



Indiana's taxpayer-funded system of long term care has been substantially over-invested in institutions for decades. Consequently, thousands of Hoosiers have been inappropriately placed in nursing homes and other types of institutions. However, it is clear people want and need long term care options. 27,000 Hoosiers are on official waiting lists for home and community based services.

Senate Enrolled Act 493, designed to re-balance Indiana's system of long term health care and bring Hoosiers home, was signed into Indiana law on May 8, 2003 by Governor Frank O'Bannon. By passing through both houses of the Indiana General Assembly without a single "No" vote, SEA 493 is truly the will of the legislature and the citizens of Indiana. SEA 493 was touted by many legislators as, "one of the most important pieces of legislation that they will work to pass all year."

Why is SEA 493 important? Massive human and fiscal costs have resulted from Indiana's long term care funding formula – a formula that by design favored institutional care over home and community based care options. As detailed in previous publications of The Generations Project (available at www.generationsproject.org), Indiana's system of long term health care has had barriers that made home and community based care less accessible than care in institutions. For example, the system failed to establish and provide a full continuum of care and spent 84% of its total long term care budget on care in institutions. With care in institutions on average five times more expensive than home and community based alternatives, Indiana's long term care system provided inadequate care and used taxpayer dollars inefficiently. However, the changes in the law established by SEA 493 have yet to be implemented by the state.

What is the intent of SEA 493?

SEA 493 seeks to re-balance this system by removing barriers to home and community based care, creating a full array of home and community based services, and establishing the funding and resources necessary to move Indiana toward a more balanced long term care system.

Removing barriers -

- SEA 493 raises income eligibility standards for Medicaid waivers so more Hoosiers can choose home and community based care options that are right for them and their families. Currently, an individual cannot have an income of more than \$552 per month and receive care through most Medicaid waivers. Under SEA 493, individuals will be able to receive home and community based care through Medicaid waivers if they have an income of \$1,656 per month. This new income level is defined as 300% of SSI (the federal Supplemental Security Income standard) and is the same eligibility standard used for nursing homes.
- SEA 493 protects people from becoming impoverished just because their spouse uses home care. Under SEA 493, the protections for spouses of individuals receiving home and community based long term care will be the same as those receiving care in institutions.

Creating options for care –

- SEA 493 mandates that the state provide access to a full array of home and community based services including assisted living, adult foster care, adult day services, self-directed care, and any other services that are necessary to maintain an individual in a home and community based setting.
- SEA 493 requires the state to amend existing and future Medicaid waivers so that services available under those waivers are as complete as those offered under Indiana's CHOICE program. The CHOICE program has been held as a model for providing home and community based care and consistently provides services at 20% to 35% of the cost of care in institutions.

Establishing the funding and resources necessary to provide appropriate care –

- SEA 493 directs the state to expand its Medicaid waiver program and provide more openings for individuals seeking home and community based care.
- SEA 493 allows public Medicaid dollars to follow the individual so that more people can receive the care that is appropriate for them. Under this provision, an individual inappropriately placed in a nursing facility or other institutional setting may return home with a guarantee that dollars which provided institutional care will also provide home and community based care.
- SEA 493 requires the state to track savings realized through the increased use of home and community based care.
- SEA 493 states that any savings generated by increased utilization of home and community based care may be used to fund additional home and community based services.

What are the challenges to implementing SEA 493?

Through SEA 493, Indiana now has the tools to change the system. The only thing standing in the way of Hoosiers and a re-balanced long term health care system is the **will** to implement SEA 493. When SEA 493 was enacted, engaged and vocal citizens provided elected officials with the will to pass the legislation. If you are concerned about the implementation of SEA 493, the availability of home care, or any long term care issues, contact your public officials.

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The Generations Project is an alliance of AARP Indiana, 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 (COVOH), Indiana Alliance for Retired Americans, Indiana Association of Area Agencies on Aging, Mental Health Association of Indiana and United Senior Action of Indiana.

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