



Indiana

Family and Social Services Administration

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

Annual Report

State Fiscal Year 2023

in compliance with IC 12-10-10-11

July 1, 2022 – June 30, 2023

December 2023

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 2022 Federal Poverty Level for a one-person household is \$14,580 and for a two-person household is \$19,720.¹ 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 2023 (SFY 2023), which encompasses July 1, 2022 through June 30, 2023.

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 24, 2023.

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 2023	Total	State	Federal
Aged & Disabled Medicaid Waiver	\$ 1,076,606,596	\$ 367,984,135	\$ 708,622,461
Traumatic Brain Injury Waiver	\$ 7,561,244	\$ 2,584,433	\$ 4,976,811
Social Services Block Grant	\$ 9,781,434	\$ 687,396	\$ 9,094,038
Older Americans Act - Title III & NSIP	\$ 26,836,963	\$ 253,437	\$ 26,583,526
Older Hoosier (required Title III State Match)	\$ 1,573,446	\$ 1,573,446	\$ -
CHOICE	\$ 48,765,643	\$ 48,765,643	\$ -
SFY 2023 Total Allocations	\$ 1,171,125,326	\$ 421,848,490	\$ 749,276,836

Clarification on CHOICE Allocations for State Fiscal Year 2023	
Total Appropriation	\$ 48,765,643
Match for Medicaid Waiver	\$ (18,000,000)
Transfer to OMPP for Waiver Intake/Pre-Pas	\$ (3,750,000)
State Administration ³	\$ (2,715,643)
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: **3,389⁴**

² Waiver expenditures were obtained from June 2023 Milliman information. CHOICE, SSBG and Title III expenditures were taken from Division of Aging information.

³ State Administration includes \$1,357,303 in CHOICE dollars paid through Medicaid for CaMSS-related and other expenses.

⁴ 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: **1,077⁵**

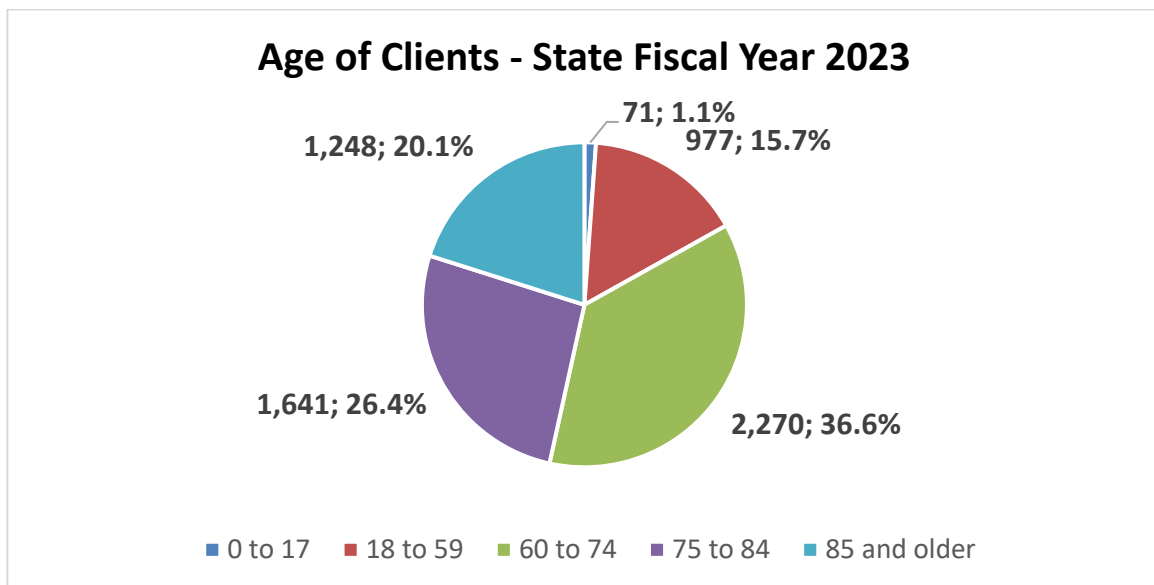
Types of Participating CHOICE Providers:

Adult Day Care Centers	Area Agencies on Aging	Cleaning Service Companies
Construction Companies	Faith-Based Social Service Agencies	Home Delivered Meal Providers
Home Health Agencies	Medical Equipment Companies	Mental Health Agencies
Pest Control Companies	Personal Service Agencies	Transportation Companies

Demographic Characteristics⁶

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

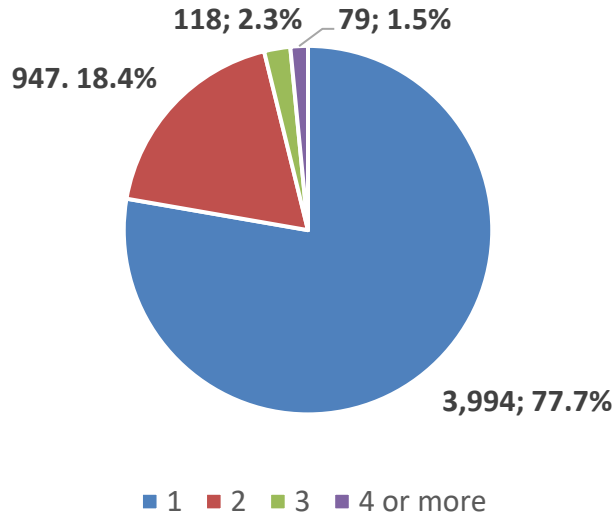
In SFY 2023, a total of 6,207 individuals were served with CHOICE funds.



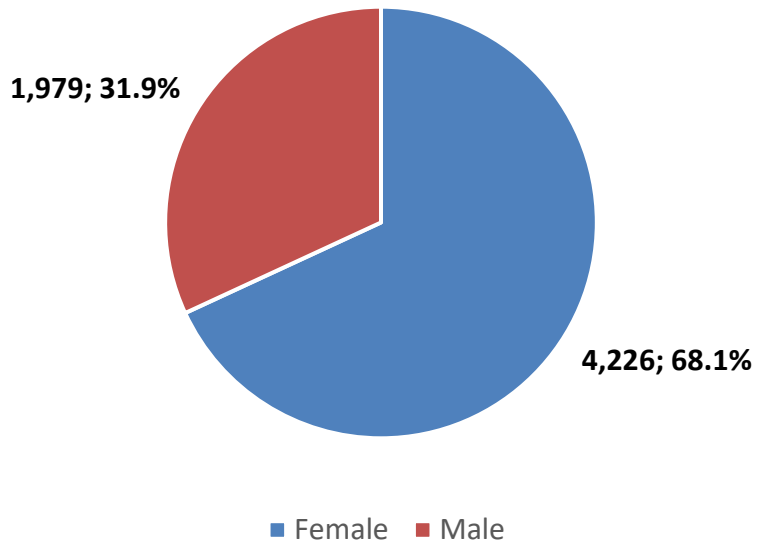
⁵ Reflects the total number of providers contracted to provide services and not only those selected by clients to deliver services.

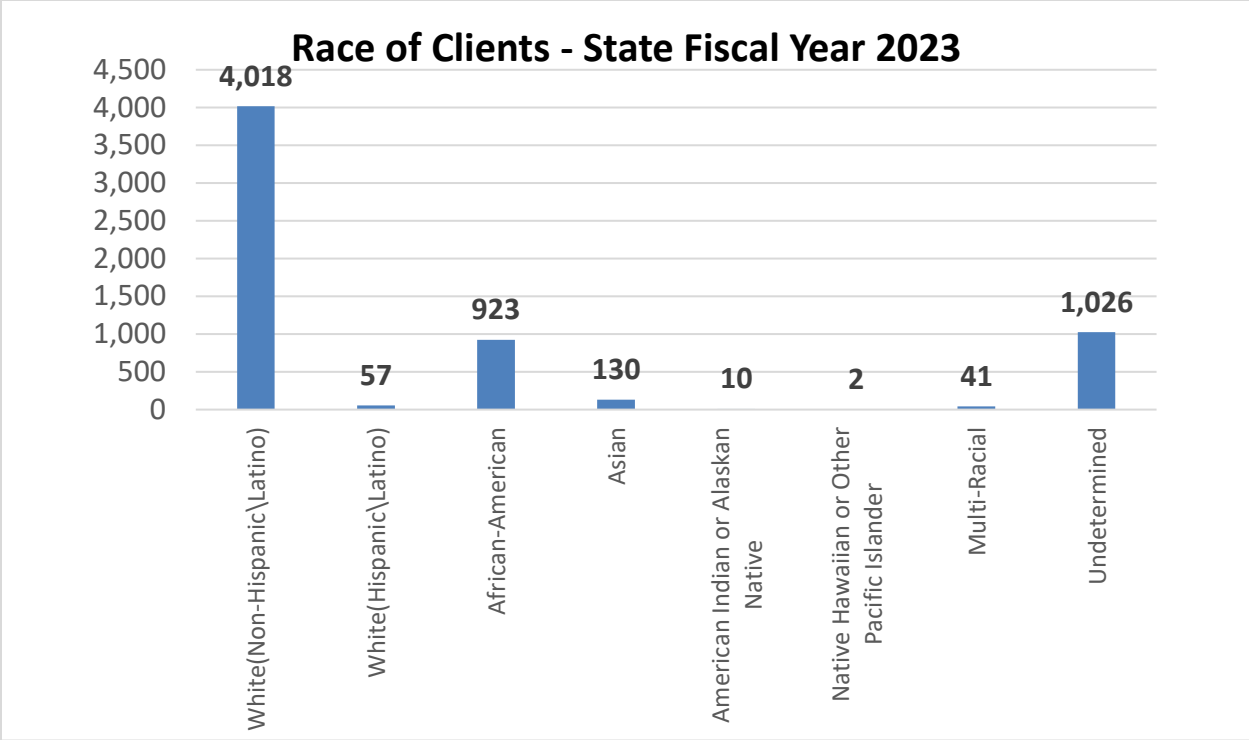
⁶ As reported by the Area Agencies on Aging per CaMSS (Care Management for Social Services system). Totals may not add up to total clients served due to missing data.

Household Size of Clients - State Fiscal Year 2023

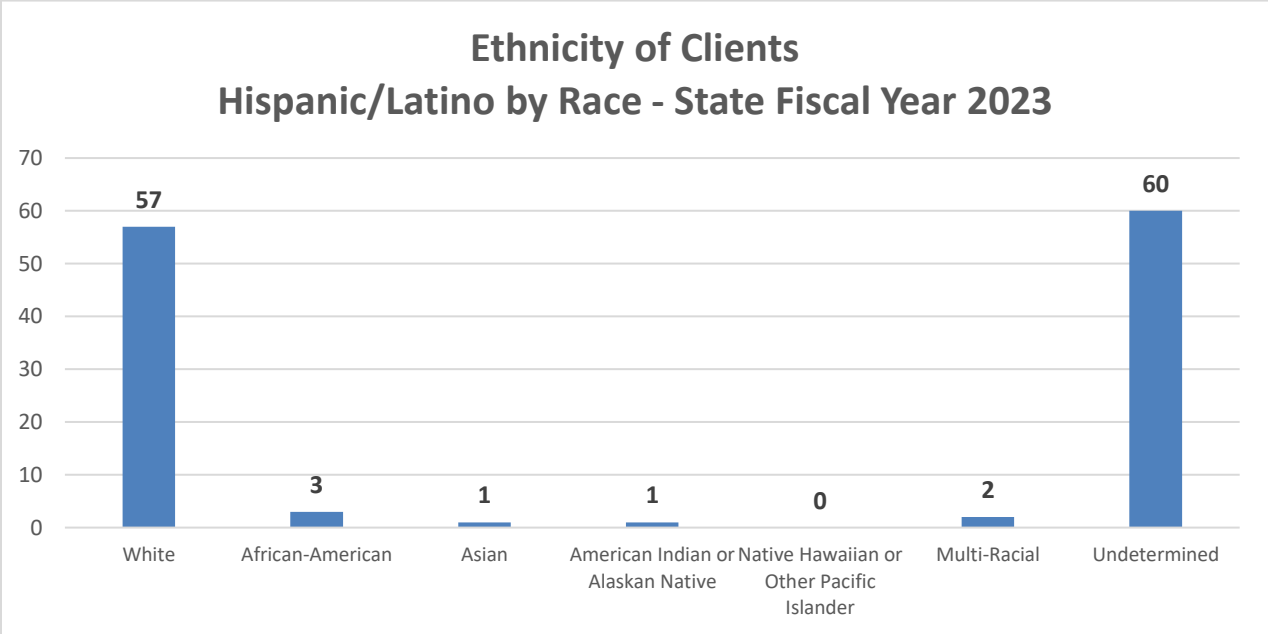


Gender of Clients - State Fiscal Year 2023





According to data from the 2020 Decennial Census,⁷ 77% of the Hoosier population (all ages) is White alone, 10.6% is Black or African American alone, and 2.5% is Asian alone. Of CHOICE participants with race available, 78.8% (4,247) were White, 17.7% (956) were African American, and 1.4% (75) were Asian.



⁷ U.S. Census Bureau. *2020 Census Redistricting Data (Public Law 94-171)*. [Dataset DECENNIALPL2020]. Retrieved from <https://data.census.gov/table?g=0400000US18&tid=DECENNIALPL2020.P1>.

Impairments and Medical Characteristics of CHOICE Clients⁸
IC 12-10-10-11(a)(4)(B)

Primary Diagnosis - State Fiscal Year 2023		
Diagnosis	Number	% of Total
Diseases of the Circulatory System	837	13.48%
Alzheimer's and Dementia Related	378	6.09%
Diseases of the Nervous System	324	5.22%
All Others	4,163	67.07%
No Diagnosis Code	505	8.14%

Secondary Diagnosis - State Fiscal Year 2023		
Diagnosis	Number	% of Total
Diseases of the Circulatory System	941	15.16%
Diseases of the Nervous System	941	15.16%
Alzheimer's and Dementia Related	113	1.82%
All Others	4,274	68.86%
No Diagnosis Code	674	10.86%

Tertiary Diagnosis - State Fiscal Year 2023		
Diagnosis	Number	% of Total
Diseases of the Circulatory System	822	13.24%
Diseases of the Nervous System	174	2.80%
Alzheimer's and Dementia Related	63	1.01%
All Others	4,112	66.25%
No Diagnosis Code	1,036	16.69%

⁸ 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 Programs⁹
IC 12-10-10-11(a)(5)

CHOICE State Fiscal Year 2023	Total	State	Federal
Average cost per participant based on 2,610 participants served per month, and an average utilization of 5.0 months			
Per Day	\$ 26	\$ 26	\$ 0
Per Month	\$ 776	\$ 776	\$ 0
Per Year	\$ 3,915	\$ 3,915	\$ 0
Nursing Facilities State Fiscal Year 2023			
	Total	State	Federal
Average Cost Per Participant			
Per Day	\$ 204	\$ 70	\$ 134
Per Month	\$ 6,124	\$ 2,093	\$ 4,031
Per Year	\$ 73,488	\$ 25,118	\$ 48,370

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

CHOICE provided community and home care services as an alternative to institutional care for 6,207 participants in SFY 2023, serving an average of 2,610 each month. In SFY 2023, there were 128 CHOICE participants who transitioned from receiving services through a CHOICE service plan to services on the Aged and Disabled Waiver and one (1) CHOICE participant who transitioned from a CHOICE-funded service plan to the Traumatic Brain Injury Waiver, thus transferring from the CHOICE program to a Medicaid Waiver program.

In SFY 2023, 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 | Nutritional Supplements |
| Attendant Care | Outreach |

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 do include AAA administrative and care management dollars as well.

Care Management
 Congregate Meals
 Durable Medical Equipment
 Environmental/Home Modification
 Handy Chore
 Home Delivered Meals
 Home and Community Assistance
 Home Health Aide
 Home Health Supplies

Pest Control
 Personal Emergency Response Systems
 Physical Therapy
 Respite
 Skilled Nursing
 Structured Family Caregiving
 Transportation
 Vehicle Modification

Estimated Number of Applicants for Services from CHOICE with Given Activity of Daily Living (ADL) Impairment Counts¹⁰

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
246	281	489	1,616
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
124	324	921	1,960
All CHOICE			
Impairment in 0 ADLs	Impairment in 1 ADL	Impairment in 2 ADLs	Impairment in 3 or more ADLs
370	605	1,410	3,576

¹⁰ As reported by the Area Agencies on Aging per CaMSS (Care Management for Social Services system). Categories do not add up to 6,207 total participants due to missing ADL counts.

Estimated Effect on Program Funding, Program Savings, Client Care Outcomes, and Comparative Costs¹¹
IC 12-10-10-11(a)(7)(A-C)

The average cost per day for CHOICE services (excluding care management only recipients) was \$171 lower than the average cost to support someone in an institution (\$33 CHOICE versus \$204 nursing facility). The State and Federal portions of the savings (by day, month, and year) are illustrated below.

State Fiscal Year 2023	Daily	Monthly	Annual
A. Nursing Facility	\$ 204	\$ 6,124	\$ 73,488
B. CHOICE	\$ 33	\$ 998	\$ 6,727
C. Savings (A-B)	\$ 171	\$ 5,126	\$ 66,761
D. State Share of Savings (34.18%)	\$ 58	\$ 1,752	\$ 22,819
E. Federal Share of Savings (65.82%)	\$ 112	\$ 3,374	\$ 43,942

For further comparison, the Medicaid Waiver costs per enrollee per month¹² in SFY 2023 were as follows:

- Aged and Disabled Medicaid Waiver: \$2,499
- Traumatic Brain Injury Medicaid Waiver: \$3,916

¹¹ 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.

¹² Waiver data calculated using June 2023 Milliman information.

Summary

The number of participants in the CHOICE program remained relatively steady from SFY 22 to SFY 23, with only a very small 1.9% decrease in overall clients served (6,207 in SFY 2023 vs. 6,324 in SFY 2022). The number of individuals receiving only care management decreased 1.22% (2,845 in SFY 23 vs. 2,880 in SFY 22) and those receiving other services plus care management decreased 2.38% (3,362 in SFY 23 vs. 3,444 in SFY 22). Despite these small decreases, the months of utilization increased. Months of utilization reflects the number of months individuals received at least one CHOICE service. Months of utilization for Individuals receiving care management plus other services increased 11.7%. The increase demonstrates longer participation in the CHOICE program in SFY 23 compared to SFY 22.

A breakdown of costs for participants receiving care management only compared to those receiving additional services is included below. The average annual cost per participant increased, reflecting the increased months of utilization.

All Participants					
	Participants	Utilization (months) ¹³	Contracted Grant Total	Monthly cost/participant	Annual cost/participant
SFY 22	6,324	4.4	\$ 22,939,941	\$ 823	\$ 3,627
SFY 23	6,207	5.0	\$ 24,300,000	\$ 776	\$ 3,915
Participants Receiving Care Management Only					
	Participants	Utilization (months)	Amount	Monthly cost/participant	Annual cost/participant
SFY 22	2,880	2.6	\$ 1,222,186	\$ 161	\$ 424
SFY 23	2,845	3.0	\$ 1,682,575	\$ 194	\$ 591
Participants Receiving Care Management and Other Services					
	Participants	Utilization (months)	Amount	Monthly cost/participant	Annual cost/participant
SFY 22	3,444	5.9	\$ 21,717,755	\$ 1,070	\$ 6,306
SFY 23	3,362	6.7	\$ 22,617,425	\$ 998	\$ 6,727

CHOICE Wait Lists

The COVID-19 pandemic led to reductions in CHOICE funding and wait list growth in SFY 2020 and SFY 2021. In the third quarter of SFY 2022, the Division of Aging was able to allocate additional funding to the AAAs, restoring funding to nearly pre-pandemic levels. At the same time, DA staff worked with AAAs to review and clean up the wait lists. This contributed to a 39.9% reduction in the statewide waitlist

¹³ Average number of months out of twelve that participants actively received at least one CHOICE service.

from SFY 2021 to SFY 2022. In SFY 2023, funding was restored to the pre-pandemic levels and the overall wait list decreased an additional 12%.

CHOICE Wait List Counts			
AAA	6/30/2021	6/30/2022	6/30/2023
01	1	0	1
02	97	5	17
03	238	59	132
04	189	153	109
05	53	45	28
06	383	341	245
07	79	3	231
08	583	321	96
09	60	32	16
10	204	172	155
11	20	0	0
12	1	1	0
13	129	107	96
14	13	3	0
15	171	93	51
16	3	2	0
TOTAL	2,224	1,337	1,177

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