



Indiana
Family and Social Services Administration

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

Annual Report
State Fiscal Year 2024
in compliance with IC 12-10-10-11

July 1, 2023 – June 30, 2024
December 2024

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 2024 Federal Poverty Level for a one-person household is \$15,060 and for a two-person household is \$20,440.¹ 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 2024 (SFY 2024), which encompasses July 1, 2023 through June 30, 2024.

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 September 4, 2024.

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 2024	Total	State	Federal
Aged & Disabled Medicaid Waiver	\$ 2,235,437,448	\$ 768,319,851	\$ 1,467,117,597
Traumatic Brain Injury Waiver	\$ 12,619,357	\$ 4,337,273	\$ 8,282,084
Social Services Block Grant	\$ 9,094,038	\$ -	\$ 9,094,038
Older Americans Act - Title III & NSIP	\$ 29,308,965	\$ 253,437	\$ 29,055,528
Older Hoosier (required Title III State Match)	\$ 1,573,446	\$ 1,573,446	\$ -
CHOICE	\$ 48,765,643	\$ 48,765,643	\$ -
SFY 2024 Total Allocations	\$ 2,336,798,897	\$ 823,249,650	\$ 1,513,549,247

Clarification on CHOICE Allocations for State Fiscal Year 2024 ³	
Total Appropriation	\$ 48,765,643
Match for Medicaid Waiver	\$ (12,500,000)
Transfer to OMPP for Waiver Intake/Pre-Pas	\$ (3,750,000)
State Administration ⁴	\$ (3,131,753)
AAA Contracted CHOICE Services	\$ 29,300,000

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: **3,439⁵**

² Waiver expenditures were obtained from FSSA Medicaid information. CHOICE, SSBG and Title III expenditures were taken from Division of Aging information.

³ Clarification does not reflect small amount of unobligated funding.

⁴ State Administration includes \$2,179,279 in CHOICE dollars paid through Medicaid for CaMSS-related and other expenses.

⁵ 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: **1,407⁶**

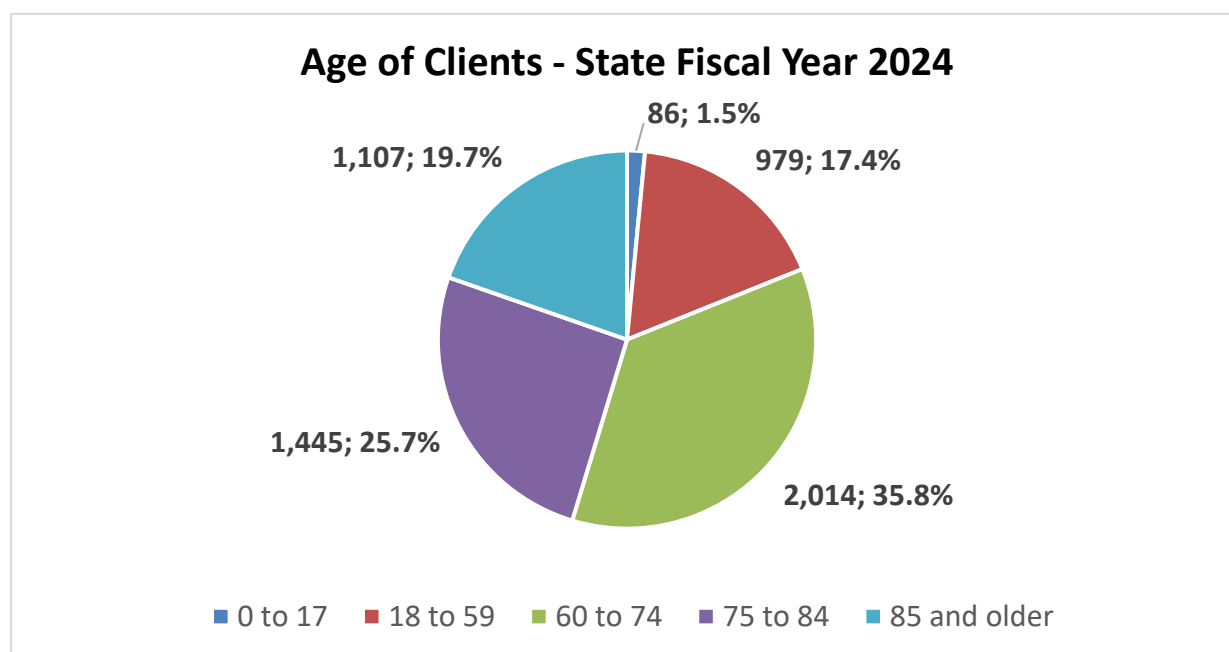
Types of Participating CHOICE Providers:

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 Characteristics⁷

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

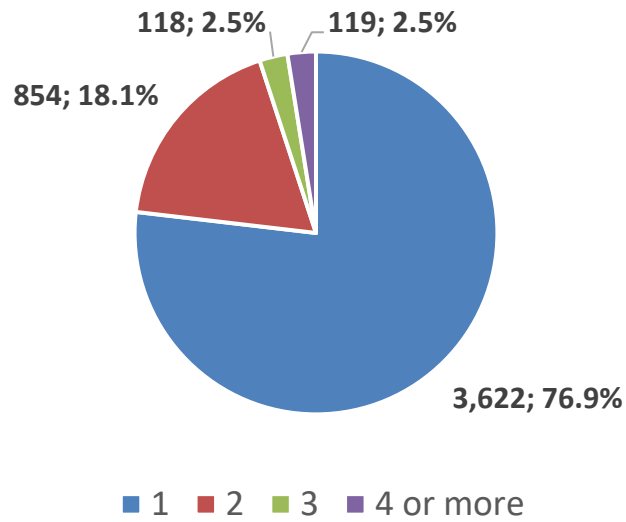
In SFY 2024, a total of 5,631 individuals were served with CHOICE funds.



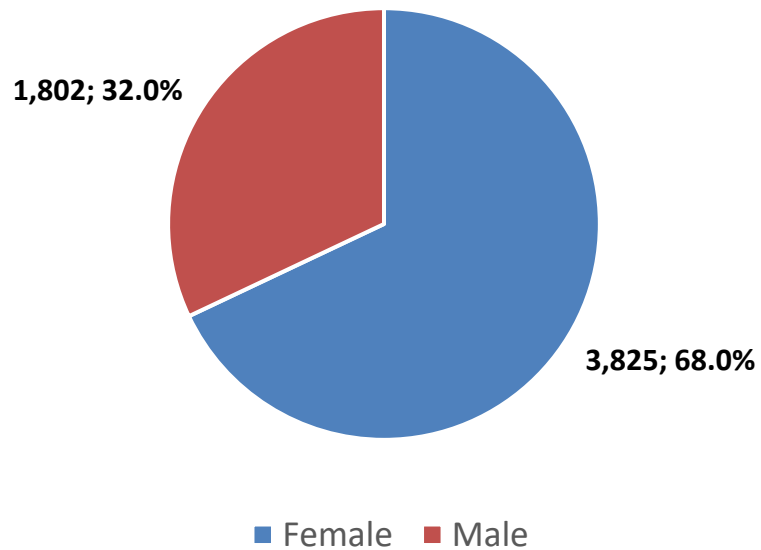
⁶ Reflects the total number of providers contracted to provide services and not only those selected by clients to deliver services.

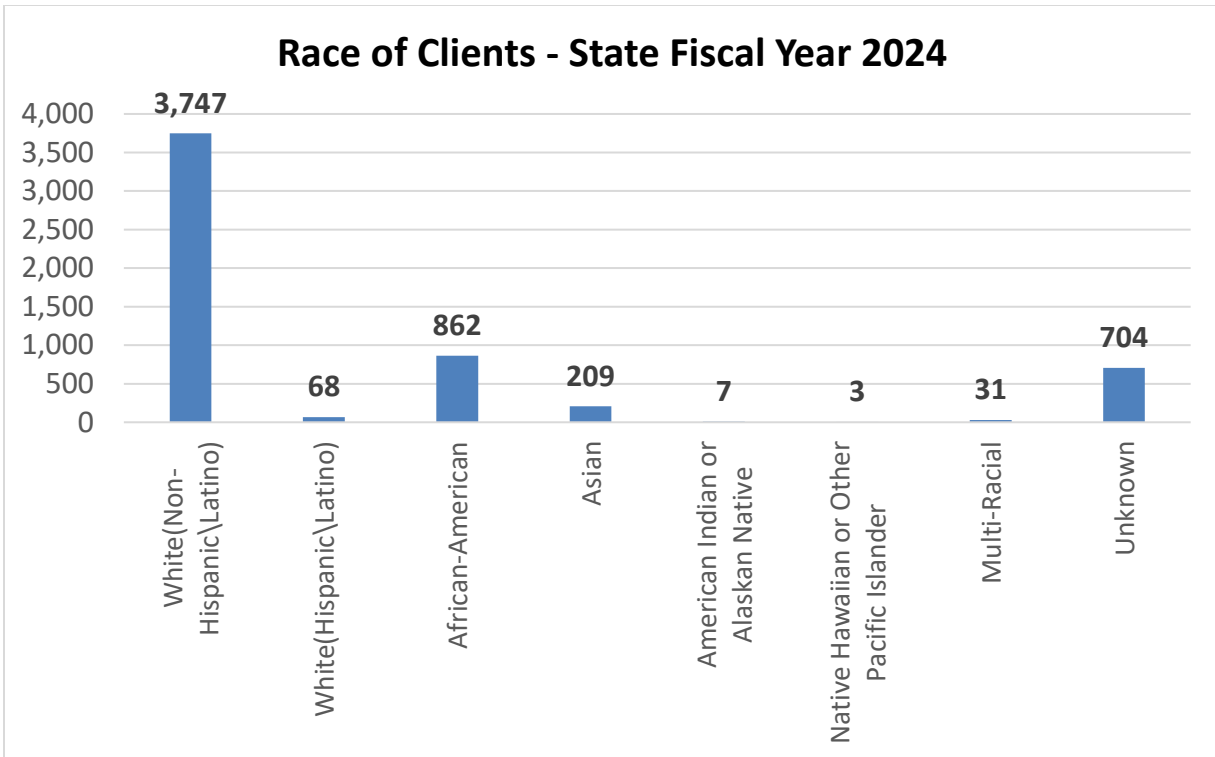
⁷ As reported by the Area Agencies on Aging per CaMSS (Care Management for Social Services system). Totals may not add up to total clients served due to missing data.

Household Size of Clients- State Fiscal Year 2024

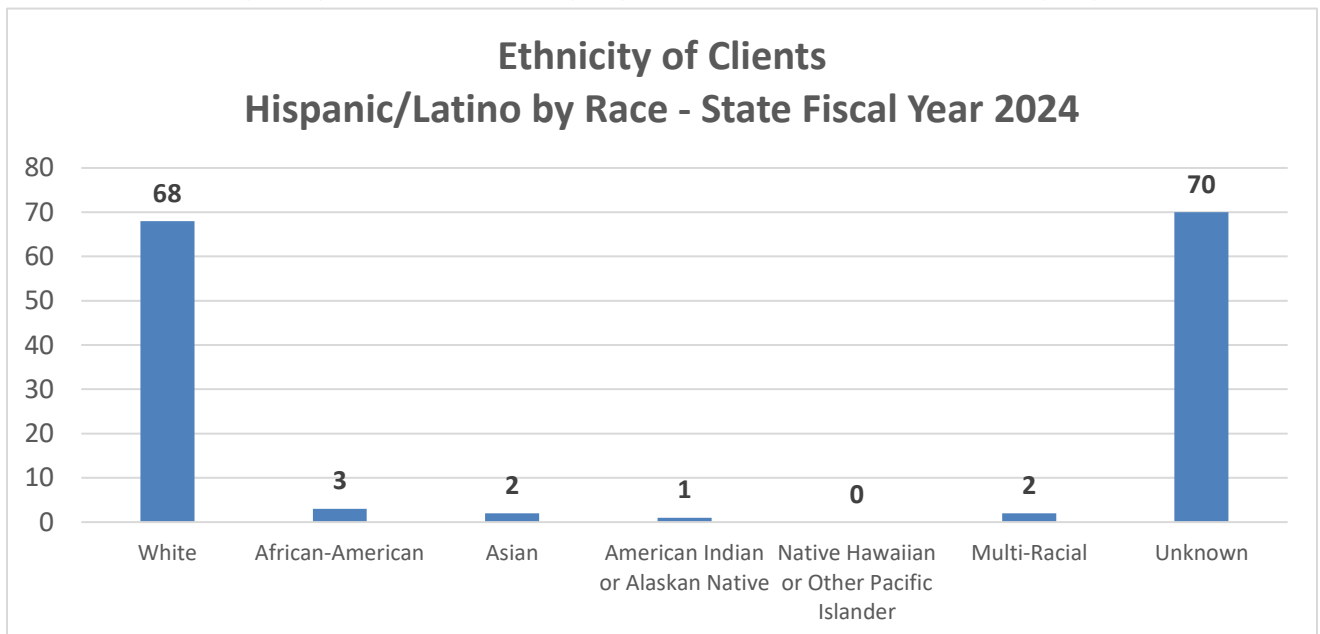


Gender of Clients - State Fiscal Year 2024





According to data from the 2020 Decennial Census,⁸ 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, 76% (3,747) were White, 17.5% (862) were African American, and 4.2% (209) were Asian.



⁸ 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 Clients⁹

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

Primary Diagnosis - State Fiscal Year 2024		
Diagnosis	Number	% of Total
Diseases of the Circulatory System	868	15.41%
Diseases of the Nervous System	309	5.49%
Alzheimer's and Dementia Related	267	4.74%
All Others	3,864	68.62%
No Diagnosis Code	323	5.74%

Secondary Diagnosis - State Fiscal Year 2024		
Diagnosis	Number	% of Total
Diseases of the Circulatory System	875	15.54%
Diseases of the Nervous System	196	3.48%
Alzheimer's and Dementia Related	62	1.10%
All Others	4,004	71.11%
No Diagnosis Code	494	8.77%

Tertiary Diagnosis - State Fiscal Year 2024		
Diagnosis	Number	% of Total
Diseases of the Circulatory System	757	13.44%
Diseases of the Nervous System	171	3.04%
Alzheimer's and Dementia Related	46	0.82%
All Others	3,842	68.23%
No Diagnosis Code	815	14.47%

⁹ 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 Programs¹⁰

IC 12-10-10-11(a)(5)

CHOICE State Fiscal Year 2024	Total	State	Federal
Average cost per participant based on 2,468 participants served per month, and an average utilization of 5.3 months			
Per Day	\$ 33	\$ 33	\$ 0
Per Month	\$ 989	\$ 989	\$ 0
Per Year	\$ 5,203	\$ 5,203	\$ 0
Nursing Facilities State Fiscal Year 2024	Total	State	Federal
Average Cost Per Participant			
Per Day	\$ 229	\$ 79	\$ 150
Per Month	\$ 6,872	\$ 2,362	\$ 4,510
Per Year	\$ 82,459	\$ 28,343	\$ 54,121

Client Care Outcomes

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

CHOICE provided community and home care services as an alternative to institutional care for 5,631 participants in SFY 2024, serving an average of 2,468 each month. In SFY 2024, there were 68 CHOICE participants who transitioned from receiving services through a CHOICE service plan to services on the Aged and Disabled waiver, thus transferring from the CHOICE program to a Medicaid waiver program. No CHOICE participants transitioned from a CHOICE-funded service plan to the Traumatic Brain Injury waiver.

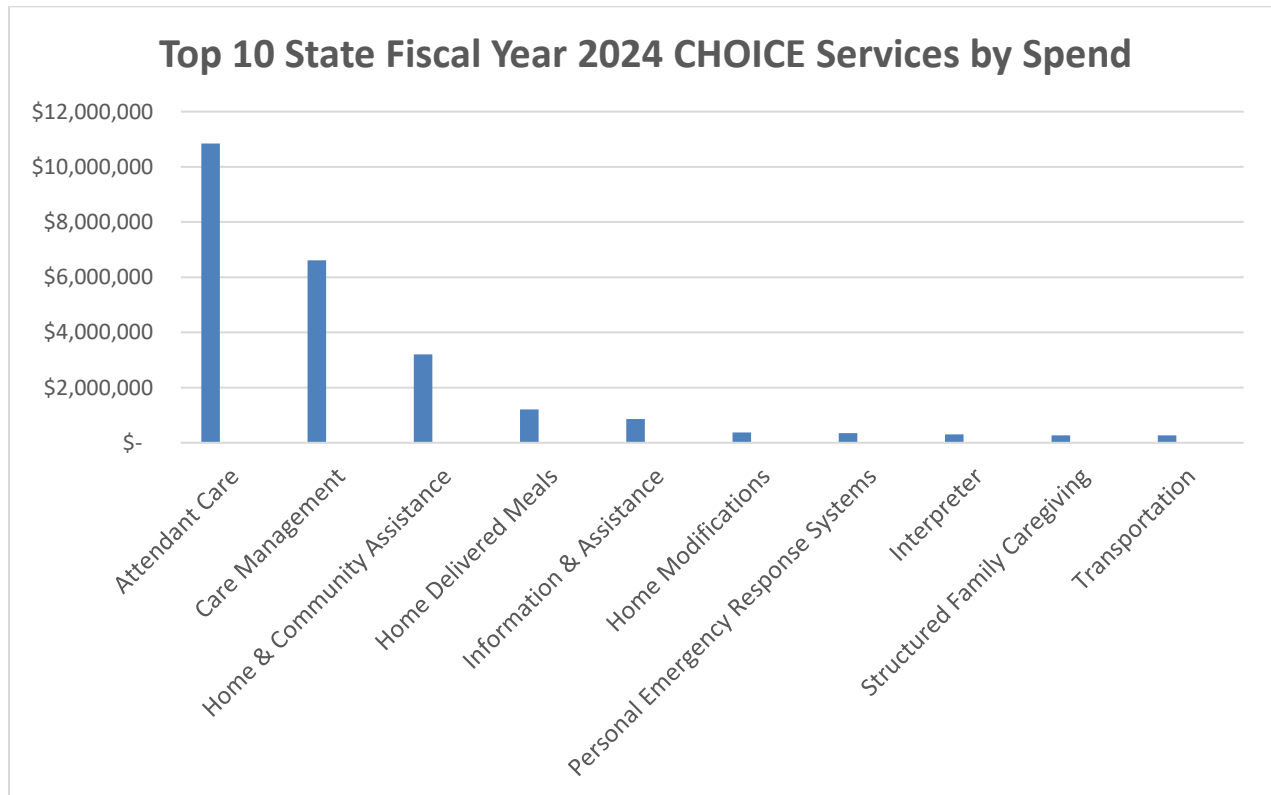
In SFY 2024, CHOICE participants accessed an array of services, which included the following:

Adult Day Services	Interpreter
Transportation – Adult Day Services	Medication Reminders
Attendant Care	Nutritional Supplements
Care Management	Outreach
Congregate Meals	Pest Control

¹⁰ 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.

Environmental/Home Modification
 Handy Chore
 Home Delivered Meals
 Home and Community Assistance
 Home Health Aide
 Home Health Supplies
 Information and Assistance

Personal Emergency Response Systems
 Respite
 Skilled Nursing
 Specialized Medical Equipment
 Structured Family Caregiving
 Transportation
 Vehicle Modification



Service	SFY 2024 Spend
Attendant Care	\$ 10,841,414
Care Management	\$ 6,618,803
Home & Community Assistance	\$ 3,202,068
Home Delivered Meals	\$ 1,212,839
Information & Assistance	\$ 856,480
Home Modifications	\$ 374,379
Personal Emergency Response Systems	\$ 355,398
Interpreter	\$ 300,297
Structured Family Caregiving	\$ 273,040
Transportation	\$ 272,384

Estimated Number of Applicants for Services from CHOICE with Given Activity of Daily Living (ADL) Impairment Counts¹¹

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
194	245	450	1,246
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
154	322	766	2,039
All CHOICE			
Impairment in 0 ADLs	Impairment in 1 ADL	Impairment in 2 ADLs	Impairment in 3 or more ADLs
348	567	1,216	3,285

Estimated Effect on Program Funding, Program Savings, Client Care Outcomes, and Comparative Costs¹²

IC 12-10-10-11(a)(7)(A-C)

The average cost per day for CHOICE services (excluding care management only recipients) was \$189 lower than the average cost to support someone in an institution (\$40 CHOICE versus \$229 nursing facility). The State and Federal portions of the savings (by day, month, and year) are illustrated below.

State Fiscal Year 2024	Daily	Monthly	Annual
A. Nursing Facility	\$ 229	\$ 6,872	\$ 82,454
B. CHOICE	\$ 40	\$ 1,201	\$ 8,491
C. Savings (A-B)	\$ 189	\$ 5,671	\$ 73,973
D. State Share of Savings (34.37%)	\$ 65	\$ 1,949	\$ 25,425
E. Federal Share of Savings (65.63%)	\$ 124	\$ 3,722	\$ 48,548

Savings may not be realized because a CHOICE participant is not necessarily nursing facility eligible or may not be eligible financially for Medicaid. Additionally, the CHOICE costs are based on average

¹¹ As reported by the Area Agencies on Aging per CaMSS (Care Management for Social Services system). Categories do not add up to 5,631 total participants due to missing ADL counts.

¹² 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.

days/months of service, so short-term services are reflected in lower annual utilization than if the individual was receiving services the entire year, while the nursing facility is for a full year.

For further comparison, the Medicaid Waiver costs per enrollee¹³ in SFY 2024 were as follows:

State Fiscal Year 2024	Daily	Monthly	Annual
A. Aged & Disabled Medicaid Waiver	\$ 148	\$ 4,428	\$ 53,136
B. CHOICE	\$ 40	\$ 1,201	\$ 8,491
C. Savings (A-B)	\$ 108	\$ 3,227	\$ 44,645
D. State Share of Savings (34.37%)	\$ 37	\$ 1,109	\$ 15,344
E. Federal Share of Savings (65.63%)	\$ 71	\$ 2,118	\$ 29,301

State Fiscal Year 2024	Daily	Monthly	Annual
A. Traumatic Brain Injury Medicaid Waiver	\$ 214	\$ 6,412	\$ 76,944
B. CHOICE	\$ 40	\$ 1,201	\$ 8,491
C. Savings (A-B)	\$ 174	\$ 5,211	\$ 68,453
D. State Share of Savings (34.37%)	\$ 60	\$ 1,791	\$ 23,527
E. Federal Share of Savings (65.63%)	\$ 114	\$ 3,420	\$ 44,926

As with nursing facilities as mentioned above, individuals receiving services through CHOICE may not meet the functional or financial eligibility requirements for either waiver; therefore, savings may not be realized. It should also be noted that the waiver costs only reflect the costs associated with Medicaid waiver long term care services and do not reflect the costs of all State Plan Medicaid services (e.g., medical care) received by these individuals through Medicaid. Therefore, the indication that the daily state cost for individuals on the Aged and Disabled Waiver costs the state slightly less per day (\$37) than those in the CHOICE program (\$40) is not completely accurate. Individuals in the CHOICE program on average have lower utilization of services over time than waiver participants, leading to savings over the longer term. In addition, a 2023 analysis of CHOICE data showed that individuals in the program with lower care needs (0-1 ADLs) stayed in the program longer than those with higher care needs, indicating a delay in the provision of higher, more costly care.

¹³ Waiver data calculated using FSSA Medicaid information.

Summary

The number of participants in the CHOICE program decreased 9.3% from SFY 2023 to SFY 2024, from 6,207 in SFY 2023 to 5,631 in SFY 2024. Most of this decrease is in the number of individuals receiving care management only, which decreased 17.4% (2,845 in SFY 2023 vs. 2,349 in SFY 2024). The number of individuals receiving other services plus care management remained relatively level, decreasing a slight 2.4% (3,362 in SFY 2023 vs. 3,282 in SFY 2024). Average months of utilization increased slightly from 6.7 in SFY 2023 to 7.1 in SFY 2024 for those receiving other services plus care management. Months of utilization reflects the number of months individuals received at least one CHOICE service. The increase demonstrates slightly longer participation in the CHOICE program in SFY 2024 compared to the prior year. This may be due, in part, to the introduction of the waiting list in April 2024 for the Aged and Disabled Medicaid waiver. Fewer individuals transitioned from CHOICE to the Aged and Disabled waiver this year (128 in SFY 2023 vs. 68 in SFY 2024). As individuals are invited from the waiting list beginning in SFY 2025, individuals transitioning from a CHOICE service plan to waiver will be given a priority status for the invitations to pursue the waiver.

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 receiving care management plus other services increased, reflecting the increased months of utilization, as well as service rate increases discussed below.

All Participants					
	Participants	Utilization (months) ¹⁴	Contracted Grant Total	Monthly cost/participant	Annual cost/participant
SFY 23	6,207	5.0	\$ 24,300,000	\$ 776	\$ 3,915
SFY 24	5,631	5.3	\$ 29,300,000	\$ 989	\$ 5,203
Participants Receiving Care Management Only					
	Participants	Utilization (months)	Amount	Monthly cost/participant	Annual cost/participant
SFY 23	2,845	3.0	\$ 1,682,575	\$ 194	\$ 591
SFY 24	2,349	2.7	\$ 1,432,107	\$ 223	\$ 610
Participants Receiving Care Management and Other Services					
	Participants	Utilization (months)	Amount	Monthly cost/participant	Annual cost/participant
SFY 23	3,362	6.7	\$ 22,617,425	\$ 998	\$ 6,727
SFY 24	3,282	7.1	\$ 27,867,893	\$ 1,201	\$ 8,491

¹⁴ Average number of months out of twelve that participants actively received at least one CHOICE service.

In SFY 2024, CHOICE service rates increased to align with increases in rates for home and community-based services approved by the Centers for Medicare and Medicaid Services for the Division of Aging's Aged and Disabled and Traumatic Brain Injury waivers. For example, the rate for Attendant Care increased over 47% and Home and Community Assistance's rate increased over 60%. To offset the increased costs, the Area Agencies on Aging received an additional \$5,000,000 in grant funding for SFY 2024. This was made possible due to House Enrolled Act No. 1001, effective July 1, 2023, which reduced the transfer from CHOICE to Medicaid from \$18,000,000 to \$12,500,000. Despite increased funding, waiting lists statewide increased 85.6% from SFY 2023 to SFY 2024. A breakdown by AAA is below:

CHOICE Waiting List Counts			
AAA	6/30/2022	6/30/2023	6/30/2024
01	0	1	4
02	5	17	41
03	59	132	299
04	153	109	125
05	45	28	162
06	341	245	378
07	3	231	229
08	321	96	359
09	32	16	30
10	172	155	251
11	0	0	17
12	1	0	1
13	107	96	136
14	3	0	0
15	93	51	145
16	2	0	7
TOTAL	1,337	1,177	2,184

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

Grant funding to the AAAs is distributed using a funding formula that considers population factors and past utilization of awarded grant funds (a "spend" factor). Mid-year, the Division of Aging amended the SFY 2024 grant agreements based on AAA projections of anticipated need, adding grant funds to 8 AAAs' awards and reducing 2 AAAs' awards. This effort aimed to direct resources to where needed most, reduce waiting lists, and minimize unspent CHOICE funding at year-end. After amending the awards, 12/16 AAAs spent all awarded funding. Four (4) AAAs ended the year with unspent funds, resulting in nearly \$2 million dollars remaining. A breakdown is below:

	SFY 2024				
AAA	Total Final Budget	Total Spend	Unspent Total	% Spent	% Unspent
01	\$ 1,966,782.39	\$ 1,698,873.36	\$ 267,909.03	86.38%	13.62%
02	\$ 2,727,121.07	\$ 2,727,121.07	\$ -	100.00%	0.00%
03	\$ 3,548,785.49	\$ 3,548,785.49	\$ -	100.00%	0.00%
04	\$ 1,581,859.85	\$ 903,496.65	\$ 678,363.20	57.12%	42.88%
05	\$ 1,313,639.61	\$ 1,313,639.61	\$ -	100.00%	0.00%
06	\$ 2,438,890.15	\$ 2,438,890.15	\$ -	100.00%	0.00%
07	\$ 669,961.99	\$ 669,961.99	\$ -	100.00%	0.00%
08	\$ 5,503,342.35	\$ 4,486,602.68	\$ 1,016,739.67	81.53%	18.47%
09	\$ 1,090,925.18	\$ 1,090,925.18	\$ -	100.00%	0.00%
10	\$ 856,660.02	\$ 856,660.02	\$ -	100.00%	0.00%
11	\$ 1,401,582.63	\$ 1,401,582.23	\$ 0.40	100.00%	0.00%
12	\$ 1,061,961.87	\$ 1,061,961.87	\$ -	100.00%	0.00%
13	\$ 1,281,275.45	\$ 1,247,480.11	\$ 33,795.34	97.36%	2.64%
14	\$ 1,466,149.73	\$ 1,466,149.73	\$ -	100.00%	0.00%
15	\$ 903,265.14	\$ 903,265.14	\$ -	100.00%	0.00%
16	\$ 1,487,797.08	\$ 1,487,797.08	\$ -	100.00%	0.00%
TOTAL	\$ 29,300,000.00	\$ 27,303,192.36	\$ 1,996,807.64	93.18%	6.82%