Michael R. Pence, Governor
State of Indiana

Indiana Family and Social Services Administration
402 W. WASHINGTON STREET, P.O. BOX 7083
INDIANAPOLIS, IN 46207-7083

INDIANA FAMILY AND SOCIAL SERVICES ADMINISTRATION

ANNUAL FAMILY IMPACT REPORT
STATE FISCAL YEAR 2014

This report documents the efforts the Indiana Family and Social Services Administration (FSSA) has made to implement Executive Order (EO) 13-05 in State Fiscal Year (SFY) 2014. Specifically, the report provides an overview of programs, policies, and rules FSSA developed to promote the formation and well-being of intact married families. The report also identifies some new opportunities for furthering the goals of EO 13-05 for SFY 2015 and outlines some of the data and benchmarks FSSA currently uses to measure performance.

We considered the following factors, as outlined in EO 13-05, when determining what programs, policies, rules, opportunities, or measures to include in the report: if the action strengthens or erodes the stability of the family and the marital commitment; if the action encourages or discourages nonmarital childbearing; if the action respects or inhibits the rights of parents to raise their children and make the best choices about their children's education, health and well-being; if the action increases or decreases private family earnings or the incentive for parents to provide materially and emotionally for their children; if the action sends a message, intended or otherwise, to the public concerning the status of the family; and if the action sends a message to children about the relationship between their present choices and their future well-being.

I. Summary of FSSA Programs and Policies Addressing and/or Promoting Family Formation and the Goals of EO 13-05

We have identified several current programs and policies that address and/or promote family formation and the goals of EO 13-05. We summarize some of the most relevant programs and policies by FSSA Office or Division below.

1. Division of Aging

FSSA's Division of Aging (DA) promotes family well-being and the goals of EO 13-05 primarily through its programs that support eligible individuals and their families by providing care in the home.

The DA primarily serves individuals over age sixty who wish to remain in their home and community and in family settings. Family care is the largest percentage of care given to older adults who need home services. The DA's network of providers support these family care-givers through paid services that offer options to assist with care, such as personal care, home health aides, homemaker services, home delivered meals, adult day services and in-home respite care. These services give the family care-givers an opportunity to be relieved of their care-giver responsibilities for a short period of time.

The DA also serves individuals under age sixty who qualify for services under either the Aged and Disabled or Traumatic Brain Injury Medicaid Waivers because of their physical disabilities. The DA determines eligibility for these waivers by an individual's level of care needed and desire to avoid nursing home or other institutional placements. These individuals rely heavily on their families as their primary support system. The waiver services provide a network of professional and para-professional services to enable these individuals to continue to remain with their families.

2. Division of Disability and Rehabilitative Services

FSSA's Division of Disability and Rehabilitative Services promotes family well-being and the goals of EO 13-05 primarily through two programs: the Bureau of Developmental Disabilities Services (BDDS), which often allows eligible individuals with disabilities to remain with their families, and the First Steps program, which helps support eligible families with infants and toddlers with disabilities. We summarize these programs below.

Bureau of Developmental Disabilities Services (BDDS)
BDDS delivers services that are designed to promote independence by allowing individuals with disabilities to remain in their communities, often times with their families. BDDS is governed by IND. CODE § 12-11-1.1-1, which requires BDDS to "plan, coordinate, and administer community based services for individuals with a developmental disability and their families, within the limits of available resources."

First Steps Program
The First Steps program is responsible for providing early intervention services to eligible infants and toddlers with disabilities and their families. The program is governed by 20 U.S.C. § 1431 et seq., 34 C.F.R. § 303, and 470 IND. ADMIN. CODE 3.1. The First Steps program staff is responsible for ensuring the State establishes and maintains the minimum components of a statewide system of early intervention services for eligible infants and toddlers and their families as required by the United States Department of Education. To teach the family the needed skills to ensure appropriate development of their infant and/or toddler, First Steps delivers services in the child's natural environment and in conjunction with the child's family.

As outlined in IND. CODE § 12-12.7-2-17, a family must participate in the cost of certain First Steps services to the extent allowed by federal law and according to the cost participation schedule outlined in the statute. The legislature set forth the cost participation requirement to ensure that families shared in the expense of service delivery

through the First Steps program. This feature of the First Steps program has the potential to disadvantage those families with two parents as the cost participation schedule is based upon household income; however, any potential to disadvantage the formation of two-parent families is speculative only and is not based on actual data.

3. Division of Family Resources

FSSA's Division of Family Resources promotes family formation and well-being and the goals of EO 13-05 primarily through its programs funded by the Temporary Assistance of Needy Families (TANF) block grant. These programs may impact family formation and well-being as summarized below.

Indiana receives $206 million in TANF Block Grant funds each year. The purpose of the TANF Block Grant is to allow states flexibility in operating an overarching program designed to –

(1) provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives;
(2) end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage;
(3) prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and
(4) encourage the formation and maintenance of two-parent families.

The TANF block grant provides funding for several programs that may potentially impact family formation and the goals of EO 13-05. These programs include:

- Child care assistance, which includes employment and training activities for a child's parent/caretaker;
- Emergency assistance, which is administered by the Indiana Department of Child Services in cases such as child abuse or neglect;
- Early intervention/First Steps, which is administered by FSSA's Division of Disability and Rehabilitative Services for children up to age three who are developmentally vulnerable;
- Healthy Families Indiana, which is administered by the Indiana Department of Child Services as a home visitation program designed to promote healthy families and healthy children;
- Indiana Kids, which provides education and youth development services to TANF eligible children ages five through thirteen through the Indiana Alliance of Boys and Girls Clubs;
- Family Planning Initiative, which is administered in partnership with the Indiana State Department of Health and is designed to reduce pregnancies among adolescent females; and
- Pregnancy Support Program, which is administered in partnership with the Indiana State Department of Health and Real Alternatives, Inc. to provide pregnancy support to expectant parents.

4. Division of Mental Health and Addiction

FSSA's Division of Mental Health and Addiction (DMHA) promotes family formation and family well-being by involving families in several of its programs that provide services to individuals with mental illnesses and addiction disorders. We summarize some of the most relevant areas below.

Adult Mental Health and Addiction Services

DMHA's goal is that persons with mental illnesses or addiction disorders receive treatment services that promote their ability to recover from their illnesses and live fulfilled lives. An individual's access to treatment and support for recovery related to substance abuse, problem gambling or mental illness is essential in the promotion of healthy families. DMHA focuses its efforts in several key areas including:

- Treatment of serious mental illnesses;
- Addictions;
- Co-occurring disorders;
- Needs of veterans and their families;
- Mental health in homeless populations;
- Forensic involved adults;
- Aging adults; and
- Persons affected by problem gambling.

DMHA provides a wide continuum of services in each of these areas. Family therapy, family support and family engagement is woven throughout the programming in order to facilitate the growth of interpersonal relationships within the family system.

Prevention

DMHA funds substance abuse prevention through the federal Substance Abuse Prevention and Treatment Block Grant (SAPT). One of the cornerstones of preventing alcohol, tobacco and other drug use, misuse and addiction is strong family formation. Positive family connections strengthen protective factors for preventing drug abuse among young people, and family dysfunction and crisis increases risk factors for drug abuse. DMHA's substance abuse prevention efforts are focused at the local community level and lead local leaders through a process of determining the best strategies to prevent drug use and abuse. Some of these strategies focus on the importance of strong family formation and well-being.

The DMHA Bureau of Addiction Prevention provides funds to communities to build coalitions and implement programs that impact families and improve the well-being of children. The Bureau also funds five initiatives in six counties (Bartholomew, Floyd, Green, Daviess, Scott and Warrick) to implement Evidence Based Programs to address family specific risk factors. Additionally, in partnership with the Indiana State Department of Health, the Bureau funds "Quit for Baby," a smoking cessation program that encourages pregnant women to quit smoking during pregnancy and to sustain that cessation postnatal. Such efforts can improve a variety of outcomes for children and

families, including a reduction in behavioral health issues among toddlers, decreased financial strain and improved health for mother and child.

Child and Adolescent Services
The DMHA children's team is currently overseeing two intensive community based programs (Psychiatric Residential Treatment Facilities Transition Waiver and Child Mental Health Wraparound) that help to keep youth with extensive mental health needs living with their family. Both programs work intensively with the entire family unit to ensure that the needs of such at-risk children are being met with the hope of maintaining the family in the community.

State Operated Facilities
DMHA operates six state hospitals for the treatment of patients with chronic serious mental illness and addiction. The hospitals utilize person centered planning to direct treatment plans and continuity of care. To the extent permitted by patient confidentiality laws, families are invited to actively participate in support of their loved one while at the hospital and are engaged with the treatment teams for discharge planning and community support.

5. Office of Early Childhood and Out of School Learning

FSSA's Office of Early Childhood and Out of School Learning (OECOSL) primarily promotes family formation and well-being through its programs that improve parental choice and allow parents to increase family earnings so they can provide materially and emotionally for their children. We summarize some of the most relevant programs below.

Child Care Development Fund (CCDF) Voucher Program
OECOSL supports low income working families through the CCDF Voucher Program and by helping families in need find high quality early education or child care programs that best meets their needs. OECOSL administers child care vouchers to over 38,000 children each month. These vouchers subsidize the costs of child care so that parents can work, attend an educational or training program or complete TANF Impact activities and work towards economic self-sufficiency.

The CCDF voucher program strongly supports parental choice and works to ensure that families have a wide range of eligible providers from which to choose, including: faith based providers; informal care arrangements, such as family, friend and neighbor care; licensed centers; and licensed family child care homes.

To support licensed foster care families and to encourage more families to become foster families, the Indiana CCDF voucher program waives the income requirements for these families. This allows for foster families to place their foster children in a high quality child care program so that they can continue to work. OECOSL also provides family friendly policies for children involved in the child welfare system, including authorizing CCDF vouchers to support respite care under a family reunification plan and in emergency placement situations.

Family Referrals
OECOSL provides family referrals that empower parents to make the best child care and early learning program choice for their children. OECOSL contracts with the Indiana Association of Child Care Resource and Referral (IACCRR) to provide one-on-one child care and early learning program referrals. This program provides families with clear, detailed information on the program options in their area, including information on programs that offer sliding fee scales or scholarship options to support low income families with the high cost of child care. These referrals are offered through an online search, a toll free hotline, an online chat or an in-person meeting within the local IACCRR offices located throughout the State.

Paths to QUALITY (PTQ) and Quality Improvement Efforts
OECOSL supports numerous initiatives designed to improve the availability of high quality programs for children. These initiatives provide parents with more choices so parents can decide what is in the best interest of their children's education and well-being. These programs include: PTQ, which is Indiana's voluntary quality rating and improvement system for early care and education; the Indiana Accreditation Project; the T.E.A.C.H. scholarship program; the Registered Ministry Improvement Project; the Better Baby Care Initiative and Infant Toddler Specialists and Inclusion Specialists. Through these initiatives OECOSL supports a wide range of provider types including programs operated by schools, both public and non-public, faith based registered ministries and community based programs.

Timely Inspections for Licensed, Registered, and CCDF Certified Programs
OECOSL also administers the licensing, registration and certification process for child care programs as required by Indiana statute. Currently Indiana has 598 licensed centers, 2779 licensed homes, 666 registered ministries, and 599 CCDF certified programs. OECOSL conducts over 5,000 inspections, investigations and technical assistance visits each year. OECOSL also conducts over 31,000 comprehensive criminal history checks on staff and volunteers within child care programs each year. Families have access to these inspection reports, which are posted online, and can use this information when making informed child care decisions.

II. Summary of FSSA Family Impact Statements for SFY 2014

During SFY 2014, we submitted Family Impact Statements for eight proposed rules. All eight rules are within the purview of FSSA's Office of Medicaid Policy and Planning. Five of the eight rules are now effective as part of the Indiana Administrative Code. Three of the proposed rules are not yet effective and are still within the rule promulgation process.

We anticipate that seven of the eight rules have a neutral impact on the formation and well-being of intact married families. By neutral impact, we mean that the rules do not appear to do any of the following: strengthen or erode the stability of the marital commitment, encourage or discourage non-marital childbearing, respect or inhibit the rights of parents to raise their

children and make parental choices, increase or decrease family earnings or the incentive for parents to provide for their children, send a positive or negative message concerning the status of the family, or send a positive or negative message concerning the parent child relationship. We anticipate that the proposed rule on the Modified Adjusted Gross Income (MAGI) methodology (see 8 below) may have a limited impact on family formation and the well-being of intact married families. We summarize all eight rules below.

1. **Medicaid Rate Reduction (LSA 13-422)**
   This rule became effective on December 8, 2013. The rule reduces Medicaid reimbursement rates for certain Medicaid provider types. It also adds non-payment provisions for health care acquired and provider-preventable conditions. The rule is administrative in nature; therefore, *we expect it to have a neutral impact on the formation and well-being of intact married families.*

2. **1915i Program (LSA 13-530)**
   This rule became effective on May 8, 2014. The rule implements a new program to provide community based services to Medicaid applicants requiring intensive care for mental health conditions. *We expect it to have a neutral impact on the formation and well-being of intact married families.*

3. **1634 Conversion (LSA 13-533)**
   This rule became effective May 8, 2014. The rule changes the method by which Medicaid conducts eligibility determinations. Indiana will now use criteria for disability and blindness set forth by the Social Security Administration (SSA) and will defer to SSA's determinations of eligibility. In addition, the rule eliminates Indiana's "Spend Down" program. *We expect it to have a neutral impact on the formation and well-being of intact married families.*

4. **Healthy Indiana Plan (HIP) Waitlist (LSA 13-564)**
   This rule became effective May 8, 2014. The rule repeals 405 IAC 9-5-6(f), which required FSSA to maintain a waitlist for the Healthy Indiana Plan (HIP) program. The rule is administrative in nature; therefore, *we expect it to have a neutral impact on the formation and well-being of intact married families.*

5. **Telehealth and Telemedicine Services (LSA 14-194)**
   This rule became effective October 19, 2014. The rule makes coverage changes to telehealth and telemedicine as required by SEA 554. It also adds telehealth services provided by home health agencies. The rule adds detail to the telehealth covered services and eligible provider definitions. *We expect it to have a neutral impact on the formation and well-being of intact married families.*

6. **Electronic Signatures (no LSA number assigned yet)**
   We have received approval to proceed with this proposed rule; however, we have not yet filed a Notice of Intent. This proposed rule allows the Medicaid program to accept electronic signatures from physicians for a Prior Authorization request. The rule is

administrative in nature; therefore, *we expect it to have a neutral impact on the formation and well-being of intact married families.*

7. **Presumptive Eligibility (no LSA number assigned yet)**
This proposed rule is not yet effective. We filed a one year extension of the Notice of Intent and have until November 6, 2015 to promulgate the rule. This proposed rule authorizes certain qualifying hospitals to make presumptive eligibility determinations for Medicaid eligibility and establishes performance standards for Medicaid applications submissions. The proposed rule is administrative in nature; therefore, *we expect it to have a neutral impact on the formation and well-being of intact married families.*

8. **MAGI Methodology (no LSA number assigned yet)**
This proposed rule is not yet effective. We filed a one year extension of the Notice of Intent and have until November 6, 2015 to promulgate this rule. This proposed rule changes the income-counting methodology for determining Medicaid eligibility for certain groups of applicants or recipients. The new methodology is mandated by federal law.

Existing Medicaid eligibility policies have likely caused certain individuals to make decisions that may not support traditional family formation in order to achieve or maintain Medicaid eligibility. The proposed rule may continue this trend. Specifically, an applicant or recipient may take certain steps, like avoiding marriage, to prevent another's income being counted toward his or her eligibility; however, this outcome is speculative, and we have no actual data to support this assumption. We do not expect that this rule will increase such occurrences beyond what happened under previous rule language. *As such we anticipate this proposed rule will have a limited impact on the formation and well-being of intact married families.*

III. New FSSA Opportunities for Furthering the Goals of EO 13-05 for SFY 2015

We have identified several new programs and policies that present opportunities to promote family formation and the goals of EO 13-05 in SFY 2015. We summarize several of those programs and policies by FSSA Office or Division below.

1. **Division of Aging**

Structured Family Care
In 2013, the DA developed a new service under the Medicaid Aged and Disabled Waiver called Structured Family Care. This program enables a family member to either move in with a person in need of twenty-four hour oversight and care or to have the client move into the family's home. Either way the family receives a stipend payment for that care in lieu of nursing home placement. *As the DA develops this program, the DA will continue to provide opportunities for promoting family formation and well-being by allowing individuals to remain with family members.*

HBE 1391
In March of 2014, the Governor signed HBE 1391, the community living pilot program bill into law. The new law encourages and recognizes the importance of family caregivers to provide care and reduces the costs of long-term care. In accordance with the new law, the DA has developed tools in two major areas to assess the level of care provided by family caregivers and the needs of family caregivers for training and services.

First, the DA developed the caregiver assessment tool, which helps the case manager assess the needs of the caregiver on an ongoing basis and get a more comprehensive picture of the overall needs for the consumer's care plan. This allows the case manager to work with the consumer and his or her caregiver to create a plan that is more realistic about the level of support the caregiver is able to provide. Second, the DA is developing tools for caregivers to help with basic needs, such as how to safely move a consumer to or from a car, a commode, or a bed. *These tools help caregivers gain confidence and can prolong the amount of time an elderly or disabled consumer can remain in a home-based setting with family rather than being institutionalized because the caregiver does not have resources or support.*

2. Office of Early Childhood and Out of School Learning

Pre-Kindergarten (PreK) Pilot Program
OECOSL is in the process of rolling out the PreK Pilot Program established under HEA1004. OECOSL designed the program to promote positive child outcomes for low income families by ensuring that PreK programs improve school readiness and future academic success for children. Eligible families will have a wide choice of programs from which to choose including PreK programs within public and non-public schools and community based providers, including faith based ministry programs. Local Intake Agents determine family eligibility, ensure program integrity and assist in the alignment of resources between Head Start, CCDF and the PreK Pilot. *This Program provides parents with more choices so they can decide what is best for their children's' education, health, and well-being. It also provides opportunity for parents to work and increase family earnings so they can provide materially and emotionally for their children.*

3. Office of Medicaid Policy and Planning

Healthy Indiana Plan
Within the Healthy Indiana Plan (HIP) 2.0 program, FSSA's Office of Medicaid Policy and Planning is designing cost sharing rules to promote the marriage relationship. Married couples in a household that are both enrolled in the HIP program will see a reduction in the amount they are required to pay towards their HIP Personal Wellness and Responsibility (POWER) Account. For example, if the POWER Account contribution that is required for a single individual is ten dollars, when both spouses are enrolled in HIP the POWER Account contribution becomes ten dollars for the household or five dollars for each spouse. *This policy promotes two-parent families and will help families*

keep more of their earnings so they can provide materially and emotionally for their children.

IV. Data and Benchmarks to Measure Performance

We have identified several measurements or benchmarks for existing rules and programs that we identify earlier in this report as having a potential impact on family formation and the goals of EO 13-05. We summarize several of those measurements by FSSA Office or Division below.

1. Division of Disability and Rehabilitative Services

Bureau of Developmental Disability Services

BDDS tracks and reports the number of consumers transitioning from an institutional setting into a community placement. *BDDS uses this measure to ensure that individuals are not unduly placed out of their family homes and into institutional settings, which could isolate them and impact the general well-being of families. BDDS also uses the measure to ensure family participation and support of consumers in the BDDS system by identifying as many participants as possible to be served in a community based setting.*

BDDS reports on this measure quarterly. When BDDS designed the metric, there were 4,175 consumers in an institutional setting (21% of total BDDS consumers). The goal is to transition fifteen or more consumers quarterly. BDDS has met this goal for the last three reporting periods. For the first three quarters of calendar year 2014, BDDS transitioned the following number of consumers from institutional settings into community placement:

- Quarter 1 (January – March 2014) – 21 consumers
- Quarter 2 (April – July 2014) - 72 consumers
- Quarter 3 (August – October 2014) – 38 consumers

This measure is given to all BDDS staff monthly and is utilized as a part of the annual performance evaluation for BDDS staff.

2. Division of Mental Health and Addiction

Since SFY 2008, DMHA has maintained performance-based contracting with organizations responsible for ensuring a community-based continuum of care for adults and youth with mental illnesses or addictions who meet established criteria. These organizations "earn" a portion of their allocated funds based on the degree to which they meet their specific performance measure targets.

DMHA also requires certain entities to report the following data elements at admission, at 180 day intervals, and at discharge:

- Pregnancy status;
- Social supports;
- Employment status;
- Educational level;

- School attendance status;
- ROLES (youth only) - residence type;
- Living arrangement (adults only);
- Substance usage data;
- Needle use (for drugs); and
- Criminal involvement

We use this data for program planning and to target future funding. The data helps DMHA staff identify what programs and policies support family formation and well-being and where DMHA might have opportunities to do so in the future. It may also help DMHA educate families of adults and youth with mental illnesses or addictions on how to best support their family members.

3. Office of Early Childhood and Out of School Learning

Child Care Development Fund (CCDF) Voucher Program
OECOSL monitors many components of the CCDF program including the following measures:

- Children enrolled (currently approx. 38,000)
- Children on the waitlist (approx. 10,000)
- Percentage of CCDF children enrolled in a Paths to QUALITY program (67%)

We use this data to track and evaluate the use of the CCDF Voucher Program so that OECOSL staff can improve outreach to parents, decrease the number of children on the waiting list for CCDF vouchers, and ensure parents have a wide range of eligible child care providers to choose from. This data also may help OECOSL educate parents on what child care options are available to them.

Family Referrals
OECOSL tracks the number of family referrals completed throughout the year and the satisfaction rating of families that used the service. Last year, through our contract with IACCRR, OECOSL completed the 831 unique enhanced referrals for families seeking infant and toddler care and 218 unique referrals for families of children with special needs. OECOSL provided 15,686 unique internet referrals, up from 10,827 the previous year. OECOSL also provided assistance to over 7,000 unique families over the phone and 1,959 unique referrals in person.

OECOSL surveys families annually to ensure that the referral process is beneficial. Our last parent satisfaction survey indicated that 84% of families agree or strongly agree that the information provided by the referral specialists helped them to make an informed child care choice.

This data assists OECOSL staff in determining how to provide better information to parents regarding their child care decisions.

Paths to QUALITY

OECOSL measures enrollment for the Paths to QUALITY rating and improvement system. Currently there are 2454 programs voluntarily enrolled on Paths to QUALITY including 90.7% of licensed centers, 66.4% of licensed child care homes and 14.9% of registered ministries.

OECOSL also measures the percentage of providers advancing on Paths to QUALITY. Currently over 830 Paths to QUALITY programs are rated at the highest two levels, Levels 3 and 4. For Federal Fiscal Year (FFY) 2014, we have seen the following progress for Paths to QUALITY providers:

- 95.0% of Level 4 providers have remained at Level 4
- 7.5% of Level 3 providers have increased to Level 4
- 14.6% of Levels 1 and 2 have increased at least one level

This data helps OECOSL monitor and improve the number of high quality child care choices that are available to families. With more choices available, parents have greater opportunity to decide what is in the best interest of their children's education, health, and well-being. The data also allows OECOSL to provide better information to parents on the child care choices available to them.

Timely Inspections for Licensed, Registered, and CCDF Certified Programs

OECOSL measures the percentage of programs with valid non-expired licenses, registrations or certifications, which is currently at 97%. It also measures the percentage of complaint inspections OECOSL completes within 35 days, which is currently at 97%.

This measurement allows OECOSL staff to track the timeliness of inspections of child care and early learning programs to promote safe and healthy environments for children. OECOSL staff can use this data to ensure they are providing timely review of child care facilities so parents have more choices and can make informed decisions on their children's child care.

John J. Wernert, M.D.
Secretary