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FACT SHEET ON MI CHOICE

MI Choice allows adults 18+ with serious disabilities to live at home and avoid or postpone nursing home placement.

What is MI Choice?

MI Choice is a statewide Medicaid program that enables older adults and younger adults with disabilities to function safely in their own homes with services, avoiding or postponing institutional placement. It works hand-in-hand with family caregivers, not to replace them, but to assist them so they can keep going.

Is it cost-effective to keep people at home?

Yes. MI Choice costs an average of \$52/day compared with an average nursing home cost of \$172/day. Despite the rapid growth in the aging and disabled populations, MI Choice and Home Help¹ have contributed to an unprecedented reduction in Medicaid nursing home spending in Michigan each year beginning in FY 2008.

However, Michigan has a ways to go in supporting home and community-based care. The state now spends 80% of its Medicaid long term care dollars on institutional care, and only 20% on home-based care, even though most people prefer services at home. In contrast, some states (Oregon, Washington, and others) spend more than half of their funding on home-based care, enabling them to serve more people while containing costs.² The federal government has made the 'rebalancing' of long term care spending one of its priorities. This is because of a 1999 U.S. Supreme Court decision in the case of *Olmstead versus L.C.*, known as the "Olmstead decision." The Court ruled that unnecessary institutionalization is a type of discrimination prohibited by the Americans with Disabilities Act (ADA).

Which services are available?

Services can include personal care, homemaking, respite in the home, respite outside the home, respite in the home of another, adult day care, home-delivered meals, transportation, private duty nursing, personal emergency response systems, chore service, counseling, specialized medical equipment and supplies, caregiver training, nursing home transition services, community living supports and environmental accessibility adaptations. MI Choice uses an approach that is "person-centered," meaning clients are in control and make the decisions about their own care. MI Choice also gives clients the option of directing their own care and hiring their own helpers.

Who is eligible for MI Choice?

Low-income adults 18 and older who have disabilities significant enough to qualify for nursing home care can be eligible for MI Choice. Most MI Choice clients are on both Medicare and Medicaid – the so-called "dual eligibles" that suffer more chronic conditions and need more health care. Priority groups are young adults who age out of the Children's Special Health

¹Home Help is another home and community-based program funded by Medicaid.

²Mary M. Ablan, "Has the Medicaid Waiver Reduced Nursing Home Utilization? Part I: The Michigan Experience, and Part II: The Experience in Other States," 2002.

Care Program, people already in nursing homes who want to go home, and people who need adult protective services. Income can be no greater than 300% of the SSI level (\$2,022/month in 2011), and liquid assets can be no greater than \$2,000. The income of a spouse is exempt and spousal asset protections apply.

How does the program work?

Care coordination is key. A registered nurse and a social worker visit the client in his/her home to determine what the client wants, and what family members and friends can do to help. The nurse or social worker provides a list of qualified agencies from which the client can choose, and contacts agencies if the client desires. After services are started, the nurse or social worker stays in touch with the client on a regular basis to make adjustments.

What is the role of Area Agencies on Aging (AAAs)?

AAAs employ the nurses and social workers that visit clients and coordinate care. AAAs are well suited to this task because they don't provide in-home services and have no financial self-interest in referring clients to particular services or service providers. AAAs are also responsible for implementing cost controls, data collection, and financial management. Fourteen AAAs administer MI Choice; six other agencies across the state also perform this role.³

How does MI Choice assist people in leaving nursing homes?

Professionals⁴ identify residents who want to leave, then address the barriers that are preventing them from doing so. Some residents have lost their homes -- they are unable to pay mortgages or rent because most of their income goes to the nursing home. Professionals will find new homes along with furnishings, if needed. Some residents cannot live alone without help and have minimal assistance from others, so MI Choice services are essential; about 70% of the residents transitioned get services through MI Choice.

Michigan is a national leader in nursing home transitions. Almost 600 people were transitioned in 2008, 900 in 2009, and more than 1500 were transitioned in 2010.⁵ Transitions play a key role in reducing Medicaid nursing home expenditures. In 2009, the Medicaid program saved \$40 million because of the transition program.

Can home care save acute health care dollars too?

There is evidence that MI Choice and other home care programs contribute to a reduction in emergency room visits and hospitalizations. A 2008 study done by the U of M Institute of Gerontology analyzed the impact of MI Choice funding cuts on the clients served in Michigan. When funds were cut, home care services had to be scaled back for most clients. When services were reduced, there was a statistically significant increase in nursing home placements, emergency room use and hospitalizations.⁶

³To see a list of all the waiver agents in the state and the areas they serve, search for "waiver agents" on the State of Michigan website at www.michigan.gov and click on the first link listed.

⁴Professionals are nurses, social workers, or others employed by Area Agencies on Aging, other Waiver Agents and Centers for Independent Living, also called Disability Networks.

⁵This is 300 more than the state-set performance benchmark of 1200 clients for 2010.

⁶Jennifer D. D'Souza, et. al, "Hard Times: The Effects of Financial Strain on Home Care Services Use and Participant Outcomes in Michigan," *The Gerontologist*, April 2009.

Another 2008 U of M study found that Wayne County residents on the MI Choice wait list used more acute health care services than did clients in the program.⁷ Similarly, a 2006 national study showed that frail elders who live without help have higher rates of hospitalization while they are living with unmet needs but not after those needs are met with home and community-based services.⁸

How many people are helped by MI Choice?

In 2010, 11,000 adults in Michigan were able to remain in their own homes with assistance from MI Choice. The total budget for MI Choice was \$176 million in FY 2010 - much less than the cost of serving these same individuals in nursing facilities. Recognizing its effectiveness, legislators increased the MI Choice budget to \$206 million for FY 2011. The additional funds will be used to help more adults with disabilities leave nursing homes and return to the community at a much lower cost to the state.

Is there a waiting list for MI Choice?

Yes. MI Choice slots are limited, unlike the Medicaid nursing home benefit which is available to everyone eligible. As of December of 2010, there were 6,700 who have passed an initial eligibility screen and are waiting for MI Choice. In some areas, clients have to wait two years or more to get into the program. According to the Wayne County study cited earlier, clients on the waiting list are more likely to die the longer they wait, and very few are able to get services from another source.⁹

What is the economic impact of MI Choice for the state and local communities?

As a Medicaid program, MI Choice brings significant amounts of federal matching funds into Michigan. In FY 2011, the federal government will pay about 71% of MI Choice costs with the state paying 29%. The federal match rate is even higher (over 80%) for some of the individuals who are transitioned from nursing homes.

MI Choice also has a powerful positive impact on local economies in new jobs and the growth of small businesses. According to a study done by the Indiana University School of Public Health, a \$10 million increase in MI Choice brings an additional \$27 million in federal matching funds, creating 1,100 new jobs and returning \$1.9 million in tax revenues to the state¹⁰.

⁷Marilyn Arndt, et. al, "Wayne County MI Choice Waiver Wait List Study: Final Report," University of Michigan Institute of Gerontology with DYNs Services and Center for Information Management, unpublished study, March 2008.

⁸Laura P. Sands, et. al, "Rates of Acute Care Admissions for Frail Older People Living with Met Versus Unmet Activity of Daily Living Needs," Journal of the American Geriatrics Society, February 2006.

⁹ Marilyn Arndt, op. cit.

¹⁰ Based on 2010 figures. Yong Li, "Economic Impact of the MI Choice Medicaid Waiver Program," Indiana University School of Public Health, unpublished study, July 2010.