



## *Moving Forward*

### **Senate Enrolled Act 493 and Long Term Care Rebalancing In Indiana**

November 15, 2004  
The Generations Project



*Senior citizens, persons with disabilities,  
and their caregivers can greatly  
enhance the quality of life and  
the state's economy when given access to  
timely and appropriate home  
and community based care.*

*Senate Enrolled Act 493 is a  
wonderful opportunity  
for re-balancing Indiana's long term  
health care system,  
but real progress is needed  
in implementing its major provisions.*

*Fully implemented, SEA 493 and  
Indiana's CHOICE program  
can provide Hoosiers with the  
best long term care in America.*

# Acknowledgements

Senate Enrolled Act 493 was passed by the Indiana General Assembly and signed into law by Governor Frank O'Bannon in 2003. The Act establishes the broad administrative authority and the programmatic and service foundation needed to re-balance Indiana's long-term care service delivery system.

The purpose of this paper is to provide a comprehensive evaluation of the provisions of Senate Enrolled Act 493 and its implications for Indiana's long-term care programs. It is intended to make several unique contributions to the distinguished assemblage of long-term care initiatives and reports that have come before it: first, it puts into words the intent and purpose of the Act; and second, it provides a specific evaluation of the major provisions of Senate Enrolled Act 493 and describes those provisions in the context of Indiana's current long-term care delivery system. Drafts of the paper were shared with several key state policymakers in order to generate productive discussion and to assure accuracy of program information.

This paper is underwritten by The Generations Project, which was established in 2001 to educate citizens, advocates, and policy makers about the opportunities for Hoosiers to implement a balanced and responsible long-term care system. It is a collaborative effort supported by grant funds made available by the Nina Mason Pulliam Charitable Trust and The Health Foundation of Greater Indianapolis. The Pulliam Trust has underwritten the majority of activities supporting this paper.

Research, development, and writing of this paper was performed by Judith E. Becherer, BS, MPA, at the direction of The Generations Project and with the assistance of a number of other colleagues and stakeholders in the field of long-term care. Ms. Becherer is an independent subcontractor to The Generations Project.

John Cardwell, the founder and director of the Generations Project, conceived the concept and parameters of the paper and has served as its chief editor. Mr. Cardwell, together with the project's Governing Board, Advisory Board, and staff, has seen this paper through to its conclusion.

The Generations Project and this paper have been made possible through the collaborative efforts of the project's member organizations: AARP Indiana, CICOA Aging

and In-Home Services, Citizens Action Coalition, Alzheimer's Association, Indiana Association of Area Agencies on Aging, Indiana Alliance for Retired Americans, Indiana Minority Health Coalition, Mental Health Association of Indiana, Council of Volunteer Organizations for Hoosiers with Disabilities, The ARC of Indiana, and United Senior Action of Indiana.

## A citizens prologue

In the three year history of The Generations Project, the need for better, more accessible, and affordable home and community based long term care services has been the overwhelming message gleaned from countless interactions with citizens across Indiana. That message was made extremely clear by citizens who attended a series of ten community forums on long term care jointly sponsored by the Indiana Home Care Task Force, local area agencies on aging, and The Generations Project in the fall of 2004. These forums were held in Anderson, Ellettsville, South Bend, Fort Wayne, Lafayette, Indianapolis, Hammond, Seymour, Vincennes, and Terre Haute and attended by more than 700 Hoosiers.

Intended as educational meetings regarding Senate Enrolled Act 493, Indiana's CHOICE home health care program, and related home and community based care issues, the forums became much more than that. At every location, citizens attended these forums as both citizens in need of home and community based services for themselves, friends, or family; and as taxpayers demanding that their tax dollars be invested in a more equitable and effective system of long term care. Significantly, citizens overwhelmingly turned out to express that their patience was running thin and that the time for Indiana to implement SEA 493 was now!



*A citizen addresses public officials at the Ft. Wayne community forum on long term care. Pictured, Representative Bob Alderman, Ft. Wayne and Senator Dennis Kruse, Auburn.*

In Ellettsville, a couple with profound physical disabilities came not to talk about themselves, but about moving Indiana's system forward by implementing SEA 493. In spite of their personal struggles and obstacles to face each day, their message was focused on moving Indiana's long term care system for all Hoosiers.

At Anderson, three home care case managers described case loads of 90, 100, and 110 people. Their



*State Representative David Crooks addresses citizens at the community forum on long term care in Vincennes, Indiana.*

recently celebrated her 96th birthday at home and had just qualified for services. She now receives homemaker services, meals on wheels, and had just received a lift chair. She narrowly avoided placement in a nursing home. Due to these services, she is now able to stay in her own home.

These accounts, and tens of thousands like them, are the reasons why Indiana must implement SEA 493. Following is the Executive Summary of a report by The Generations Project — *Moving Forward: Senate Enrolled Act 493 and Long Term Care Rebalancing in Indiana*. This report details a system of long term care that is out of balance and presents the solutions — now contained in public law — that can bring sense to the lives of those in need of long term care services and institute a more efficient use of taxpayer dollars.

The complete report will be available online at [www.generationsproject.org](http://www.generationsproject.org).

message was straight forward — people cannot be adequately served in a system that is so grossly under-resourced. Simply put, the failure to implement SEA 493 is resulting in the denial of needed home and community based services for some and forced placement into nursing homes for others.

The Hammond meeting highlighted a woman from Chesterton with a success story to share. Her mother

# Executive Summary

Indiana's publicly-funded long-term care service delivery system lacks a number of basic program and service features that are essential for providing quality care and supports to Hoosiers who are elderly and disabled. Unlike many other states, scarce taxpayer funds in Indiana continue to be used to pay for care provided in expensive and largely undesirable institutional settings like nursing homes. In contrast, community-based services that can be made available in an individual's private home or other community-based setting and at less cost are rationed. As a result, many of Indiana's most vulnerable citizens are denied the opportunity to remain in their own homes and communities, to independently direct their own care and supports, and to gracefully and with dignity age in place among family and friends.

Senate Enrolled Act 493 (The Act) is a statute (Public Law 274) established by the 2003 Indiana General Assembly that resolves this long-standing inequity by establishing broad administrative authority and creating a number of critical community-based programs and services that have not been available in Indiana. The Act provides the means to rebalance Indiana's long-term care service delivery system so that more Hoosiers can receive needed services in their own homes and at less expense.

The bill was authored by Senator Greg Server, an Evansville Republican, and sponsored in the House by Representative Charlie Brown, a Democrat from Gary. It was based on a systems change model developed by The Generations Project for the Indiana Home Care Task Force and was later modified to incorporate language from legislation that had been authored by Senator Vi Simpson, a Democrat from Bloomington. The bill had unprecedented bipartisan support throughout the legislative process, with no dissenting votes cast against it at any time. The late Governor Frank O'Bannon signed Senate Bill 493 into law on May 8, 2003.

All provisions of The Act are now effective and must be implemented. With consumer input, the State must immediately determine how best to implement all provisions so that they fully complement each other and accomplish the objectives of the Law.

The Act includes a number of long-term care provisions. These are as follows:

- Raises the income eligibility threshold for community-based services to 300% of the federal Supplemental Security Income (SSI) amount, the maximum threshold allowed by federal law. This policy change makes community-based services equally available to low-income individuals for whom nursing home services had previously been the only alternative.
- Formalizes the adoption of spousal impoverishment protections that are already available for institutional eligibility in all of Indiana's Medicaid Home and Community-Based Services Waiver Programs. This ensures that married couples who choose to receive care in their own homes are extended the same financial protections that are available when one of the spouses resides in a nursing home.
- Establishes rule-making authority, assigns specific accounting and reporting responsibilities, and establishes deadlines that are necessary for developing a strong and enduring long-term care infrastructure in Indiana.
- Establishes self-directed care, assisted living, adult foster care, adult day services, respite care, and a caretaker support program within the array of long-term care services. All of these programs and services must be in place in order to expand community care options and reduce reliance on institutional care.
- Requires the coordination of services between the CHOICE and Indiana Medicaid Home and Community-Based Services Waiver Programs while maintaining the integrity of both. This is necessary to ensure that both programs manage scarce taxpayer funds in an optimal manner.
- Provides for training and promotion of best practices to enable Indiana policymakers to draw from and build upon the successes of others.
- Guarantees Medicaid Waiver clients the right to receive care plan development, advocacy, quality monitoring, information and referral services, and skilled nursing assistance, supervision, adaptive medical and non-medical equipment and devices.
- Establishes funding flexibility within existing aggregate long-term care expenditures, adds 20,000 new Medicaid waiver slots, and creates a "money follows the person" funding provision. These provisions put in place the features needed to make care available at less cost in non-institutional settings.
- Provides the authority for the Indiana Health Financing Authority to work with for-profit and non-profit entities to convert nursing homes to other forms of long term care through the issuance, sale, or delivery of a bond

- Requires discussion with the CHOICE Board on the establishment of a system of integrated services that includes transportation, housing, education, and workforce development. This eliminates the disconnect among long-term care services and creates a policymaking environment where integral programs are better coordinated.
- Provides the authority to include the use of volunteers and volunteer groups, including those that are faith-based, within the long-term care delivery system.

Financing for the Act is subject to funding available to the Office of the Secretary of the Family and Social Services Administration for all long-term care services, which in state fiscal year 2004 totaled approximately \$1.6 billion.

The State of Indiana has a population of approximately 6 million persons, of whom 13%, or one in every eight Hoosiers, are persons age 65 years and older.<sup>2</sup> By 2025, Indiana's 65 and older population is expected to increase to over 1.2 million, making it the second-largest age category in the State. Within this population group, it is estimated that at least 60% of people 75 and older will require some form of long-term care during the remainder of their life.<sup>3</sup>

Senate Enrolled Act 493 broadly addresses long-term care services for Hoosiers, but focuses primarily on the Medicaid, Medicaid Waiver, and state-funded CHOICE programs since all three provide the bulk of public funding for Indiana's long-term care service delivery system.

Improvements and expansions to the Indiana Medicaid Waiver Programs are made regularly, but have focused in recent years primarily on the developmentally disabled population and not on Indiana's Aged and Physically Disabled population. In any event, there are still far too many people in all population groups in Indiana who are failing to receive critically needed home and community based services.

By the late 1990's, a number of states had already made significant investments in their Medicaid Home and Community-Based Services Waiver Programs due in large part to consumer demand for non-institutional service alternatives and the positive fiscal consequences of providing long-term care in home and community-residential settings. Indiana was not one of those states.

In Federal Fiscal Year 2001, Indiana ranked 47th among all states in the share of Medicaid long-term care expenditures provided in institutional versus community-based settings.<sup>4</sup>

By 2002, 70% of national Medicaid spending for long-term care services went to institutional care, and 30% went to community care.<sup>5</sup> For the same period, 84% of Indiana's Medicaid Program was spent on institutional care, and 16% went to community-based care.<sup>6</sup> This makes Indiana far below the national average for Medicaid spending on community-based care. Moreover in a recent spending analysis prepared by the Kaiser Commission on Medicaid and the Uninsured, Indiana ranked 48th among states in the percentage of long-term care dollars spent in Federal fiscal year 2002 on Medicaid-funded community-based care for the aged and physically disabled.

Indiana State Medicaid projections<sup>8</sup> for state fiscal year 2005 continue to reveal a disproportionately high reliance on nursing home care, the institutional service alternative for Indiana's aged and physically disabled — almost \$819 million of the \$1.73 billion attributed to Medicaid-funded long-term care services. Another \$338 million is budgeted for intermediate care facilities for persons with developmental disabilities, the institutional service alternative for that population.

Senate Enrolled Act 493 resolves this disparity. The Act not only captures the objectives of all of Indiana's previous long-term care initiatives, but also consolidates them into a cohesive and comprehensive framework upon which policymakers and stakeholders can effectuate the basic system changes needed to accomplish and sustain long-term care rebalancing in Indiana. Moreover, the Act complements legal requirements that have already been established by the U.S. Supreme Court in its *Olmstead v. L.C.* decision (1998). In this case, the Court ruled, among other things, that confinement in an institution severely diminishes the everyday life activities of individuals — including family relations, social contacts, work options, economic independence, educational advancement, and cultural enrichment.

Senate Enrolled Act 493 melds all of these goals into one public law that now governs Indiana's long-term care public assistance programs. But while the law has been effective since 2003, there continue to remain *a number of The Act's primary provisions that have not yet been implemented*. These include provisions for assisted living, adult foster, self-directed care, funding mechanisms, and the 300 percent Supplement Security Income eligibility standard, all of which are integral to successfully rebalance services within Indiana's long-term care service delivery system.

Indiana's long-term care service delivery system continues to lack a number of important policy features, administrative resources, and service programs that are essential for rebalancing services for Indiana's aged and disabled persons; nursing

home care continues to be the primary service option available to meet the needs of low-income Hoosiers. Indiana has *not* kept pace with states such as Washington, Oregon, Maine, New Hampshire, Illinois, and Vermont, which have seized upon the opportunities presented by the federal Olmstead decision and the President's New Freedom Initiative. These states are simultaneously managing their budget deficits and responding to consumer interests by redesigning existing long-term care programs and shifting available resources away from nursing homes and other forms of institutional care to less costly, more efficient, and more desirable community-based services and programs.

Senate Enrolled Act 493 is expressly intended to put Indiana in the category of states that employ innovation to solve fiscal problems while better meeting the public need and demand for home and community-based long-term care services. By establishing funding flexibility within Indiana's long-term care budget, Senate Enrolled Act 493 defines available long-term care spending and authorizes policymakers to shift funding among long-term care services as needed to respond to the growing demand for less-expensive, non-institutional care services. When implemented prudently, Senate Enrolled Act 493 will provoke positive and significant change in Indiana's approach and delivery of long-term care services. By reducing reliance on institutional forms of care for persons who can successfully have their care needs met in non-institutional settings, Indiana will be better positioned to serve more people in their own homes and other community-based settings, and at less expense.

The funding provisions within Senate Enrolled Act 493 are intended to provide administrative control and to address most or all of the financing concerns that normally impede long-term care rebalancing. By balancing the start-up expenses that may be required to further develop essential long-term care services, such as assisted living and adult foster care, with savings that will be created in the simultaneous reduction of institutional services, The Act provides policymakers with a number of financing protections that allow for the controlled shifting of resources away from expensive institutional services. The Act further specifies that rebalancing can occur within the existing long-term care funding appropriation.

The Act builds upon the administrative structure of the CHOICE Program and the Medicaid Home and Community-Based Services Waiver Programs, the latter of which is specifically designed to provide states with great latitude and control in managing community-based services and in targeting the population of consumers who should receive those services. All Medicaid Waiver Programs include federal

cost-effectiveness requirements and provide broad state administrative authority to manage spending. Program expansions and reductions are controlled by the states and are readily modified to correspond with changing funding dynamics.

The CHOICE Program appropriation for state fiscal year 2005 totals \$48.67 million. CHOICE is paid with 100% state funds and contributes part of its funds (about 11%) to support related programs such as the Medicaid Aged and Disabled Waiver.

In SFY 2004, the CHOICE Program served approximately 10,420 persons at an average cost of \$3,312 per year.<sup>9</sup> This relatively small per person financial investment is focused on providing the community-based support that is needed to keep elderly and disabled consumers independent and in their own homes for as long as possible. It should be noted that CHOICE funds support clients at much less cost than the Medicaid Aged and Disabled Waiver (which is also very cost-effective), and CHOICE clients do not utilize Medicaid State Plan services or depend on any other state funds.

Senate Enrolled Act 493 includes a provision commonly referred to as “Money Follows the Person”, which refers to a system rebalancing policy like that already employed in CHOICE, where Medicaid funding is assigned to an individual, regardless of the setting in which long-term care services are delivered.

Unlike Indiana, a number of states do not limit their Medicaid Waiver Program services and therefore do not utilize waiting lists. States such as Oregon and Colorado operate an “open waiver” and provide community-based services to all who qualify. This approach has contributed to great success in rebalancing their long-term care programs (with over 50% of their long-term care expenditures and over 75% of their clients in community-based care) and has been endorsed in Indiana by a wide array of consumer advocacy organizations.

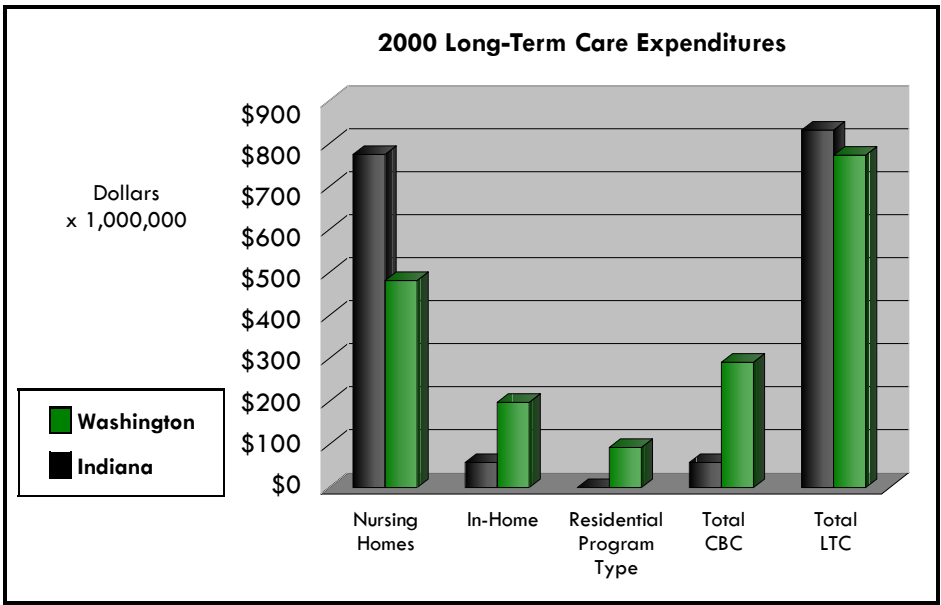
While Medicaid Waiver Program flexibility allows states to adjust long-term care service priorities and eligibility criteria according to changes in available funding, Oregon made a threshold adjustment only once in 20 years and Colorado only twice in 20 years.<sup>10</sup> Additionally, other states have also had open waivers without moving their thresholds. Having ready access to waiver slots for individuals to avoid nursing home placement at all times has led to positive rebalancing outcomes in those states.

Today there is widespread agreement that shifting funds and services to support consumers in their own homes and other community settings can and does achieve per person program savings and makes imminent economic sense. Per person savings

are fairly simple to calculate and generally involve comparison between the actual costs of daily or monthly institutional services and the actual costs of community-based services.

Historically, states that lead the country in long-term care rebalancing have accomplished their system reforms during times of economic strain and because of broad-scale commitment to the intrinsic and immeasurable value of the quality of life improvements that come with community-based care and in spite of their potential short-term cost.

There are some provisions of The Act (300% Supplemental Security Income, adult foster care, assisted living, and caretaker support) that may require additional resources. And while Senate Enrolled Act 493 presupposes that these program changes will be designed so that they can be simultaneously implemented with complementary modifications that will realign and redesign other aspects of the long-term care service delivery system, it may be necessary to make available some level of new funding that can provide the initial momentum needed to provoke other changes and outcomes to follow. Available research and the experience of other states indicates that with proper management and administrative focus, overall program savings can be achieved over time, or overall expenditures can be held to current levels while serving more people at lower average costs.



The State of Washington's re-balanced long term care system compared with Indiana – year 2000.  
Source: Ladd & Associates, 2002.

As long ago as 1996, community-based care in Oregon was reported to be 1/3 of that of nursing home care, only 17 percent in Washington, and only 14 percent in Colorado. Today, the Indiana Medicaid Aged and Disabled Waiver Program appears to have total costs that are 1/3 of nursing home costs, while costs for the CHOICE program appear to be far lower than that.

Compliance with Senate Enrolled Act 493 requires the State to significantly expand and expedite its efforts to transition more nursing home residents back into the community, as well as divert more persons away from initial nursing home admission or extended stays. The State is currently in the process of requesting an extension of the Nursing Home Transition Grant through September 30, 2005.<sup>11</sup> If extended, the grant will be used to continue the partnership with the Independent Living Center of Eastern Indiana, which is working with a coalition of stakeholders in the eastern, mostly rural part of the State to transition and divert additional individuals from nursing home care and to educate them about their right to community-based services. But while the Grant is a good start, it does not create the broad-scale process changes that are needed to achieve the consumer outcomes required by The Act and to create the level of savings needed to offset other implementation costs. The State must therefore significantly and immediately expand its efforts in this area. If it fails to do so, Indiana will be unable to afford long-term care services for the aging Baby Boomers.

The framers of Senate Enrolled Act 493 expect that long-term care rebalancing in Indiana will occur with a solid quality management structure already in place, and that all new initiatives and program expansions will include necessary quality features.

The quality management infrastructure must be flexible enough to adapt to the shift in service delivery from institutional to community-based settings. Consumer rights and protections that are already in place for institutional services may need to be redefined, expanded, or otherwise modified to better accommodate the needs and preferences of a growing number of consumers in their own home settings. The long-term care quality management structure must be responsive to consumers in all long-term care settings.

The Act was written from a consumer perspective and presumes their full involvement throughout the planning process and implementation and post-implementation phases of development. The Act provides the direction needed to make lasting change in Indiana, but bestows upon state policymakers the authority, flexibility, and responsibility for administration and oversight.

State policymakers must redefine relationships with stakeholders and commit to working closely with consumers, legislators, and providers of long-term care services in Indiana. This is essential for ensuring that the State fully meets both the legal requirements of The Law and the needs of consumers and providers who rely on Indiana's long-term care service delivery system. Representatives of all stakeholder groups should be included throughout the discussion, planning, design, implementation and post-implementation phases. This may be best accomplished through the establishment of a technical planning and implementation team composed of state agency staff, all major consumer representatives, and representative providers.

Senate Enrolled Act 493 provides all the service and program features, timelines, and policymaking authority needed to rebalance Indiana's long-term care service delivery system, but it does not (and should not), prescribe how rebalancing should be accomplished — exactly how it should be designed, implemented, and later evaluated. This is best left to a core team of technical and implementation specialists made up of state policymakers and advisory consumer and provider representatives. These stakeholders should collaborate on an approach that optimizes available resources and selects best methods for implementing permanent and lasting change, while taking fully into consideration Indiana's existing systems and structures and drawing upon the best practices of other states.

Senate Enrolled Act 493 not only provides state agencies with the authority needed to make critical changes to Indiana's long-term care service delivery system, but it also introduces a number of new opportunities for program and service collaboration, consideration of best practice models, and innovative funding and service delivery approaches. In so doing, the Act provides the framework for helping the State of Indiana meet its federal Olmstead decision requirements, respond to the recommendations of the late Governor O'Bannon's Commission on Home and Community Based Services (2002 – 2003), and meet the goals established by the Indiana Family and Social Services Administration in its Comprehensive Plan for Community Integration and Support of Persons with Disabilities (June 1, 2001).

Senate Enrolled Act 493 embodies the goals and objectives of legislators, state policymakers, consumers, community-based providers, and all Hoosiers; namely, to provide quality health care and supports to its most vulnerable, low-income elderly and disabled populations in the least restrictive and most desirable settings, while optimizing consumer dignity, independence and choice in the most efficient, safe, and cost-effective manner possible.

# End Notes

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- 1 "2004-2005 Medicaid Forecast Update" Memorandum from Melanie Bella to Members of the State Budget Committee, January 12, 2004.
- 2 The Henry J. Kaiser Family Foundation State Health Facts Online, July 1, 2002.
- 3 Governor's Commission on Home and Community-Based Services Fact Book, June 19, 2003, pp. 5, 6.
- 4 Centers for Medicare and Medicaid Services, "Chart 37: Share of Medicaid Long-Term Care Expenditures Provided in Institutional Versus Community-Based Settings, Fiscal Year 2001", CMS-64 Total Current Expenditures, p.47.
- 5 "Fast Facts: Community-Based Care", Chairman's Initiative, NGA Center for Best Practices
- 6 "2004-2005 Medicaid Forecast Update" Memorandum from Melanie Bella to Members of the State Budget Committee, January 12, 2004
- 7 The Henry J. Kaiser Family Foundation State Health Facts Online, "Distribution of Medicaid Spending (Federal and State) on Long Term Care, FFY2002", 2004.
- 8 "2004-2005 Medicaid Forecast Update" Memorandum from Melanie Bella to Members of the State Budget Committee, January 12, 2004.
- 9 Source: Sherry Gray, Director of the Indiana Bureau of Aging and In-Home Services, 10/13/04.
- 10 Source: Dann Milne, PhD., Health Policy Consultant, AARP.
- 11 Source: Sherry Gray, Director of the Indiana Bureau of Aging and In-Home Services, 7/2/04.

# Glossary

**Adult Day Care Services, or Adult Day Services** — Community-based, group day-time programs that include health, therapy and social services furnished in an outpatient setting on a regular basis for one or more days a week. Adult day care services are specifically targeted to meet the needs of elderly and disabled individuals who live in their own homes or some other residential setting and who desire to remain in the community, and close to their families.

**Adult Foster Care** — Refers to any family home or other facility in which residential care is provided in a home-like environment for compensation to three or fewer elderly persons or adults with physical and/or cognitive disabilities who are not related to the provider. Services include: room and board; supervision, personal care; homemaker; chore; attendant care and companion services; and medication oversight (to the extent permitted under state law). Adult foster care provides both affordable and accessible housing and necessary healthcare services in a small, community-based residential setting.

**Assisted Living** — A state-regulated and monitored residential long-term care option that provides or coordinates oversight and health care and support services to meet the residents' individualized scheduled needs. Services may include: access to 24-hour assistance; assistance with activities of daily living and instrumental activities of daily living; health related services; social and recreational services; recreational activities; meals; housekeeping and laundry; and transportation.

**Caretaker Support Program, or Caregiver Support Program** — A program that makes available services and creates and supports policies that are designed to better meet the needs of the caretaker so that (s)he can maintain physical and economic well-being of self while continuing to provide the caretaking support needed by a loved one. Support may include: information about available support services; assistance with accessing those and other services; training; respite; availability of affordable, dependable, and qualified providers to meet the health care and other support needs of the person for whom the caretaker is responsible; and reasonable flexibility by the caretaker's employer.

**CHOICE** — The acronym for Indiana's Community and Home Options to Institutional Care for the Elderly and Disabled Program.

**CHOICE Program** — Refers to Indiana's Community and Home Options to Institutional Care for the Elderly and Disabled program, which is a 100% state-fund-

ed program specifically intended to keep individuals out of nursing homes, to keep individuals from being forced into poverty by long-term care costs, and to maintain dignity, independence and choice with consumer-driven services. CHOICE provides services to Indiana residents who are age 60 and older, and to persons with disabilities of any age who are unable to perform two or more activities of daily living. CHOICE pays for a range of community-based services, including home health, attendant and personal care, chore services, transportation, adult day care, respite care, and more. CHOICE funds are available on a sliding scale according to income.

**Commission on Home and Community Based Services (2002-2003)** — A commission established by the late Governor Frank O’Bannon composed of public officials and consumer and provider representatives to investigate and make recommendations for transforming Indiana’s system of long term care into a system that utilizes a larger array of home and community based services.

**Community-Based Services** — refers to health care and support services provided to individuals in their private homes or other community residential service setting. This does not include institutional services.

**Comprehensive Plan for Community Integration and Support of Persons with Disabilities (June 1, 2001)** — The plan developed by the Indiana Family and Social Services Administration to comply with the U.S. Supreme Court’s Olmstead decision.

**Divert** — The process of keeping a person who has been determined eligible for nursing home care from entering a nursing facility through the provision of a home and community based long term care alternative.

**Indiana Family and Social Services Administration** — The Agency in Indiana that is responsible for administering the Medicaid Program, Medicaid Home and Community-Based Services Waiver Programs, and CHOICE Program. Also known as FSSA.

**Institutional Services** — Refers to services provided in a nursing home, intermediate care facility for the mentally retarded/developmentally disabled, or hospital. For purposes of this paper, institutional services available to persons who are elderly and non-developmentally disabled normally refer to services provided in a nursing home.

**Long-Term Care** — Refers to healthcare and service supports that are provided in a private home, community residential, or institutional setting to persons who are unable to manage common activities of daily living because of disability, frailty, chronic illness, or mental incapacity. Services may include home health care, nursing, respite, homemaker, attendant care, home modifications, and other supports.

**Medicaid** — A jointly-funded state and federal program that provides health insurance coverage primarily to low-income elderly and disabled adults, pregnant women, and children who meet strict categorical and financial eligibility requirements. The Medicaid Program operates within broad federal guidelines but extends considerable authority to the states in determining what populations are eligible for services, service scope, coverage and payment rates, and administrative structure. It is administered at the federal level by the Centers for Medicare and Medicaid Services within the U.S. Department of Health and Human Services, and at the state level by the Indiana Family and Social Services Administration.

**Medicaid Home and Community-Based Waiver Program or Medicaid Waiver** — Refers to federal authorization for states to “waive” certain basic Medicaid program requirements to allow persons who are eligible for nursing home and other forms of institutional care to receive traditional and non-traditional long-term care services in their own home or other non-institutional community setting, providing they do so cost-effectively.

**“Money Follows the Person”** — Refers to a long-term care system rebalancing policy where funding is assigned to an individual, regardless of the setting in which services are delivered.

**Nursing Home** — Federal regulation generally defines a nursing facility as an institution (or a distinct part of an institution), which is primarily engaged in providing skilled nursing care and related services for residents who require medical or nursing care; rehabilitation services for injured, disabled, or sick persons; or on a regular basis, health-related care and services to individuals who because of their mental or physical condition require care and services (above the level of room and board) that can be made available to them only through institutional facilities.

**Office of the Secretary of the Family & Social Services Administration** — Refers to the office of the chief administrative officer of the Indiana Family and Social Services Administration, the umbrella agency for most of the human service programs administered by the State of Indiana.

**Olmstead v. L.C. (1998)** — The U.S. Supreme Court decision establishing the right of persons with disabilities to receive home and community based care under defined circumstance through programs that are administered by states.

**Quality Management** — A function or process that includes three main components: quality system design, quality assurance, and quality improvement.

**Rebalancing** — Refers to state and federal efforts to shift the focus and delivery of long-term care services away from traditional institutional forms of care like nursing homes, and toward health care and support services that are selected and directed by

consumers and that can be provided in their own homes or other community-based residential settings.

**Self-Directed Care, or Consumer-Directed Care** — A service delivery model that gives consumers and/or their families the right and the authority to develop service and support plans that reflect their wishes and preferences and to choose some or all of the following: who will provide their care; training, hiring, and firing of the person selected; service scheduling; purchasing and supervising the service; and possibly directing the payment of personal assistance and other support providers.

**Senate Enrolled Act 493/ Public Law 274-2003 (The Act)** — Refers to a public law that was created by the 2003 Indiana General Assembly. It establishes the broad administrative authority and the programmatic and service foundation needed to rebalance Indiana's long-term care service delivery system from one that is based on traditional, institutional forms of care like nursing homes, to one that favors health-care services and supports that can be selected and directed by Hoosiers and provided in their own homes and other community residential settings. All provisions of The Act are now effective.

**Spousal Impoverishment Protections** — Refers to the Medicaid financial eligibility requirements of a married couple when one person requires long-term care services normally provided in an institution and the other spouse does not. Since 1988, states have been mandated to allow married couples who were faced with separation due to the institutionalization of one spouse to protect a certain amount of assets and income for the non-institutionalized spouse. At that time, spousal impoverishment protection was also made a state option for Medicaid Home and Community Based Services Waiver Programs, which are designed to serve persons who are at risk of needing, or who require institutional care.

**Supplemental Security Income** — Supplemental Security Income (SSI) is a Federal income supplement program managed by the Social Security Administration and funded by U.S. Treasury general tax revenues (not Social Security taxes). It is designed to help aged, blind, and disabled people who have little or no income by providing monthly cash payments to meet basic needs for food, clothing, and shelter. The basic SSI amount is the same nationwide, however many states, including Indiana, add money to the basic benefit.

**System change model** — In the context of this report, a draft model for changing the design and structure of publicly funded long term care services in Indiana.

**Transition** — The process of moving from a nursing home or another form of institutional care to a home and community based form of long term care.

The Generations Project is an alliance of eleven leading civic organizations

AARP Indiana

The Arc of Indiana

Alzheimer's Association

CICOA Aging & In-Home Solutions

Citizens Action Coalition of Indiana

Council of Volunteers and Organizations for

Hoosiers with Disabilities

Indiana Alliance for Retired Americans

Indiana Association of Area Agencies on Aging

Indiana Minority Health Coalition

Mental Health Association in Indiana

United Senior Action of Indiana

[www.generationsproject.org](http://www.generationsproject.org)

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Moving Forward Report  
is available at  
[www.generationsproject.org](http://www.generationsproject.org)



**THE GENERATIONS PROJECT**

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