.