



Indiana

Family and Social Services Administration

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

Annual Report

State Fiscal Year 2022

in compliance with IC 12-10-10-11

July 1, 2021 – June 30, 2022

December 2022

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 \$13,590 and for a two-person household is \$18,310.¹ 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 2022 (SFY 2022), which encompasses July 1, 2021 through June 30, 2022.

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 23, 2022.

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 2022	Total	State	Federal
Aged & Disabled Medicaid Waiver	\$ 720,595,296	\$ 243,687,314	\$ 476,907,982
Traumatic Brain Injury Waiver	\$ 5,967,387	\$ 2,018,021	\$ 3,949,366
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 2022 Total Allocations	\$ 813,520,169	\$ 296,985,257	\$ 516,534,912

Clarification on CHOICE Allocations for State Fiscal Year 2022	
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	\$ (2,461,278)
AAA Contracted CHOICE Services	\$ 22,939,941

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: **3,282⁴**

² Waiver expenditures were obtained from June 2022 Milliman information. CHOICE, SSBG and Title III expenditures were taken from Division of Aging information.

³ State Administration includes \$1,671,524 in CHOICE dollars paid through Medicaid for CaMSS-related 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: **1,083⁵**

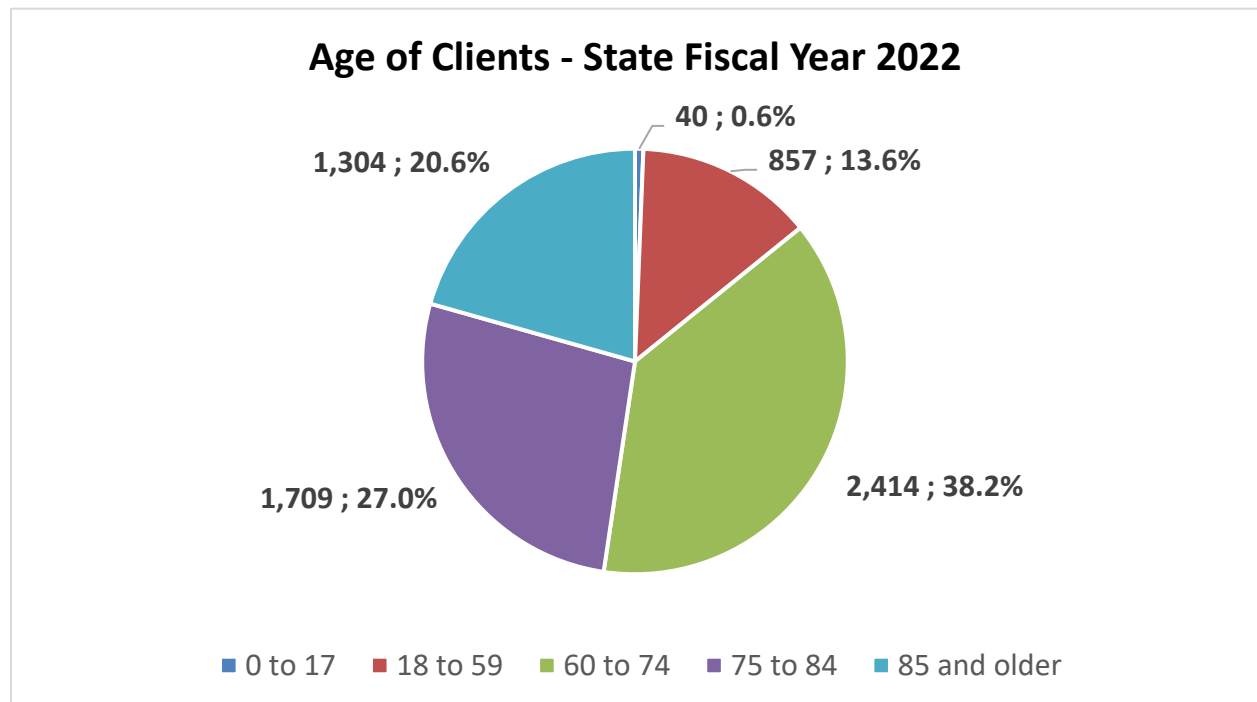
Types of Participating CHOICE Providers:

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)

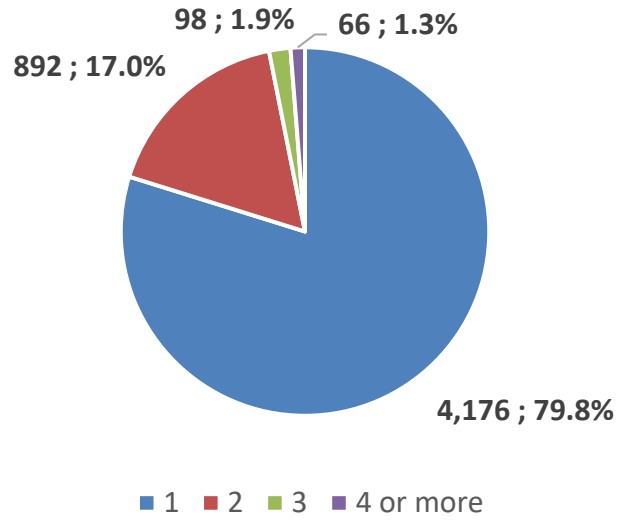
In SFY 2022, a total of 6,324 individuals were served with CHOICE funds.



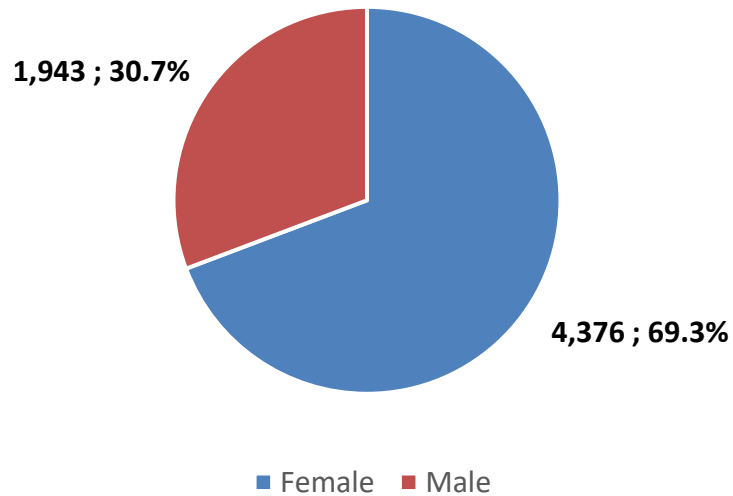
⁵ Reflects the total number of providers contracted to provide services and not only those selected by clients to deliver services.

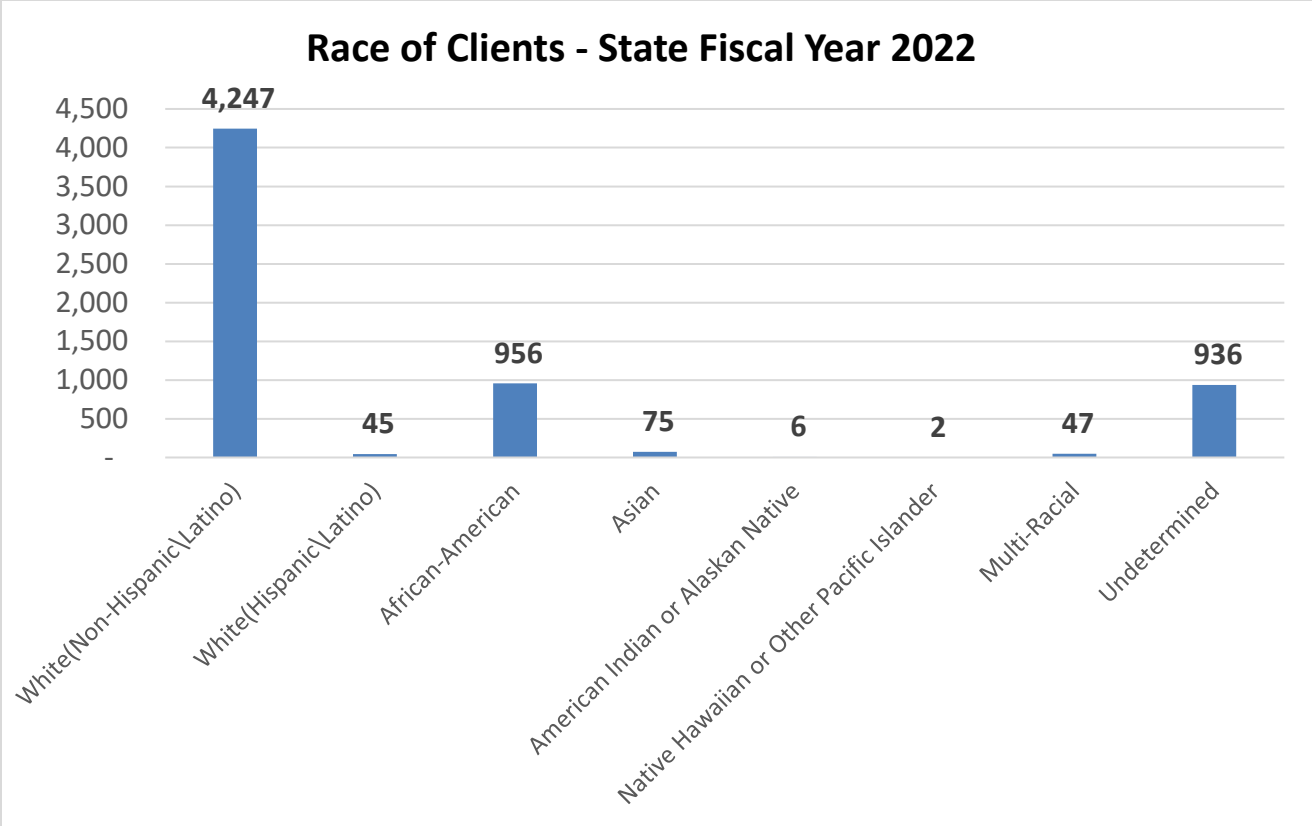
⁶ As reported by the Area Agencies on Aging per CaMSS (Care Management for Social Services system). Totals may not add up to total clients served due to missing data.

Household Size of Clients- State Fiscal Year 2022

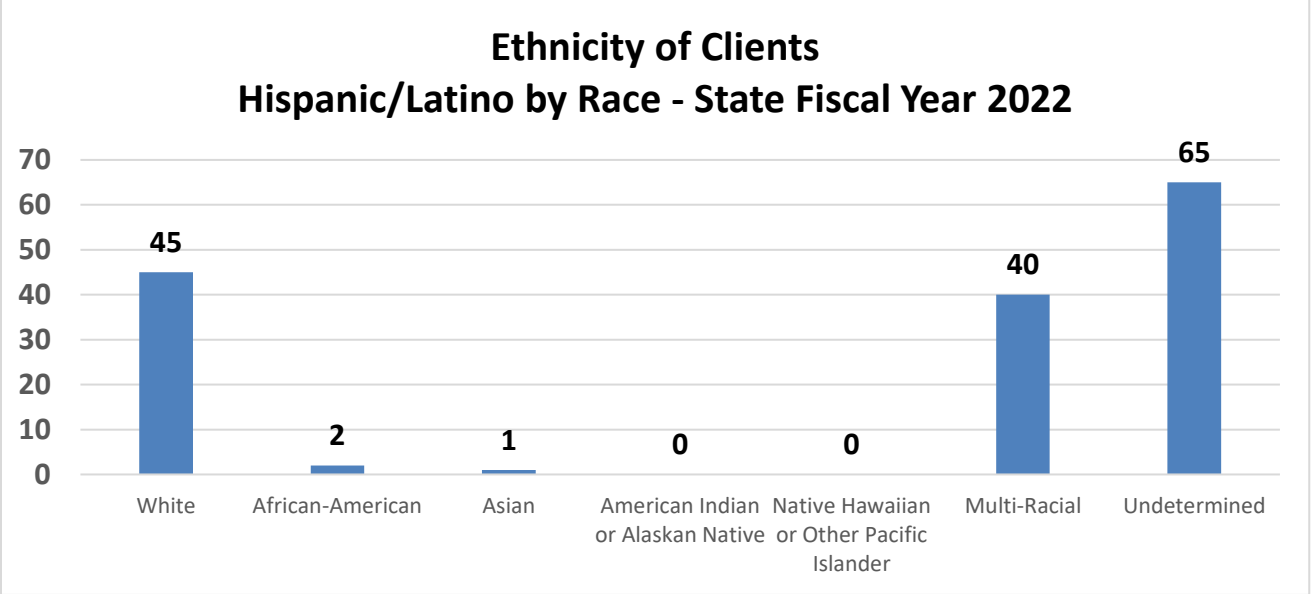


Gender of Clients - State Fiscal Year 2022





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 2022		
Diagnosis	Number	% of Total
Diseases of the Circulatory System	826	13.06%
Alzheimer's and Dementia Related	348	5.50%
Diseases of the Nervous System	324	5.12%
All Others	3,893	61.56%
No Diagnosis Code	933	14.75%

Secondary Diagnosis - State Fiscal Year 2022		
Diagnosis	Number	% of Total
Diseases of the Circulatory System	932	14.74%
Diseases of the Nervous System	177	2.80%
Alzheimer's and Dementia Related	97	1.53%
All Others	4,023	63.61%
No Diagnosis Code	1,095	17.31%

Tertiary Diagnosis - State Fiscal Year 2022		
Diagnosis	Number	% of Total
Diseases of the Circulatory System	787	12.44%
Diseases of the Nervous System	174	2.75%
Alzheimer's and Dementia Related	46	0.73%
All Others	3,850	60.88%
No Diagnosis Code	1,467	23.20%

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 2022	Total	State	Federal
Average cost per participant based on 2,323 participants served per month, and an average utilization of 4.4 months			
Per Day	\$ 27	\$ 27	\$ 0
Per Month	\$ 823	\$ 823	\$ 0
Per Year	\$ 3,627	\$ 3,627	\$ 0
Nursing Facilities State Fiscal Year 2022			
	Total	State	Federal
Average Cost Per Participant			
Per Day	\$ 175	\$ 59	\$ 116
Per Month	\$ 5,264	\$ 1,780	\$ 3,484
Per Year	\$ 63,168	\$ 21,362	\$ 41,806

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

CHOICE provided community and home care services as an alternative to institutional care for 6,324 participants in SFY 2022, serving an average of 2,323 each month. For SFY 2022, there were 994 CHOICE participants who were approved and confirmed to start the Aged and Disabled Waiver and four (4) 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.

In SFY 2022, 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 |
| Care Management | Pest Control |

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.

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

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
268	351	551	1,554
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
167	296	803	1,674
All CHOICE			
Impairment in 0 ADLs	Impairment in 1 ADL	Impairment in 2 ADLs	Impairment in 3 or more ADLs
435	647	1,354	3,228

¹⁰ As reported by the Area Agencies on Aging per CaMSS (Care Management for Social Services system). Categories do not add up to 6,805 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 \$139 lower than the average cost to support someone in an institution (\$36 CHOICE versus \$175 nursing facility). The State and Federal portions of the savings (by day, month, and year) are illustrated below.

State Fiscal Year 2022	Daily	Monthly	Annual
A. Nursing Facility	\$ 175	\$ 5,264	\$ 63,168
B. CHOICE	\$ 36	\$ 1,070	\$ 6,306
C. Savings (A-B)	\$ 139	\$ 4,194	\$ 56,862
D. State Share of Savings	\$ 47	\$ 1,418	\$ 19,229
E. Federal Share of Savings	\$ 92	\$ 2,776	\$ 37,633

For further comparison, the Medicaid Waiver costs per enrollee per month¹² in SFY 2022 were as follows:

- Aged and Disabled Medicaid Waiver: \$1,963
- Traumatic Brain Injury Medicaid Waiver: \$3,118

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 2022 Milliman information.

Summary

The CHOICE program experienced a 7.1% decrease in overall clients served in SFY 2022 compared to the prior year (6,324 in SFY 2022 vs. 6,805 in SFY 2021). This continues the trend seen during the pandemic over the last couple of years. This decrease includes a 24.3% decrease in the number of individuals receiving only care management (2,880 in SFY 2022 vs. 3,807 in SFY 2021). In SFY 2021, the Division of Aging introduced efforts to improve care management documentation and reporting in its CaMSS (Care Management for Social Services) statewide care management system used by the AAAs. It is expected this reduction in care management-only clients reflects, in part, that effort to improve data accuracy. In SFY 22, there was a 14.9% increase in the number of CHOICE participants receiving other services plus care management (3,444 in SFY 2022 vs. 2,998 in SFY 2021). This is closer to the 3,758 individuals served in 2020, but the program has yet to return to pre-pandemic levels.

A breakdown of costs for participants receiving care management only compared to those receiving additional services is included below. Monthly costs increased for all participant groups, presumably reflecting rising costs resulting from the pandemic.

All Participants					
	Participants	Utilization (months) ¹³	Contracted Grant Total	Monthly cost/participant	Annual cost/participant
SFY 21	6,805	4.7	\$ 19,821,198	\$ 621	\$ 2,913
SFY 22	6,324	4.4	\$ 22,939,941	\$ 823	\$ 3,627
Participants Receiving Care Management Only					
	Participants	Utilization (months)	Amount	Monthly cost/participant	Annual cost/participant
SFY 21	3,807	2.4	\$ 1,188,456	\$ 130	\$ 312
SFY 22	2,880	2.6	\$ 1,222,186	\$ 161	\$ 424
Participants Receiving Care Management and Other Services					
	Participants	Utilization (months)	Amount	Monthly cost/participant	Annual cost/participant
SFY 21	2,998	7.6	\$ 18,632,742	\$ 818.45	\$ 6,215
SFY 22	3,444	5.9	\$ 21,717,755	\$ 1,070	\$ 6,306

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

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

to review and clean up the wait lists. This contributed to a 39.9% reduction in the statewide waitlist from SFY 2021 to SFY 2022.

CHOICE Wait List Counts			
AAA	6/30/2020	6/30/2021	6/30/2022
01	0	1	0
02	79	97	5
03	263	238	59
04	134	189	153
05	36	53	45
06	451	383	341
07	117	79	3
08	377	583	321
09	26	60	32
10	185	204	172
11	144	20	0
12	0	1	1
13	10	129	107
14	7	13	3
15	180	171	93
16	2	3	2
TOTAL	2,011	2,224	1,337

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