



2020 CHOICE Report

CHOICE Board

November 19, 2020

CHOICE Report Review Process



IC 12-10-10-11:

(b) After receiving the report described in subsection (a), the 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.*

CHOICE Report Requirements



IC 12-10-10-11 Reporting requirement; contents; submission to board and general assembly; funding

Sec. 11. (a) 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 and home options to institutional care for the elderly and disabled program and other long term care home and community-based programs (HCBS):**

- (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.

CHOICE Report Requirements Cont'd



IC 12-10-10-11 Reporting requirement; contents; submission to board and general assembly; funding

(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 program 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.

CHOICE Report Introduction



- History of the CHOICE Program
- Purpose: CHOICE funding for HCBS is used after all other possible payment sources have been identified and all reasonable efforts have been employed to utilize those sources.
 - No income restrictions on eligibility
 - Cost share exists for anyone above 150% of Federal Poverty Level
 - 350% of Federal Poverty Level and above have cost share equal to 100%
 - Asset threshold

Amount and Source of Local, State and Federal Dollars Spent 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	\$0
SFY 2020 Total Allocations	\$523,838,642	\$196,952,306	\$326,886,336

Amount and Source of Local, State and Federal Dollars Spent

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



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

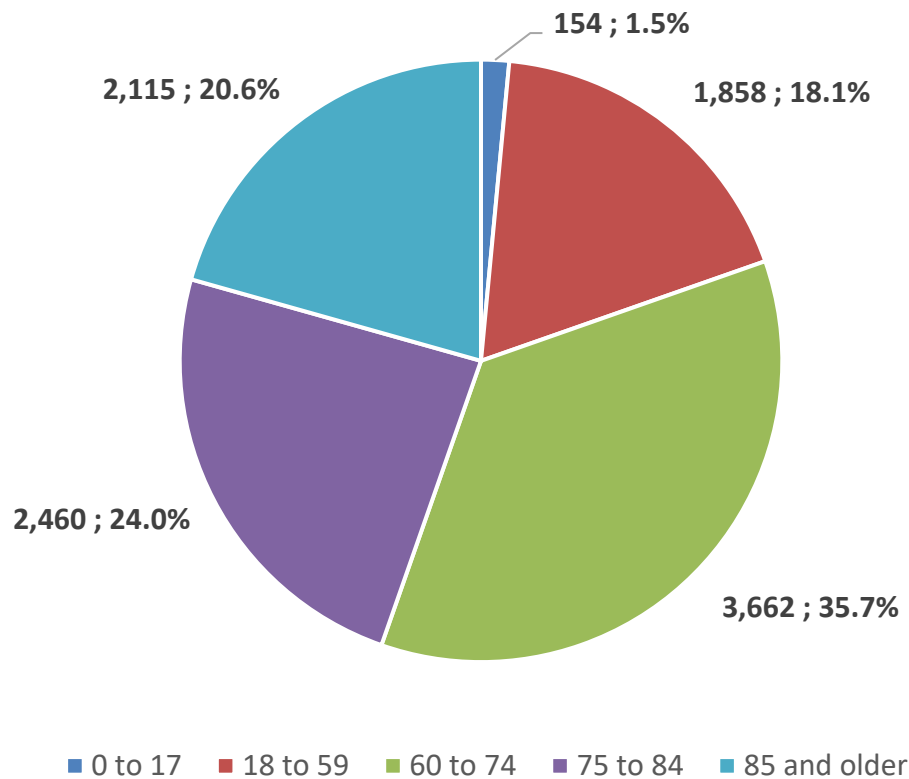
Demographic Characteristics

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

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



Age of Clients - State Fiscal Year 2020



Demographic Characteristics Cont'd



- 75% of CHOICE participants live alone
- 68% of CHOICE participants are female
- 64% are White
- 21% are African American
- 1% are undetermined

Impairments and Medical Characteristics

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%

Comparison of Costs for All Publicly Funded Long-Term Care Programs

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
- 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.

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:
7,273
- 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).

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

Number and Types of Providers

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



- Total Number of CHOICE Providers: 931

Types of Participating CHOICE Providers	
Adult Day Centers	Area Agencies on Aging
Cleaning Services	Construction Companies
Faith Based Social Services	Home Delivered Meals
Legal Services Organizations	Home Health Agencies
Medical Equipment Companies	Mental Health Services
Personal Services	Transportation



Client Care Outcomes

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

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
Congregate Meals	Personal Emergency Response Systems
Durable Medical Equipment	Physical Therapy
Environmental Modification	Respite
Handy Chore	Skilled Nursing
Home Delivered Meals	Clinical Therapeutic Services
Homemaker	Transportation
Home Health Aide	Vehicle Modification

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

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

Medicaid Waiver costs per enrollee per month in SFY 2020:

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

COVID 19 Impact on CHOICE



- 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
 - \$15,536,426 in Older Americans Act funds for nutrition services, in-home and community support services, and caregiver funding through the CARES Act.
- 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 in supporting virtual communications and services, and expansion of meal programs for older adults and caregivers.

COVID 19 Impact on CHOICE Cont'd



- CHOICE is the funding of last resort. Cares Act and Families First Coronavirus Response Act federal funds must be 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).

CHOICE costs for participants receiving care management only vs those receiving additional services



All Participants					
	Participants	Utilization (months)	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

COVID 19 Impact on CHOICE Cont'd



- Total funding allocated to the AAAs in their SFY 2020 CHOICE grants was 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.

Next Steps



- Division of Aging will update the Report with Board feedback and return to Board Chair for review and approval.
- The 2020 CHOICE Report will be provided to the General Assembly after November 15 and before December 31, 2020.

Transition to SFY 21 CHOICE Funding Discussion



- The Division of Aging made an 18% reduction to granted SFY21 CHOICE funds to comply with State Budget Agency's request for FSSA to meet a 15% budget reduction.
- An important factor that weighed heavily in the decision to implement this funding reduction is the federal allocation of CARES Act and Families First Coronavirus Response Act dollars. Indiana's awarded \$18,828,857.35 must be used before other state and federal funding to provide services by AAAs through September 30, 2021.



Area	Name	SFY 21 Original Allocation	Reduction	New Allocation	% of Reduction
1	Northwest Indiana	\$2,514,771.65	\$463,504.70	\$2,051,266.95	18.4%
2	Real Services	\$2,410,511.73	\$444,288.26	\$1,966,223.47	18.4%
3	Aging & In-Home Services	\$2,254,359.53	\$415,507.41	\$1,838,852.13	18.4%
4	Area IV	\$1,046,559.74	\$192,894.40	\$853,665.34	18.4%
5	Area Five	\$1,024,457.06	\$188,820.59	\$835,636.47	18.4%
6	LifeStream	\$1,864,662.42	\$343,681.23	\$1,520,981.19	18.4%
7	West Central Indiana	\$906,569.34	\$167,092.37	\$739,476.97	18.4%
8	CICOA	\$5,286,171.09	\$974,309.20	\$4,311,861.89	18.4%
9	LifeStream	\$822,730.52	\$151,639.80	\$671,090.72	18.4%
10	Area 10	\$647,531.08	\$119,348.29	\$528,182.79	18.4%
11	Aging & Community Services	\$858,363.50	\$158,207.41	\$700,156.08	18.4%
12	LifeTime	\$663,579.53	\$122,306.23	\$541,273.30	18.4%
13	Vincennes University	\$838,245.63	\$154,499.43	\$683,746.20	18.4%
14	Lifespan	\$1,089,733.13	\$200,851.81	\$888,881.32	18.4%
15	Hoosier Uplands	\$674,383.87	\$124,297.61	\$550,086.26	18.4%
16	Southwestern Indiana	\$1,397,370.18	\$257,553.27	\$1,139,816.92	18.4%
	Total	\$24,300,000	\$ 4,478,802	\$ 19,821,198	18.4%

SFY 21 CHOICE Funding Discussion Cont'd



- A few additional factors in this decision include:
- Over the past three state fiscal years, approximately \$1.67M CHOICE funds allocated to AAAs in contracts went unspent each year. This includes \$1.2 million unspent in SFY 2020, even after the AAA allocations were reduced by \$1 million from the previous two years.
- In SFY 2020, 63% of CHOICE participants received care management only indicating less than half of all participants receive other services like attendant care or a home modification.
- FFY 20 Title III funds have a remaining balance of \$11.3M.

SFY 21 CHOICE Funding Discussion Cont'd



- We are still working on compiling all of the data, but at least \$1.3M meals have been served since late March. This is a combination of home delivered meals, grab n go meals in place of congregate dining, and shelf stable meals. This is approximately a 50% increase over the first half of the FFY.
- According to data reported by the AAAs, (keep in mind not yet final FFY data), using FFCRA and CARES funds, over 500 older adults received assistance with the pick-up or delivery of groceries or other supplies and over 7000 older adults received were contacted for socialization or check-ins.

SFY 22-23 CHOICE Funding



- Our budget submission for the next biennial budget (SFY 22 and 23) includes a similar reduction that was required for SFY21.
- The reduction is \$4,850,903 for SFY 2022 and \$4,525,450 for SFY 2023. These amounts are similar to the SFY 2021 reduction, which was \$4,535,759. These reductions are part of the State's overall cost savings measures due to the reduction in revenue resulting from COVID-19.



Questions

Thank you