



Indiana

Family and Social Services Administration

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

Annual Report

State Fiscal Year 2021

in compliance with IC 12-10-10-11

July 1, 2020 – June 30, 2021

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 2021 Federal Poverty Level for a one-person household is \$12,880 and a two-person household is \$17,420.¹ 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 2021 (SFY 2021), which encompasses July 1, 2020 through June 30, 2021.

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, 2021.

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 2021	Total	State	Federal
Aged & Disabled Medicaid Waiver	\$ 576,602,760	\$ 192,585,322	\$ 384,017,438
Traumatic Brain Injury Waiver	\$ 5,992,577	\$ 2,001,521	\$ 3,991,056
Social Services Block Grant	\$ 9,781,434	\$ 687,396	\$ 9,094,038
Older Americans Act - Title III	\$ 25,358,913	\$ 253,437	\$ 25,105,476
CHOICE	\$ 48,765,643	\$ 48,765,643	\$ -
SFY 2021 Total Allocations	\$ 666,501,327	\$ 244,293,319	\$ 422,208,009

Clarification on CHOICE Allocations for State Fiscal Year 2021	
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)	\$ (4,478,802)
State Administration	\$ (1,215,643)
Additional Medicaid State Match (CaMSS)	\$ (1,500,000)
AAA Contracted CHOICE Services	\$ 19,821,198

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: **5,241³**

² Waiver expenditures were obtained from June 2021 Milliman information. CHOICE, SSBG and Title III expenditures were taken from Division of Aging information.

³ 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: **927⁴**

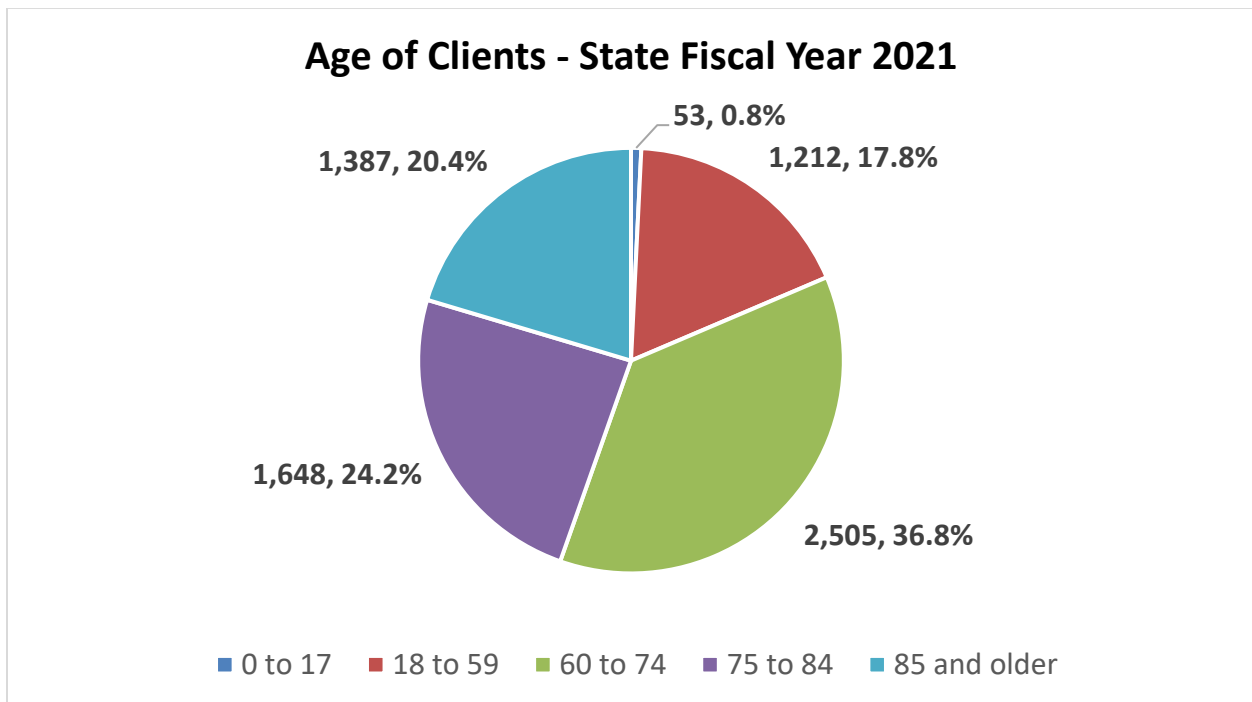
Types of Participating CHOICE Providers:

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 Characteristics⁵

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

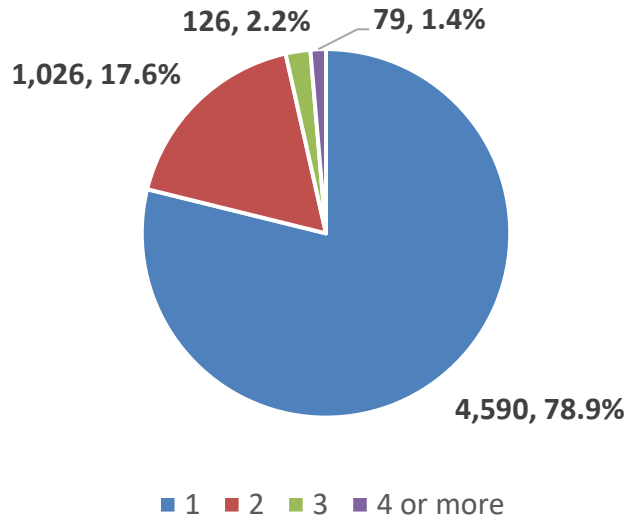
In SFY 2021, a total of 6,805 individuals were served with CHOICE funds.



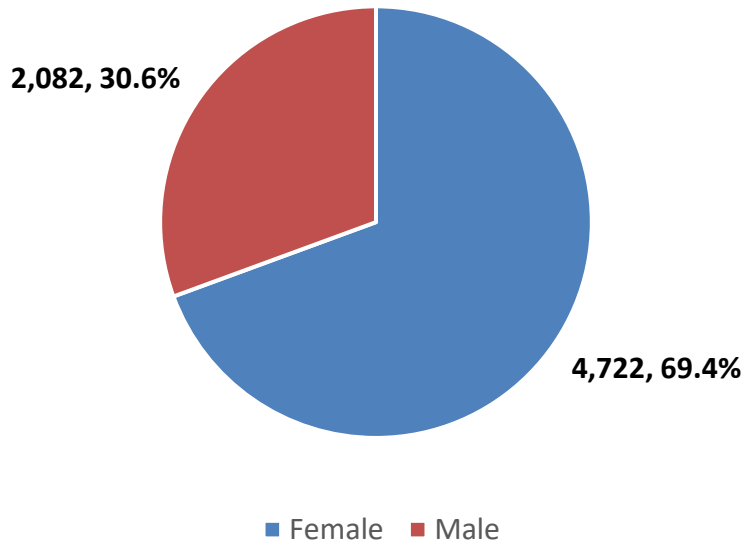
⁴ Reflects the total number of providers contracted to provide services and not only those selected by clients to deliver services.

⁵ 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.

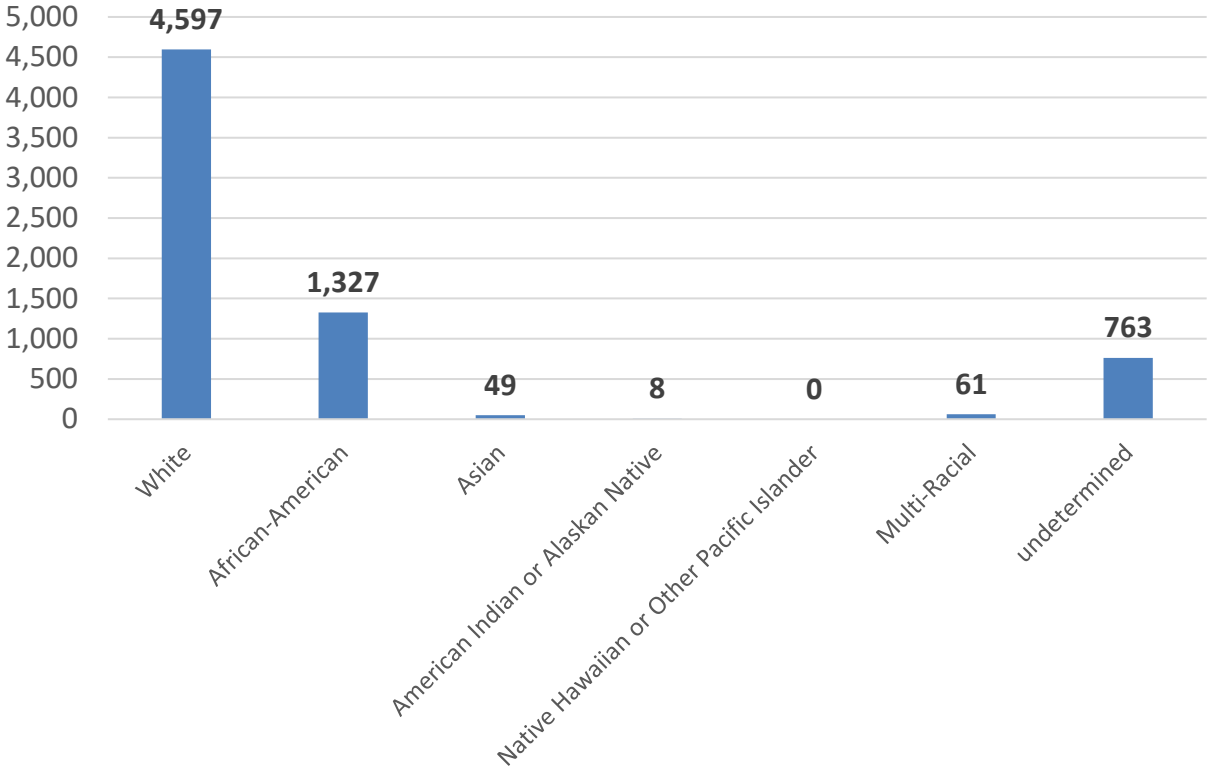
Household Size of Clients- State Fiscal Year 2021



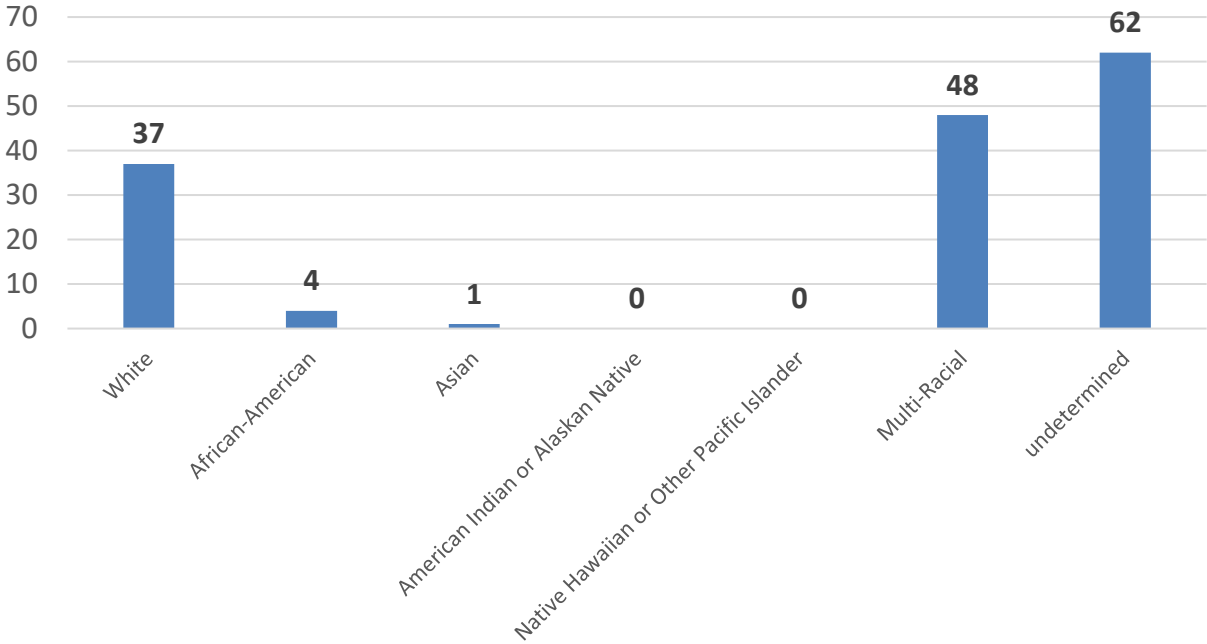
Gender of Clients - State Fiscal Year 2021



Race of Clients - State Fiscal Year 2021



Ethnicity of Clients Hispanic/Latino by Race - State Fiscal Year 2021



Impairments and Medical Characteristics of CHOICE Clients⁶
IC 12-10-10-11(a)(4)(B)

Primary Diagnosis - State Fiscal Year 2021		
Diagnosis	Number	% of Total
Diseases of the Circulatory System	926	13.61%
Alzheimer's and Dementia Related	434	6.38%
Diseases of the Nervous System	372	5.47%
All Others	4,284	62.95%
No Diagnosis Code	789	11.59%

Secondary Diagnosis - State Fiscal Year 2021		
Diagnosis	Number	% of Total
Diseases of the Circulatory System	1,051	15.44%
Diseases of the Nervous System	197	2.89%
Alzheimer's and Dementia Related	121	1.78%
All Others	4,429	65.08%
No Diagnosis Code	1,007	14.80%

Tertiary Diagnosis - State Fiscal Year 2021		
Diagnosis	Number	% of Total
Diseases of the Circulatory System	868	12.76%
Diseases of the Nervous System	160	2.35%
Alzheimer's and Dementia Related	70	1.03%
All Others	4,287	63.00%
No Diagnosis Code	1,420	20.87%

⁶ 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 Programs⁷
IC 12-10-10-11(a)(5)

CHOICE State Fiscal Year 2021	Total	State	Federal
Average cost per participant based on 2,660 participants served per month, and an average utilization of 4.7 months			
Per Day	\$ 21	\$ 21	\$ 0
Per Month	\$ 621	\$ 621	\$ 0
Per Year	\$ 2,913	\$ 2,913	\$ 0
Nursing Facilities State Fiscal Year 2021			
	Total	State	Federal
Average Cost Per Participant			
Per Day	\$ 165	\$ 55	\$ 110
Per Month	\$ 4,965	\$ 1,658	\$ 3,307
Per Year	\$ 59,579	\$ 19,899	\$ 39,680

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

CHOICE provided community and home care services as an alternative to institutional care for 6,805 participants in SFY 2021, serving an average of 2,660 each month. For SFY 2021, there were 2,038 CHOICE participants who were approved and confirmed to start the Aged and Disabled Waiver and 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.

In SFY 2021, 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 |

⁷ 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 Counts⁸
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
288	278	424	2,143
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
126	289	775	1,789
All CHOICE			
Impairment in 0 ADLs	Impairment in 1 ADL	Impairment in 2 ADLs	Impairment in 3 or more ADLs
414	567	1,199	3,932

⁸ 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 Costs⁹

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

The average cost per day for CHOICE services (excluding care management only recipients) was \$138 lower than the average cost to support someone in an institution (\$27 CHOICE versus \$165 nursing facility). The State and Federal portions of the savings (by day, month, and year) are illustrated below.

State Fiscal Year 2021	Daily	Monthly	Annual
A. Nursing Facility	\$ 165	\$ 4,965	\$ 59,579
B. CHOICE	\$ 27	\$ 818	\$ 6,215
C. Savings (A-B)	\$ 138	\$ 4,147	\$ 53,364
D. State Share of Savings (33.4%)	\$ 46	\$ 1,385	\$ 17,824
E. Federal Share of Savings (66.6%)	\$ 92	\$ 2,762	\$ 35,540

For further comparison, the Medicaid Waiver costs per enrollee per month¹⁰ in SFY 2021 were as follows:

- Aged and Disabled Medicaid Waiver: \$1,787
- Traumatic Brain Injury Medicaid Waiver: \$3,110

COVID-19

Throughout SFY 2021, Indiana was experiencing the COVID-19 pandemic. Social distancing efforts to mitigate the spread of the coronavirus impacted in-home service delivery, as well as the availability of services in congregate settings such as adult day centers and congregate nutrition sites.

In response to the pandemic, the Division of Aging received three rounds of supplemental federal Older Americans Act funding that were utilized in both SFY 2020 and SFY 2021: \$4,672,826 in Older Americans Act nutrition funding through the Families First Coronavirus Response Act, \$15,536,426 in Older Americans Act funding for nutrition services, in-home and community support services, and caregiver funding through the CARES Act, and \$3,264,441 in Older Americans Act home delivered nutrition funding through the (HDC5) Consolidated Appropriations Act, 2021. These 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

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 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.

¹⁰ Waiver data calculated using June 2021 Milliman information.

pandemic response activities such as wellness check-in calls, purchase of technology to assist with virtual communications and services, and expansion of meal programs for older adults and caregivers.

As CHOICE is the funding of last resort, these new federal funds were spent first. In addition, total funding allocated to the AAAs in their SFY 2021 CHOICE grants was reduced from \$24,300,000 in SFY 2020 to \$19,821,198 in SFY 2021. This was the result of increased reserve requirements as noted on Page 4. The Division of Aging expects that the additional funding and this reduction, combined with the pandemic, contributed to a 33.6% decrease in overall clients served in SFY 2021 through CHOICE compared to the prior year (6,805 in SFY 2021 vs. 10,254 in SFY 2020). This total decrease reflects a 41.4% decrease in the number of individuals receiving only care management (3,807 in SFY 2021 vs. 6,496 in SFY 2020). 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. The number of CHOICE participants receiving other services plus care management decreased 20% (2,998 in SFY 2021 vs. 3,758 in SFY 2020), likely reflecting various impacts of the pandemic.

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 due to a variety of factors, such as the 2020 Aged and Disabled Medicaid Waiver rates increases implemented for parallel CHOICE services and increased costs due to COVID-19.

All Participants					
	Participants	Utilization (months) ¹¹	Contracted Grant Total	Monthly cost/participant	Annual cost/participant
SFY 20	10,254	4.2	\$ 24,300,000	\$ 569	\$ 2,370
SFY 21	6,805	4.7	\$ 19,821,198	\$ 621	\$ 2,913
Participants Receiving Care Management Only					
	Participants	Utilization (months)	Amount	Monthly cost/participant	Annual cost/participant
SFY 20	6,496	2.2	\$ 1,454,163	\$ 104	\$ 224
SFY 21	3,807	2.4	\$ 1,188,456	\$ 130	\$ 312
Participants Receiving Care Management and Other Services					
	Participants	Utilization (months)	Amount	Monthly cost/participant	Annual cost/participant
SFY 20	3,758	7.7	\$ 22,845,837	\$ 794.64	\$ 6,079
SFY 21	2,998	7.6	\$ 18,632,742	\$ 818.45	\$ 6,215

¹¹ Average number of months out of twelve that participants actively received at least one CHOICE service.

CHOICE Wait Lists

Beginning with SFY 2020, the Division of Aging implemented a new funding allocation method based on population factors and historical spending in an attempt to better target resources toward need and to reduce wait lists. Mid-fiscal year in SFY 2021, the Division of Aging attempted to amend the grant agreements to further target funds based on spending rates by reallocating funds from AAAs projected to underspend. At the time, there were no AAAs open to a reduction due to projected underspending. As the population of older Hoosiers continues to grow, it is anticipated that the demand for services and funding resources will continue to increase. The expected increase in demand, combined with decreased funds, contributed to an increase of 10.6% in wait list counts across the state from SFY 2020 to SFY 2021.

CHOICE Wait List Counts			
AAA	6/30/2019	6/30/2020	6/30/2021
01	0	0	1
02	31	79	97
03	318	263	238
04	199	134	189
05	12	36	53
06	466	451	383
07	0	117	79
08	412	377	583
09	3	26	60
10	36	185	204
11	78	144	20
12	0	0	1
13	107	10	129
14	48	7	13
15	195	180	171
16	3	2	3
TOTAL	1,908	2,011	2,224

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