

Indiana Association of Area Agencies on Aging

For Hoosiers of All Ages and Abilities... There's No Place Like Home



Indiana Association of Area Agencies on Aging Position Paper regarding continued funding of the CHOICE program February 4, 2009

Problem Statement: The Governor's Budget includes a proposed 4 million dollar cut for each of the next two fiscal years.

1. The Area Agencies on Aging have been dedicated stewards of the tax dollars used to provide this program.
2. The CHOICE program serves a unique population who could not be adequately served through other funding sources.

Background: The following information is available for 2007-2008:

Individuals served Statewide:	10,739 (1)
Average cost of care annually	\$ 2,817.
Average cost of an Indiana nursing home annually:	\$ 55,662. (2)
Total CHOICE allocation:	\$ 48,765,643.
Area Agency Allocations:	\$ 32,192,314.

(1) Family and Social Services Administration CHOICE Annual Report July 1, 2007 to June 30, 2008

(2) Mutual Of Omaha, Cost of Long-Term Care Services – Indiana, April 08.

I4A's Position:

- The Area Agencies on Aging have a long history of administering the CHOICE program. In partnership with the Division of Aging, the Area Agencies on Aging could increase utilization of the funding allocated for services.

In the 2007/2008 fiscal year, the Area Agencies on Aging under spent \$1,940,552. of our total CHOICE funding. In this same time period, Title III-B was unspent by \$315,576. of our total III-B funding.

CHOICE services are provided through contracts with various organizations. Although all AAAs do expenditure projections, actual costs are not known until the invoices are received, which is 15 – 30 days after the service was delivered and the cost incurred. The accuracy of those projections can be impacted by a shortage of home care providers and the fragile population.

The ability to fully utilize CHOICE funds has also been impacted by, the Medicaid modernization effort and the new requirement that all people must apply for Medicaid prior to receiving CHOICE services.

- The CHOICE program is a core partner in the Indiana long term care system. SSBG and Title III are allocated to serving clients. Eligibility criteria vary and in some cases, CHOICE clients may not qualify.
 - **The CHOICE** program requires that the individual's level of care is equal to that of a nursing home. Individuals whose income is above 150% of poverty or \$ 1,354. annually, are required to contribute a proportionate share of the cost of their own care. CHOICE serves all ages.
 - **Title III** serves only those who are over 60. Title III-B is the only provision under Title III that provides similar services to CHOICE. All other Title III funds are established at the federal level and may not be interchanged.
 - **The Social Services Block Grant (SSBG)**, now administered through the Division of Children's Services, serves those who are over 60 or those over 18 with a disability. It does not serve children.
 - **The Medicaid Waiver** requires that individuals have no more than \$1,500 in savings or resources and an annual income of no more than \$24,264. Those who have assets even modestly above this amount do not qualify for a Medicaid Waiver.

Solution:

- Continue funding the CHOICE program at or above the current level.
- Once again allow the Area Agencies on Aging to move unneeded CHOICE dollars between categories. CHOICE funding is divided by Administration, Case Management, Elderly, Disabled and Children. AAA's are required to determine budget amounts for each of these populations at the beginning of the contracting process and may not make adjustments as has been done in the past. This has led to some Area Agencies having money available that cannot be moved to serve people in another budget category.
- Allow any unused funds to be reallocated in the following fiscal year.
- Provide a means for Area Agencies on Aging to redistribute funding among themselves.

Closing statement: The Area Agencies on Aging have always appreciated the support of our legislators in recognizing both the need that exists and the benefit the CHOICE program brings. We ask for your support in our continuing effort to provide CHOICE services to Indiana's frail elderly and disabled populations.