

Indiana Home Care Task Force
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**NOW IS THE TIME TO PROPERLY FUND HOME HEALTH CARE IN INDIANA AND TO
END THE HARM THAT IS BEING DONE TO SENIOR CITIZENS, PERSONS WITH
DISABILITIES, THEIR FAMILIES AND TO TAXPAYERS**

Today, the Indiana Home Care Task Force announced a plan to stop the harm that is being done to tens of thousands of Hoosiers by the failure of the Daniels administration to fund the CHOICE home health care program and Medicaid waivers that also provide home health care services.

The Task Force plan called on the Daniels administration to do the following:

- Stop the use of any and all CHOICE dollars for Medicaid match because all of the CHOICE dollars are needed to provide services for the 6,100 Hoosiers that are on the state's waiting list for that program. Presently, \$18.1 million in CHOICE funds are being used for Medicaid match and in recent years the Daniels administration has reverted millions of CHOICE dollars to the state's general fund. The state budget act allows, but does not require, \$18.1 million to be used for Medicaid match in the present fiscal year.
- Use money from the state's \$2.2 billion surplus for the Medicaid matching dollars for the aged & disabled Medicaid waiver and the traumatic brain injury Medicaid waiver. Presently, 2,800 Hoosiers are on the state's waiting list for the A & D waiver, and 97 are on the waiting list for the TBI waiver.
- Accurately account for the real and total public cost of services through the CHOICE program and the Medicaid waivers, and the real and total public cost of services in nursing homes including all state and federal dollars.
- Stop attempts by FSSA to arbitrarily remove people from the CHOICE and Medicaid waiver waiting lists. FSSA has done this in the past and many people believe the agency is preparing to do so again at the present time.

The Task Force also called on members of the General Assembly and the two candidates for governor to consider these solutions, and to endorse home care as the first and primary option for publicly funded long term care in Indiana for the following reasons:

- Until Indiana has public policies that do the latter far too many Hoosiers will continue to get the wrong form of long term care, far too many Hoosiers will have care that is harmful and far too expensive, and Hoosier taxpayers will continue to pay far too much for long term care.
- Indiana should have a zero waiting list policy by providing persons who qualify for public funded home and community based services with those services when they need them. When services are provided the waiting list issue goes away. It is as simple as that.
- When there is a budget surplus and when all the evidence shows that home care is better for the health and well-being of home care consumers, their family caregivers, taxpayers and the economy there is no moral and no financial justification for putting people who qualify for publicly funded home care services on waiting lists.

The Task Force statement said the following:

At a time when the state has a \$2.2 billion surplus it is immoral to not fund the home care services that are needed by nearly 9,000 Hoosiers who are on waiting lists for those services through the CHOICE home care program and the state's Medicaid waivers for the aged & disabled and persons with brain injuries.

By law, no one can receive CHOICE services unless they are unable to perform two (2) or more basic activities of daily living and are found to be at-risk of losing their independence. In other words, by law people must be at risk of institutional placement, hospitalization or a similar fate. The area agencies on aging put people on the waiting list for CHOICE services because they meet those standards.

Of the nearly \$48.8 million appropriated by the General Assembly for CHOICE for each year of the current biennium, up to \$18.1 million can be used for Medicaid match in the current fiscal year. Of the remaining dollars, the Division of Aging has admitted it will only allocate \$28 million to \$29 million for CHOICE services, and many observers fear less than that will actually be spent on services.

However, when a budget surplus exists it is not only immoral it is also financially irresponsible to leave people on the CHOICE waiting list and the waiting lists for Medicaid waivers. Why? The answers are many and profound.

First, nursing home care costs several times the cost of CHOICE services.

According to FSSA's annual report for state fiscal year 2011, nursing home care through the Medicaid program costs taxpayers \$44,159 per year to provide for a single individual. (However, the Task Force believes FSSA purposely under reported the cost of nursing home care through the Medicaid program by failing to include all public costs associated with that care.)

At the same time, FSSA said the cost for a person on the CHOICE program was \$7,596 per person per year on average. However, the Task Force believes FSSA has purposely misrepresented the current cost of the CHOICE program in its latest annual report for state fiscal year 2011. Using the state's own data, the Task Force believes that number is really \$4,000 per year. (FSSA's 2010 annual report listed the cost of CHOICE as \$3,939 per person per year on average.)

Second, forcing people into nursing homes, or forcing people to wait on CHOICE services until they are absolutely impoverished, or sicker and face death, is barbaric. The federal government and academic study after academic study have found that people are happier and have better health outcomes when they receive long term care in their own homes. Indiana University confirmed that in studies regarding CHOICE in 1989 and 1991, and in a study regarding CHOICE and the Medicaid A & D waiver in 1998. However, the typical CHOICE consumer is very poor, and by definition persons on the Medicaid waivers are indigent. They simply cannot afford the home care they need without outside help. That fact makes them at risk of institutional placement.

Through the month of July there were 6,108 persons on FSSA's waiting list for CHOICE services, 2,800 people on the waiting list for the Medicaid aged & disabled home care waivers, and 96 on the waiting list for the traumatic brain injury waiver. Many people that are on these lists have been waiting for years.

Third, home care saves money for taxpayers and the state. Since the early days of the second Bush administration the Centers on Medicare and Medicaid Services of the United States Department of Health and Human Services (CMS) has encouraged states to use more home care and less nursing home care in their Medicaid programs to save money. The 2010 Affordable Care Act encourages the use of home care in order to save money through Medicare and Medicaid. And states across the nation since the 1980s have expanded home care through Medicaid and through their own programs to save money because the use of home care reduces the need for far more expensive nursing home care.

Presently, nearly 29,000 Hoosiers are in nursing homes each and every day on Medicaid. At the same time, CHOICE is serving 3,165 people, the A& D waiver is serving 11,500 people, and 177 are being served on the waiver. What FSSA and the Daniels administration is not telling Hoosier families, taxpayers and lawmakers is this: **if the Daniels administration had implemented SEA 493, the 2003 home care reform act, when it came into office in order to do what Oregon, Washington, and many other states have done Indiana would have only 12,000 to 14,000 people on Medicaid in nursing homes today. Billions of dollars could have been saved that could have financed all of the services needed by Hoosiers that qualify for care through the CHOICE, the Medicaid aged and disabled waiver, and the traumatic brain injury waiver.**

In fact, Indiana would have had savings left over to spend on other public programs and services and **to assist nursing home owners to convert to other business activities.** The Task Force recognizes the wisdom of doing the latter because the issue is not about pitting one form of long term care against

another. The issue is about allowing Hoosiers to get the form of long term care they need when they need it.

Fourth, home care is better for the economy. Fortune 500 companies throughout America have long recognized that public home care services are good for their bottom-line. Home care services allow senior and valued employees to continue to work while caring for a loved one at home, or to do home care duty at a parent's home. The CHOICE program, because of its cost share formula, is a program that is especially suited to meet the needs of family caregivers. Because of CHOICE, family caregivers can afford to continue to work and still have time to continue their caregiving duties. Companies, such as Eli Lilly, actively promote programs to help their employees that have caregiving responsibilities for a loved one.