



Family and Social Services Administration

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

**Annual Report
State Fiscal Year 2009**

July 1, 2008 to June 30, 2009

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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 2009 (SFY09), which encompasses July 1, 2008 through June 30, 2009. In SFY09, CHOICE provided community and home care services as an alternative to institutional care for 9,225 Hoosiers. Total CHOICE expenditures for the fiscal year were \$46,915,624, which are exclusively state dollars. While the spectrum of CHOICE service recipients varies greatly, the average program participant was a Caucasian female, age eighty-five or greater, and the only member of her household. Additionally, she would have circulatory, nervous, and/or muscular impairments and be unable to perform three or more assessed activities of daily living, or ADLs.

The average cost per month for a CHOICE client was \$423.81 compared to the average cost per month of a client in a nursing facility of \$4,575.89. The average yearly cost for a CHOICE client was \$5,086, compared to the average yearly cost per month of a nursing facility client of \$54,911. The overall yearly savings is \$49,825, of which \$18,470 is the state's share and the remaining \$31,355 is the federal share.

Overall, State Fiscal Year 2009 figures illustrate that the CHOICE program continues to be a cost-effective way to provide needed services to Hoosiers.

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 2009 Federal Poverty Level for a one person household was \$10,830 and a two person household was \$14,570.

The data included in this Annual Report will illustrate that the CHOICE program continued to play an important and critical part in providing community and home care services to Hoosiers in State Fiscal Year 2009.

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 SFY09, which encompasses July 1, 2008 through June 30, 2009.

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

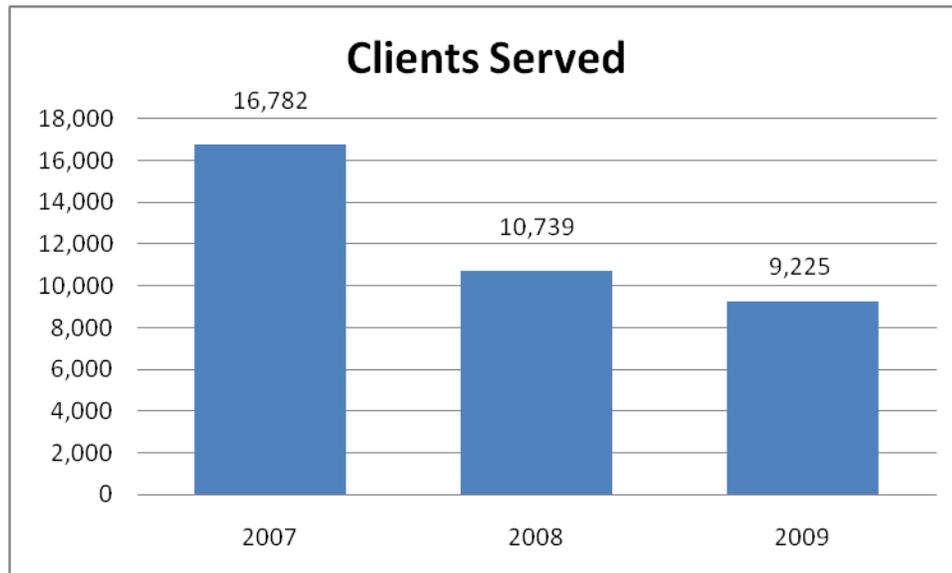
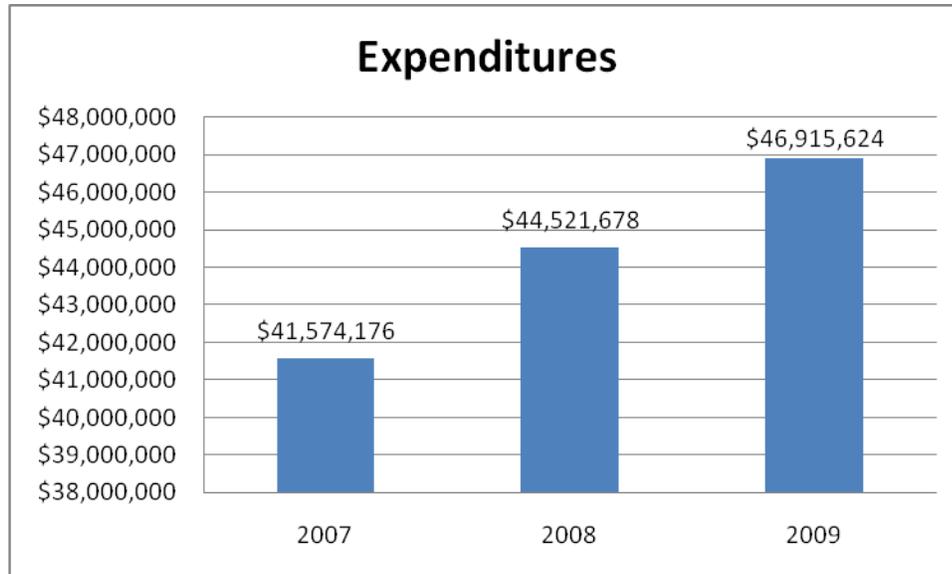
IC 12-10-10-11(a) (1)

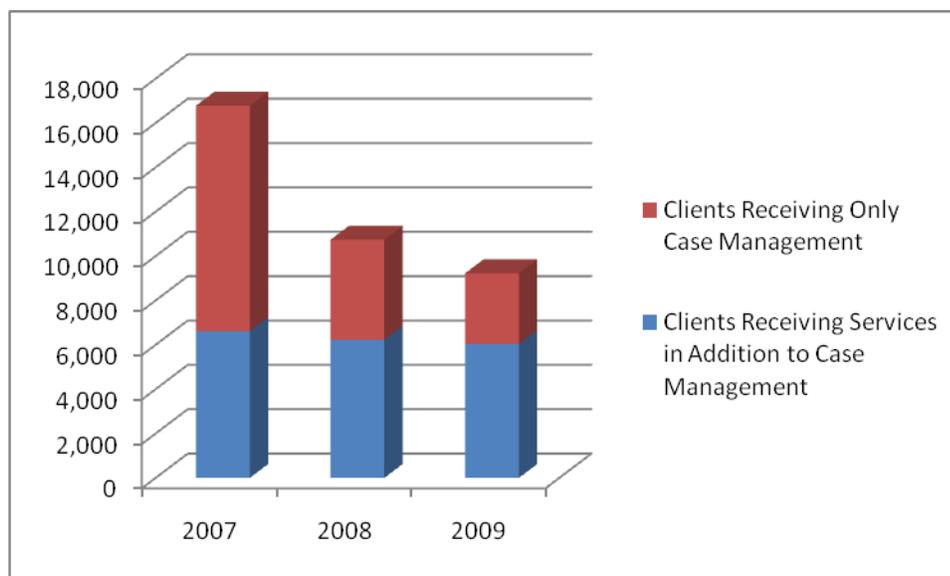
Total Expenditures (CHOICE, SSBG, Older Americans Act - Title III, Aged and Disabled Medicaid Waiver, and Traumatic Brain Injury Medicaid Waiver) for SFY09.

	Total	State	Federal	Total # Served¹
Aged and Disabled Medicaid Waiver ²	\$84,372,418	\$30,154,702	\$54,217,716	9,614
Traumatic Brain Injury Medicaid Waiver	\$3,758,140	\$1,343,159	\$2,414,981	151
Social Services Block Grant (SSBG) ³	\$9,543,358	\$687,396	\$8,855,962	13,733
Older Americans Act- Title III ⁴	\$23,801,182	\$265,020	\$23,536,162	14,845
<u>CHOICE⁵</u>	<u>\$46,915,624</u>	<u>\$46,915,624</u>	<u>\$0</u>	<u>9,225</u>
SFY09 Total Expenditures	<u>\$168,390,722</u>	<u>\$79,365,901</u>	<u>\$89,024,821</u>	<u>47,568</u>

Below is a comparison of the past three state fiscal year CHOICE expenditures and number of clients served in 2007, 2008, and 2009, respectively.

Year	Expenditures	Clients Served	Clients Receiving Only Case Management
2007	\$41,574,176	16,782	10,163
2008	\$44,521,678	10,739	4,508
2009	\$46,915,624	9,225	3,184





In 2007, the Division of Aging initiated a CHOICE Waitlist Clean-Up. Throughout this period, the Area Agencies on Aging reviewed their CHOICE Waitlist and removed people that were no longer in need of services or were able to transfer to the Aged and Disabled Medicaid Waiver. During this time, 9,326 people were removed from the CHOICE Waitlist.

With a decreased CHOICE waitlist and no Aged and Disabled Medicaid Waiver waitlist, clients have increased access to services. Area Agencies on Aging are better equipped to provide timely assessments of clients and this increased efficiency allows them to focus on providing needed services to clients. Clients now have more robust care plans to suit all of their needs whereas in the past they may have received services to meet only their critical needs. In financial terms, adding eight hours per month of homemaker services to one person’s plan of care will increase his cost by \$1152 per year. Additionally, the AAAs had the opportunity to increase CHOICE provider rates to match the Medicaid Waiver provider rate, which can be upwards of an 80 cent increase. All of these factors combine to increase expenditures while the number of clients served remains constant.

Use of CHOICE to Supplement the Funding of Services from Other Programs⁶
IC 12-10-10-11(a) (2)

Number of people who received at least 1 CHOICE service in one month while they were also Medicaid eligible:
4,555⁷ people

Number and Types of Providers⁸
IC 12-10-10-11(a) (3)

Total Number of CHOICE Providers:
1,905

Types of Participating CHOICE Providers:

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

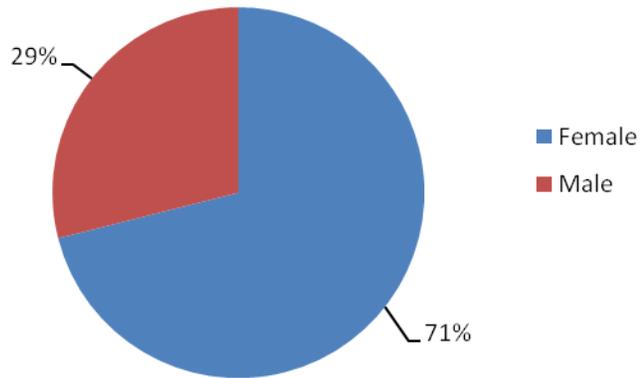
Demographic Characteristics⁹
IC 12-10-10-11(a) (4) (A)

Total clients:
9,225

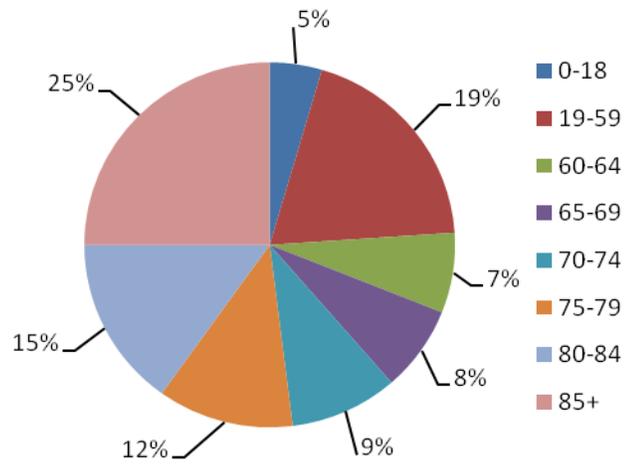
Age Range	Female	Male	Total
0-18	182	237	419
19-59	1,091	695	1,786
60-64	463	191	654
65-59	498	199	697
70-74	618	250	868
75-79	818	276	1,094
80-84	1,029	362	1,391
85+	1,848	457	2,305
TOTAL	6,547	2,667	9,214

Note: 11 clients did not report gender

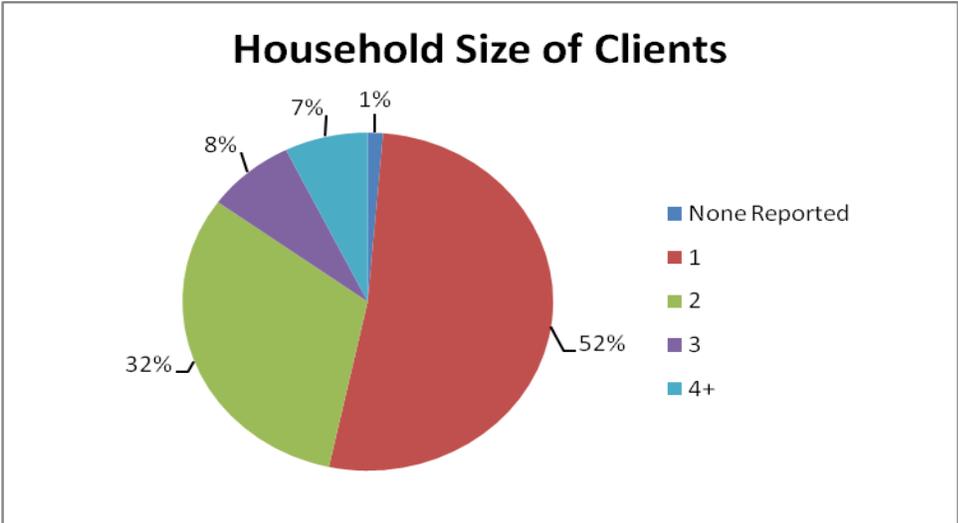
Gender of Clients



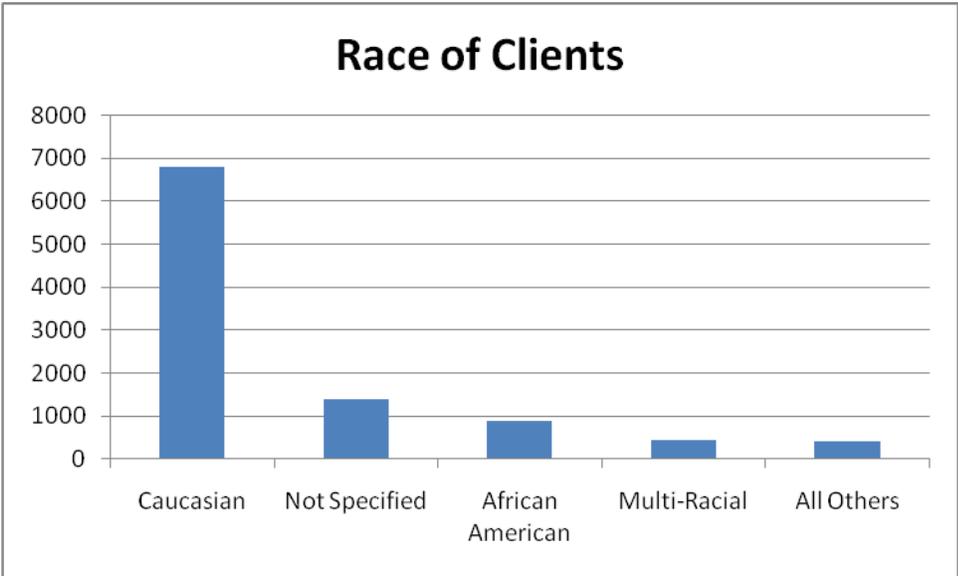
Age of Clients



Household Size	Number of Clients
Not reported	122
1	4,801
2	2,920
3	711
4 or more	671
Total	9,225



Race ¹⁰	Clients
Caucasian	6,805
Not Specified	1,402
African American	887
Multi-Racial	454
All Others ¹¹	419



Impairments and Medical Characteristics of CHOICE Clients¹²
IC 12-10-10-11(a) (4) (B)

Impairments and Medical Characteristics of CHOICE clients include:

Primary		
Diagnosis	Number	% of Total
1. Circulatory	1,970	21.36%
2. Nervous	1,801	19.52%
3. Muscular	1,228	13.31%
4. All Others ¹³	4,226	45.81%

Secondary		
Diagnosis	Number	% of Total
1. Circulatory	2,056	22.29%
2. No Diagnosis Code	1,657	17.96%
3. Muscular	1,386	15.02%
4. All Others ¹⁴	4,126	44.73%

Tertiary		
Diagnosis	Number	% of Total
1. No Diagnosis Code	3,179	34.46%
2. Circulatory	1,528	16.56%
3. Muscular	1,090	11.82%
4. All Others ¹⁵	3,428	37.16%

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

SFY09	CHOICE	Older Americans Act - Title III	Combined Home and Community-Based Waivers	Social Services Block Grant (SSBG)
Annual Expenditures¹⁶	\$46,915,624	\$23,801,182	\$88,130,557¹⁷	\$9,543,358

CHOICE¹⁸	Total	State	Federal
Average Cost			
Per Day	\$13.93	\$13.93	\$0.00
Per Month	\$423.81	\$423.81	\$0.00
Per Year	\$5,085.70	\$5,085.70	\$0.00
Nursing Facilities¹⁹	Total	State	Federal
Average Cost			
Per Day	\$150.44	\$56.13	\$94.31
Per Month	\$4,575.89	\$1,707.29	\$2,868.60
Per Year	\$54,910.68	\$20,487.48	\$34,423.20

*The average cost per month is the average cost per day multiplied by 30.4167, which represents the average number of days per month. The average cost per year is the average cost per month multiplied by 12 months per year.

**Client Care Outcomes²⁰
IC 12-10-10-11(a) (6)**

CHOICE provided community and home care services as an alternative to institutional care for 9,225 clients for SFY09.

For SFY09, there were 657 CHOICE clients who were approved and confirmed to start the Aged and Disabled Waiver, thus transferring from the CHOICE program to a Medicaid Waiver service.

**Estimated Number of Applicants for Services from CHOICE with One ADL²¹
IC 12-10-10-11(a) (7) (A)**

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: 169

*Clients receiving only Case Management services are included in this number.

Estimated Number of Applicants for Services from CHOICE with Two ADLs²²
IC 12-10-10-11(a) (7) (B)

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: 1,951 people

*Clients receiving only Case Management services are included in this number.

Estimated Number of Applicants for Services from CHOICE with Three or More ADLs²³
IC 12-10-10-11(a) (7) (C)

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: 5,466 people

CHOICE clients with care plans not yet finalized: 201 people

CHOICE clients with severe medical conditions: 1,034 people

*Clients receiving only Case Management services are included in these numbers.

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

Program savings

The average cost per month for CHOICE services was \$4,152 less than the average cost to maintain someone in an institution (\$424 vs. \$4,576). The breakdown of State versus Federal portion of the savings (by day, month, and year) is illustrated below. The calculation of the savings is based on the total savings (A-B).

	Daily Rate	Monthly Rate	Yearly Rate
A. Nursing Home	\$150	\$4,576	\$54,911
B. CHOICE	\$14	\$424	\$5,086
C. Savings (A - B)	\$136	\$4,152	\$49,825
D. State Share of Savings ²⁴	\$50	\$1,539	\$18,470
E. Federal Share of Savings ²⁵	\$86	\$2,613	\$31,355

Client access

In SFY09, CHOICE clients had access to an array of services. CHOICE services 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
Skilled Care, RN	Speech Therapy
Respite Nursing	Social Worker
RN	Transportation
Skilled Nursing	Wheelchair Transportation

Costs of Other Funding Sources for Services and their Annual Costs Compared to CHOICE Annual Cost.²⁶

Funding Source	Annual Cost - SFY09		
	Total	State	Federal
Aged and Disabled Medicaid Waiver	\$84,372,418	\$30,154,702	\$54,217,716
Traumatic Brain Injury Medicaid Waiver	\$3,758,140	\$1,343,159	\$2,414,981
Social Services Block Grant	\$9,543,358	\$687,396	\$8,855,962
Older Americans Act - Title III	\$23,801,182	\$265,020	\$23,536,162
CHOICE	\$46,915,624	\$46,915,624	\$0
Total	\$168,390,722	\$79,365,901	\$89,024,821

¹ INsite (Indiana In-Home Services Information System)

² A&D and TBI figures were taken from Milliman’s financials. State share calculated as \$ * 0.3707; Federal share calculated as \$ * 0.6293.

³ SSBG State dollars represents the state appropriation/share for this program. Annual Report Numbers. Division of Aging Accounting.

⁴ Title III Admin is 25% State and 75% Federal dollars. Title III-B Services is 100% Federal dollars. Annual Report Numbers. Division of Aging Accounting.

⁵ CHOICE is 100% State dollars.

Annual Report Numbers. Division of Aging Accounting.

⁶ INsite (Indiana In-Home Services Information System)

⁷ Clients matched from Choice against Indiana Medicaid data only.

⁸ INsite (Indiana In-Home Services Information System)

⁹ INsite (Indiana In-Home Services Information System)

¹⁰ As some clients reported being multi-racial, there is a possibility of duplication.

¹¹ The term “all others” includes: Alaska Native, American Indian, Asian, Asian Indian, Chamorro, Chinese, Cuban, Filipino, Guamanian, Hispanic, Japanese, Korean, Mexican, Mixed, Native Hawaiian, Other Pacific Islander, Other Asian, Other Hispanic, Other Race, Puerto Rican, Samoan, and Vietnamese.

¹² INsite (Indiana In-Home Services Information System)

¹³ Includes: Infections, Neoplasms, Endocrine, Blood Disorders, Mental, Respiratory, Digestive, Urinary, Pregnancy, Skin, Congenital, Perinatal, Other, No Diagnosis Code

¹⁴ Includes: Infections, Neoplasms, Endocrine, Blood Disorders, Mental, Nervous, Respiratory, Digestive, Urinary, Pregnancy, Skin, Congenital, Perinatal, Other

¹⁵ Includes: Infections, Neoplasms, Endocrine, Blood Disorders, Mental, Nervous, Respiratory, Digestive, Urinary, Pregnancy, Skin, Congenital, Perinatal, Other

¹⁶ Annual Report Numbers. Division of Aging Accounting.

¹⁷ Includes Aged and Disabled and Traumatic Brain Injury Medicaid Waivers

¹⁸ INsite (Indiana In-Home Services Information System)

¹⁹ Myers and Stauffer, LC. State share calculated as \$ * 0.3731; Federal share calculated as \$ * 0.6269.

²⁰ INsite (Indiana In-Home Services Information System)

²¹ INsite (Indiana In-Home Services Information System)

²² INsite (Indiana In-Home Services Information System)

²³ INsite (Indiana In-Home Services Information System)

²⁴ State share calculated as $C * 0.3707$

²⁵ Federal share calculated as $C * 0.6293$

²⁶ Annual Report Numbers. Division of Aging Accounting.