



**Weathering the Storm: The Impact of the Great
Recession on Long-Term Services and Supports**
State Profile: INDIANA

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INTRODUCTION

Weathering the Storm: The Impact of the Great Recession on Long-Term Services and Supports is the most comprehensive analysis to date on the budget cuts to both Medicaid and non-Medicaid funded long-term services and supports (LTSS) in each state. It also illustrates state-by-state how LTSS are financed. In addition, this study provides a very early snapshot of the likelihood of states pursuing some of the LTSS provisions within the Affordable Care Act (ACA).

Weathering the Storm contains several components:

- The full report with an overview of findings and state-by-state tables;
- State profiles, which are 4 to 5 pages in length, for each state that participated in the study;
- An In Brief, which is a short synopsis; and
- A videotaped interview about the key findings.

Hard copies of *Weathering the Storm* are available free of charge. To order, please call the AARP Public Policy Institute at (202) 434-3890 or email jgasaway@aarp.org.

All of the components of *Weathering the Storm* are also available on the web and can be found at www.aarp.org/ppi, www.nasuad.org, and www.healthmanagement.com.

INDIANA

TAX COLLECTIONS



Source: HMA analysis of state tax collection data from the National Association of State Budget Officers (NASBO), Spring Fiscal Survey of States, 2008 (for baseline 2007 data); Spring Fiscal Survey of States, 2009 (for 2008 data) and Spring Fiscal Survey of States, 2010 (for 2009 actual, 2010 estimated, and 2011 projected). Revenue represents the following taxes if collected by the state: **Personal Income, Corporate, and Sales**. Percent change and change in amount collected (in millions) represents the divergence between the state fiscal year noted and baseline SFY 2007.

ARRA FUNDING

IMPACT OF ARRA ENHANCED MEDICAID FMAP EXPIRATION

- Indiana was able to maintain benefits and minimize changes to provider rates.
- Optional benefits and provider rates will be re-evaluated in anticipation of the enhanced FMAP expiration.

PREDICTED IMPACT OF THE EXPIRATION OF THE ARRA NUTRITION FUNDING

- Waiting lists will increase.

STATE UNIT ON AGING AND DISABILITY (NON-MEDICAID) SERVICES

STATE UNIT ON AGING NUMBER SERVED (UNDUPLICATED)

SFY 2009 (actual)	SFY 2010 (projected)	SFY 2011 (projected)	% Change SFY 2009–2011
234,860	237,208	237,208	1%

STATE UNIT ON AGING TOTAL EXPENDITURE REDUCTIONS – ACTION TAKEN

SFY 2009–2010	SFY 2010–2011
None	None

STATE UNIT ON AGING SERVICE DEMAND AND EXPENDITURE CHANGES

Program	Change in Expenditures		Change in Service Requests SFY 2009–2010
	SFY 2009–2010	SFY 2010–2011	
Adult Foster Care	0	0	+
Adult Day Care	0	0	+
Adult Protective Services*	0	0	+
Assisted Living	0	0	+
Behavioral Supports	0	0	+
Case Management	0	0	+
Chore	0	0	+
Community Transition	0	0	+
Congregate Meals	0	0	+
Day Habilitation	0	0	+
Disease Prevention/Health Promotion	0	0	+
Elder Abuse Prevention	0	0	+
Environmental Modifications	0	0	+
Equipment and Supplies	0	0	+
Family Caregiver Support	0	0	+
Food Stamps/Supplemental Nutrition Assistance Program			+
Foreclosure Counseling	0	0	+
Homemaker	0	0	+
Home-Delivered Meals	0	0	+
Housing Assistance	0	0	+
Information and Referral	0	0	+
Legal Assistance Development	0	0	+
LIHEAP			+
Long-Term Care Ombudsman	0	0	+
Nutritional Supplements	0	0	+
Occupational Therapy	0	0	+
Personal Care/Assistance	0	0	+
Physical Therapy	0	0	+
Recreational Therapy	0	0	+
Residential Habilitation	0	0	+
Respite	0	0	+
Senior Community Service Employment Program	0	0	+
Senior Centers	0	0	+
Speech Therapy	0	0	+
State Adult Guardianship Program	0	0	+
State Pharmaceutical Assistance	0	0	+
Supported Employment	0	0	+
Supported Living	0	0	+
Transportation	0	0	+
+ Expenditure/demand increase	0	No change in expenditure/demand	DK Don't know
- Expenditure/demand decrease	NA	Program not administered by SUA	

* Since SFY 2009, the State Unit on Aging has received increased calls for Adult Protective Services, e.g., financial exploitation, physical abuse, emotional abuse, and sexual abuse.

INDIANA

STATE UNIT ON AGING NON-MEDICAID HCBS EXPENDITURES

SFY 2009 (actual)	SFY 2010 (projected)	SFY 2011 (appropriation)	% Change SFY 2009–2010
\$31,900,000	\$34,800,000	\$34,800,000	9%

MEDICAID LONG-TERM SERVICES & SUPPORTS

NUMBER OF BENEFICIARIES: WAIVERS & NURSING FACILITIES

Waiver Name	Avg. Daily Caseload			% Change
	SFY 2009	SFY 2010	SFY 2011 (planned)	SFY 2009– 2010
Aged & Disabled Waiver	9,614	11,034	11,802	15%
Traumatic Brain Injury	153	157	275	3%
Nursing Facility Services		Avg. Daily Census 2010		Expected Change 2011
NF Average Daily Census		24,017		Increase

LTSS EXPENDITURES (FEDERAL AND STATE)

Service	SFY 2009	SFY 2010 (Estimate)	SFY 2011* (Appropriation)	% Change SFY 2009–2010
HCBS Waivers (For Older People and Adults with Physical Disabilities)	\$589,400,000	\$424,500,000	\$407,515,000	-28%
Medicaid LTSS State Plan	\$130,300,000	\$158,300,000	\$282,713,000	21%
Nursing Facility	\$1,063,000,000	\$1,072,000,000	\$1,431,004,000	1%

- FY 2011 appropriations are estimates based on state General Fund appropriations and anticipated enhanced FMAP phase down for federal fiscal year 2011.
- HCBS waiver data includes total LTSS waiver expenditures or appropriations.

LTSS PROVIDER PAYMENT RATE CHANGES

Provider Type	SFY 2009–2010 % change	SFY 2010–2011 % change
Nursing Home	+0.8%	
Home Health	-5%	
Personal Care Services	0	0
HCBS Waiver Services	0	0
+ Provider rate increase - Provider rate decrease 0 No change in provider rate		NA Not applicable



OPTIONS, OUTLOOK, AND PROMISING PRACTICES

The Medicaid agency and State Unit on Aging were asked about their intent to pursue options under health care reform, to provide their thoughts on the outlook for LTSS, and to share promising practices in their state. This section combines information from both agencies if both agencies responded.

See the Overview for descriptions of these provisions.

State's Intent to Pursue LTSS Provisions in the Affordable Care Act	Very Likely	Somewhat Likely	Not Likely	Don't Know
State Balancing Incentive Program				X
Community First Choice Option				X
Money Follows the Person Demonstration				
1. Apply for new program				
2. Apply for extension of existing program	X			
Medical/Health Home Initiative				
1. Agency applying for planning grant				X
2. State plan amendment to establish medical/health home services				X
3. Apply to establish community health teams				X

STATE PRIORITIES: 18–24 MONTHS

- Expanding home and community-based services (HCBS) remains a priority; however, that expansion depends on the savings, if any, in nursing facility expenditures as well as the state revenues available to fund state-only programs.
- Continuing the expansion of HCBS and the decrease (or avoidance of an increase) in clients served in nursing facilities.

STATE ISSUES

- Reduced state revenues may prohibit a more rapid expansion of waiver services, as well as limit services under Indiana's state-funded program, CHOICE (Community and Home Options to Institutional Care for the Elderly and Disabled).
- Indiana hopes to participate in as many grants as possible under the Affordable Care Act, while at the same time ensuring that the state can afford expansions after the expiration of those grants.

STATE PROMISING PRACTICES

- Indiana increased HCBS clients by almost 200 percent from 2003 to 2010 by increasing the number of waiver slots, creating uniform financial eligibility for nursing facility services and HCBS, and participating in Money Follows the Person, as well as other federal grant programs.
- In January 2010, the nursing facility reimbursement methodology was revised to provide a quality add-on payment to those providers giving the best care. Further changes to the quality component will be made over the next 18 months.

The information in this profile represents information available to state officials at a point in time. Surveys were conducted from June through September 2010. Indiana's fiscal year begins July 1 and ends June 30.