

# Indiana State Funded Network of Centers for Independent Living

---

*Understanding the Landscape of Independent Living In  
Indiana*

**PHASE 1:**

*Services Demographics*

*Program Evaluation and Expansion*

*Cost Savings*

*Fiscal Year 2008*

### **Background of Indiana State Funded Network of Centers for Independent Living:**

The Indiana State Funded Network of Independent Living (INSFCIL) was officially formed in 2007 in response to seven Independent Living Centers' desire to work collaboratively on behalf of those living with disabilities in the State of Indiana. INSFCIL's membership is comprised of the following seven centers:

- ATTIC, Inc.
- Future Choices, Inc.
- Independent Living Center of Eastern Indiana (ILCEIN)
- Indianapolis Resource Center for Independent Living (IRCIL)
- Southern Indiana Center for Independent Living (SICIL)
- The League for the Blind and the Disabled (The League)
- The Wabash Independent Living and Learning Center, Incorporated (The WILL Center)

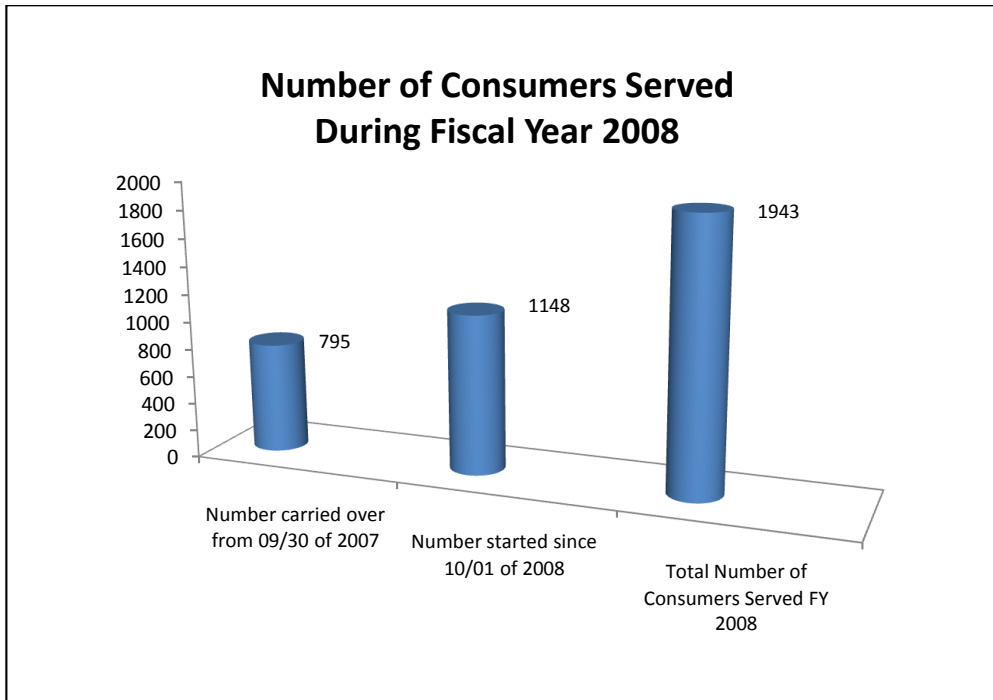
The mission of INSFCIL is to create inclusive communities across Indiana where people with disabilities have choice and control in their lives.

Organized under Title VII, Chapter 1, Part C of the Rehabilitation Act of 1973, Independent Living Centers have, as their mandate, to provide services to individuals living with disabilities. It is recognized that:

- Approximately one of every five persons has a disability.
- People with disabilities are recognized as one of the most disadvantaged groups in society.
- The unnecessary dependency of people with disabilities consumes public resources, detracts from workforce and economic development efforts, and compromises individual and community quality of life.
- Title IV of the Workforce Investment Act sets a national goal for centers for independent living to provide people with disabilities the tools they need for personal and economic self-sufficiency and community inclusion.
- Title VII of the Rehabilitation Act provides financial assistance to develop and support statewide networks of Centers for Independent Living (CILs).

*INSFCIL Consumer Data:*

Collectively, INSFCIL served 1,943 disabled Indiana residents in fiscal year 2008 (October 1, 2007-September 30, 2008). Of these, 1,148 were new consumers of IL services in fiscal year 2008 and 795 of these were consumers whose services carried over from fiscal year 2007.



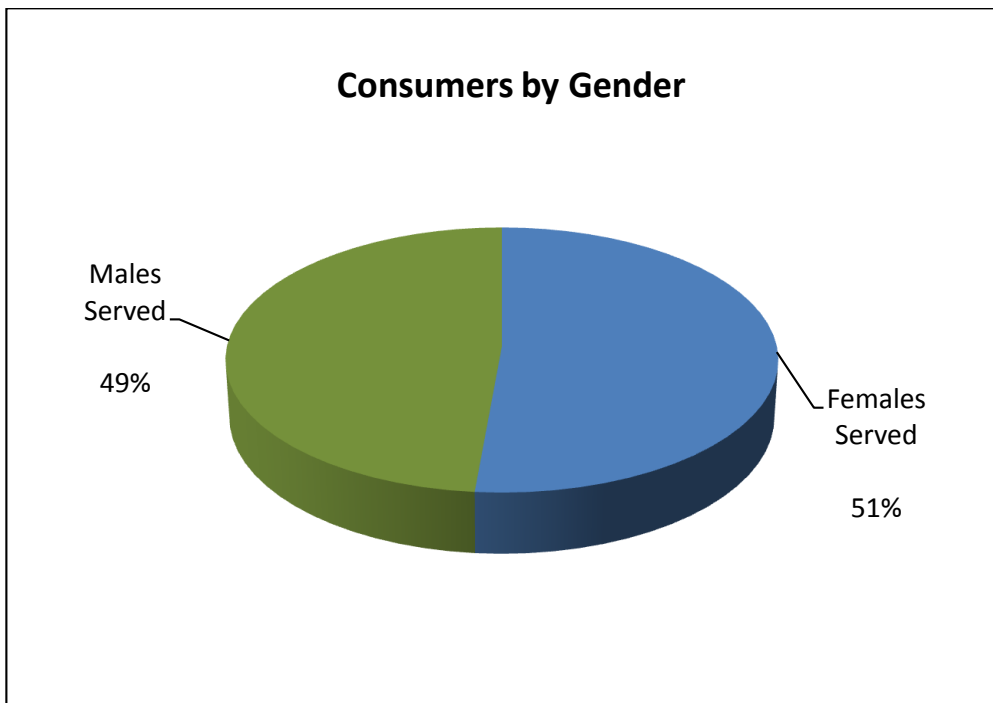


### Demographics for those served by INSFCIL:

The following charts represent the demographics of those served by INSFCIL in fiscal year 2008. The demographics include: gender, age, ethnicity and race.

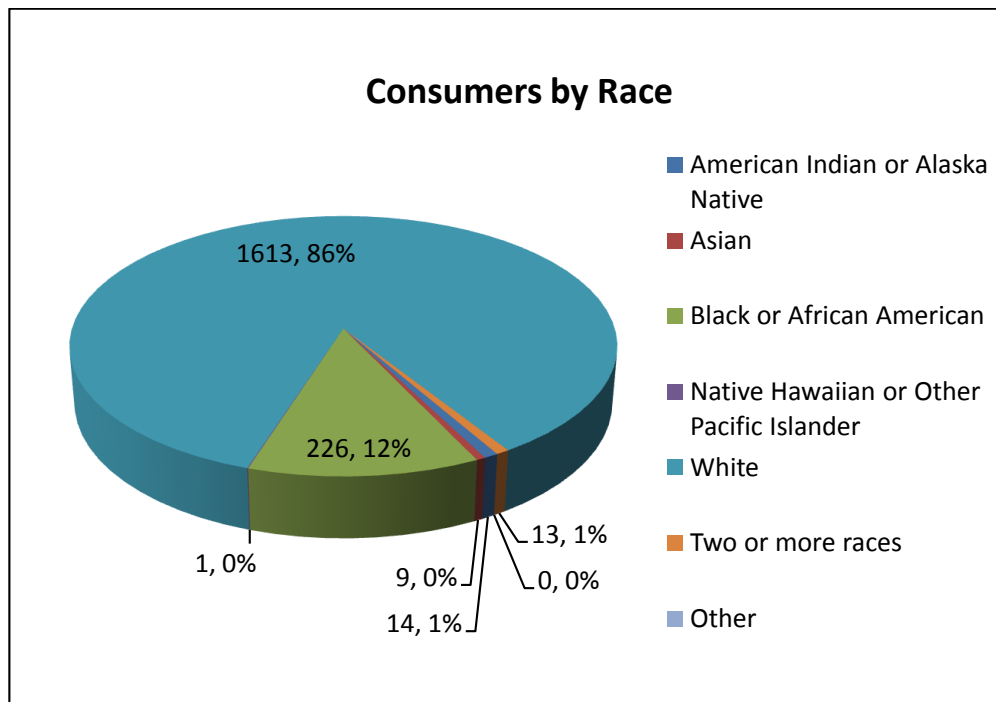
#### Gender:

Females served by CILs represented slightly more than males in fiscal year 2008. There were a total of 999 females served and 944 males served.



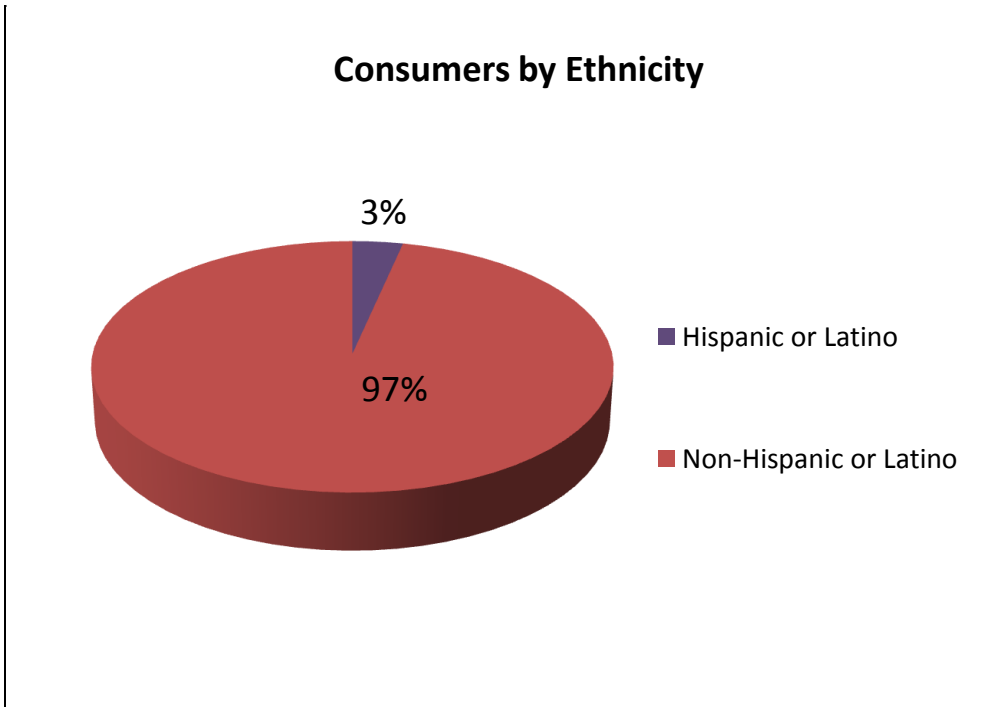
Race:

Mirroring the racial demographics of the overall population in Indiana, INSCIL served the following racial populations in the state for fiscal year 2008. The majority of those served were comprised of Whites (1,613). African Americans were the second highest group of those served (226); followed by American Indiana/Native Americans (14) and Asian (9). There was 1 Pacific Islander served by INSCIL. Those identifying as having two or more races represented 13 people served by INSCIL.



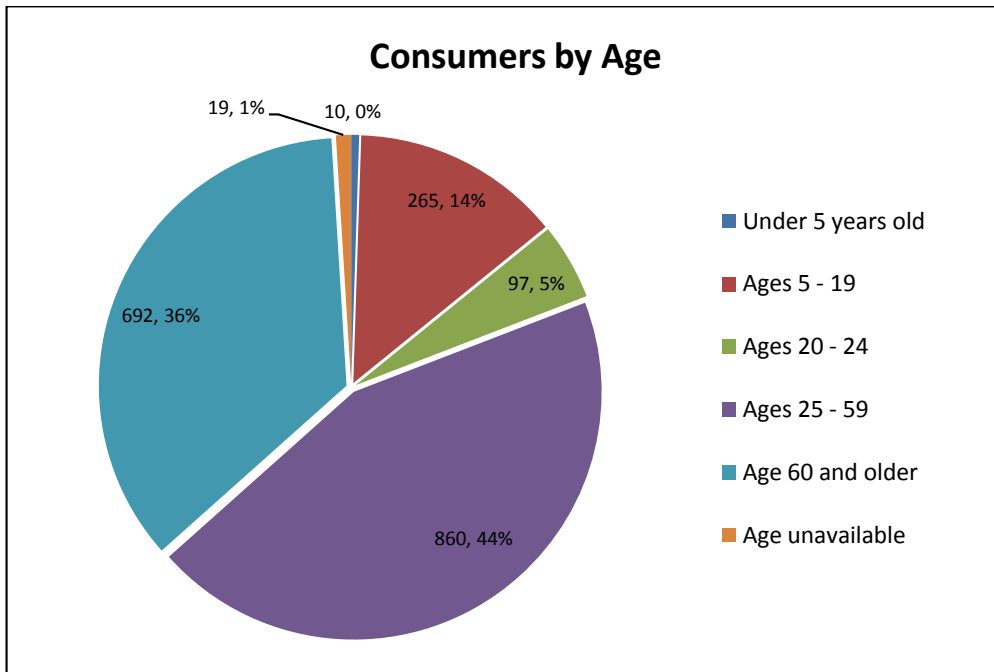
Ethnicity:

INSFCIL served a majority of people who identified themselves as non-Hispanic/Latino (1,875). An additional 3%, or 67 consumers, identified themselves as Hispanic or Latino.



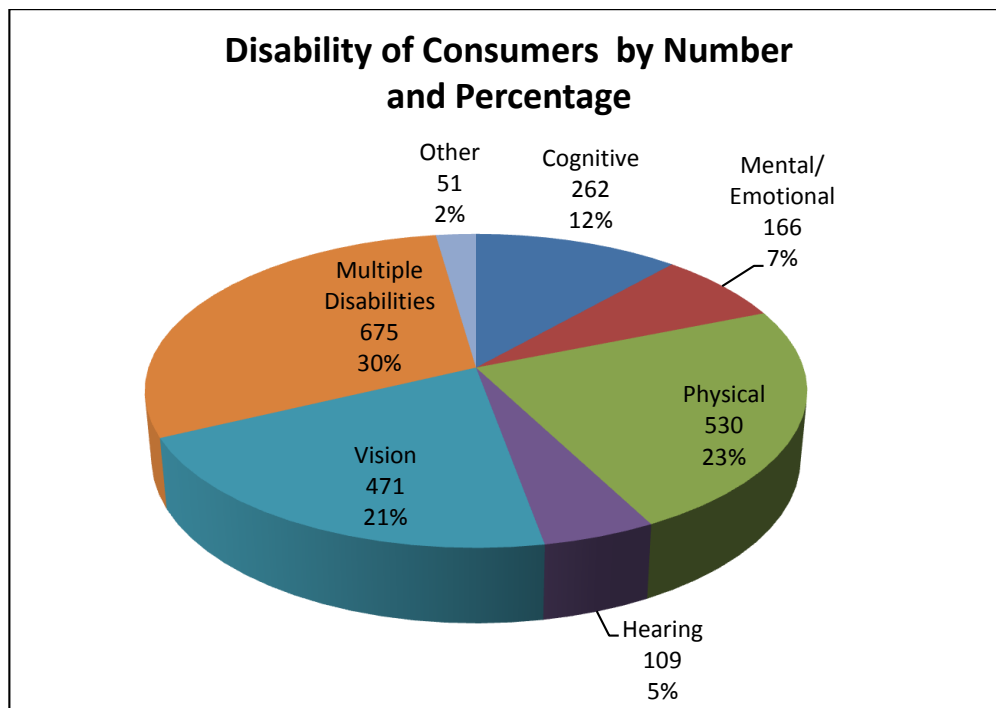
*Age:*

The age dispersion of those served follows. The largest age group served for fiscal year 2008 were those aged 25-29 (860), followed by those in the age group of 60 + (692). Because much of the CILs services focus on serving the elderly, these figures are consistent with services.



*Types of Disability Served:*

INSFCIL assisted individuals who were identified as having Cognitive, Mental/Emotional, Physical, Hearing and Vision disabilities. In addition, INSFCIL served those identified as having Multiple Disabilities and those who identified as having “other” disabilities. The majority of those served identified as having multiple disabilities. Physical disability represented the highest number of those served, followed by those with a visual disability.



1

---

<sup>1</sup> Due to the reporting of multiple disabilities, these numbers exceed total numbers of consumers served for fiscal year 2008.

## Individual Services provided by Independent Living Centers in Indiana:

INSFCIL provided the following services to individuals living in Indiana during fiscal year 2008. The definitions of these services are taken from the *United States Department of Education, Office of Special Education and Rehabilitative Services, Rehabilitation Services Administration, Section 704 Annual Performance Report for the Centers for Independent Living*. All definitions are verbatim with the exception of the Information and Referral Services definition which was amended by INSFCIL to accurately reflect data collection by the CILs in the network.

Advocacy/Legal Services – Assistance and /or representation in obtaining access to benefits, services, and programs to which a consumer may be entitled.

Assistive Technology – Any assistive technology device, that is, any item, piece of equipment or product system that is used to increase, maintain or improve functional capabilities of individuals with disabilities and any assistive technology service that assists an individual with a disability in the selection, acquisition or use of an assistive technology device.

Children’s Services – The provision of specific IL services designed to serve individuals with significant disabilities under the age of 14.

Communication Services – Services directed to enable consumers to better communicate, such as interpreter services, training in communication equipment use, Braille instruction, and reading services.

Counseling and Related Services – These include information sharing, psychological services of a non-psychiatric, non-therapeutic nature, parent-to-parent services, and related services.

Family Services – Services provided to the family members of an individual with a significant disability, when necessary, for improving the individual’s ability to live and function more independently, or ability to engage or continue in employment. Such services may include respite care. Record the service in the consumer’s CSR on behalf of whom services were provided to the family.

Housing, Home Modifications, and Shelter Services – These services are related to securing housing or shelter, adaptive housing services (including appropriate accommodations to, and modifications of, any space used to serve, or occupied by individuals with significant disabilities).

IL Skills Training and Life Skill Training Services – These may include instruction to develop independent living skills in areas such as personal care, coping, financial management, social skills, and household management. This may also include education and training necessary for living in the community and participating in community activities.

Information and Referral Services – This is a service of short duration to help an individual connect to the resources they need, and is provided in response to any person from any geographic area for which an individualized, hard copy or electronic copy record of the service is developed and retained by the CIL.

Mental Restoration Services – Psychiatric restoration services including maintenance on psychotropic medication, psychological services, and treatment management for substance abuse.

Mobility Training Services – A variety of services involving assisting consumers to get around their homes and communities.

Peer Counseling Services – Counseling, teaching, information sharing, and similar kinds of contact provided to consumers by other people with disabilities.

Personal Assistance Services – These include, but are not limited to, assistance with personal bodily functions; communicative, household, mobility, work, emotional, cognitive, personal, and financial affairs; community participation; parenting; leisure; and other related needs.

Physical Restoration Services – Restoration services, including medical services, health maintenance, eyeglasses, and visual services.

Preventive Services – Services intended to prevent additional disabilities, or to prevent an increase in the severity of an existing disability.

Prostheses, Orthotics, and Other Appliances – Provision of or assistance in obtaining through other sources, an adaptive device or appliance to substitute for one or more parts of the human body.

Recreational Services – Provision or identification of opportunities for the involvement of consumers in meaningful leisure time activities. These may include such things as participation in community affairs and other recreation activities that may be competitive, active, or quiet.

Rehabilitation Technology Services – Provision of, or assistance to obtain through other sources, adaptive modifications, such as wheelchairs and lifts, which address the

barriers confronted by individuals with significant disabilities with respect to education, rehabilitation, employment, transportation, IL and/or recreation.

Therapeutic Treatment – Services provided by registered occupational, physical, recreational, hearing, language, or speech therapists.

Transportation Services – Provision of, or arrangements for, transportation.

Youth/Transition Services – Any service that develops skills specifically designed for youth with significant disabilities between the ages of 14 and 24 to promote self-awareness and esteem, develop advocacy and self-empowerment skills, and the exploration of career options, including the transition from school to post school activities such as postsecondary education, vocational training, employment, continuing and adult education, adult services, independent living, or community participation.

Vocational Services – Any services designed to achieve or maintain employment.

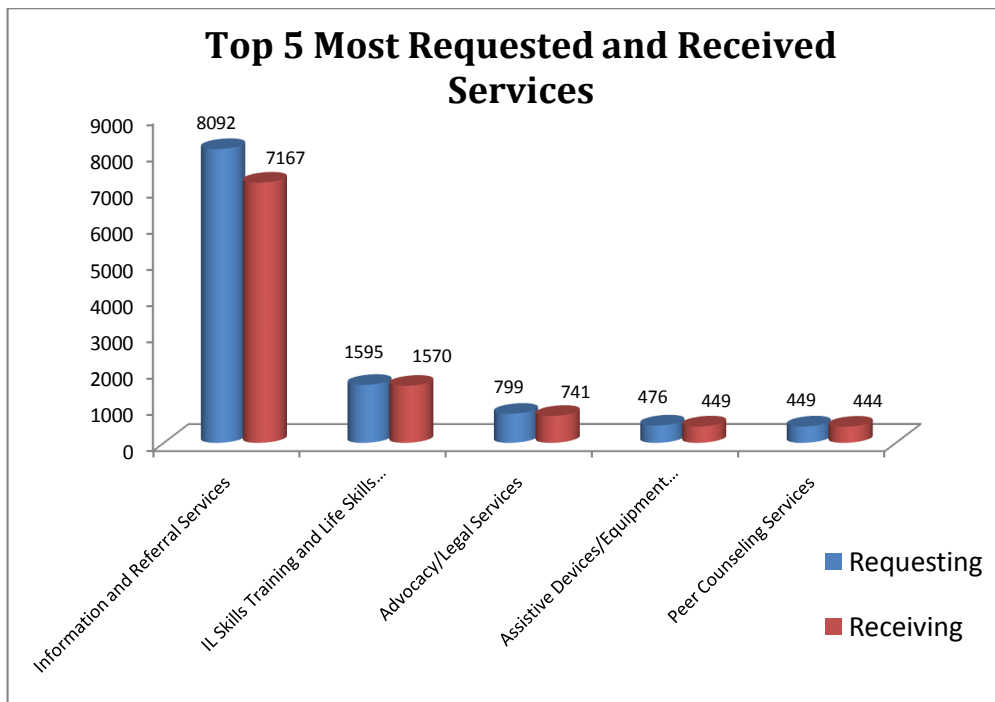
Other Services – Any IL services not listed above.

### INSFCIL Requested and Received Services for Fiscal Year 2008:

For fiscal year 2008, INSFCIL received 13,276 requests from consumers for services in the previously listed categories. During this same time period, INSFCIL provided 11,874 services. This represented an attainment rate of 89.4%. The top five most requested services follow:

Most requested services:

Information and Referral was the most requested and received service from CILs for fiscal year 2008. Other highly requested and received services included: IL Skills Training and Life Skills; Advocacy and Legal Services; Assistive Devices and Equipment Services and Peer Counseling Services.



## Increased Independence in a Significant Life Area:

As part of supporting people with disabilities, INSCIL works to assist consumers in increasing their independence. To obtain outcome data on individual attainment of independence by consumers, CILs measure the following life areas goals for consumers. The definitions are taken from the **United States Department of Education, Office of Special Education and Rehabilitative Services, Rehabilitation Services Administration, Section 704 Annual Performance Report for the Centers for Independent Living:**

Self-Advocacy/Self-Empowerment – Goals involving improvement in a consumer’s ability to represent him/her with public and/or private entities, the ability to make key decisions involving him/her, or the ability to organize and manage his/her own activities to achieve desired objectives.

Communication – Goals involving either improvement in a consumer’s ability to understand communication by others (receptive skills), and/or improvement in a consumer’s ability to share communication with others (expressive skills).

Mobility/Transportation – Goals to improve a consumer’s access to her/his life space, environment, and community. This may occur by improving the consumer’s ability to move, travel, transport himself/herself, or use public transportation.

Community-Based Living – Goals that provide for a change in living situations with increased autonomy for the consumer. This may involve a consumer’s goals related to obtaining/modifying an apartment or house. Community-based living arrangements may include apartments, privately owned housing, self-directed assisted living, or self-directed living with family/friends.

Educational – Academic or training goals that are expected to improve the consumer’s knowledge or ability to perform certain skills that would expand his/her independence, productivity or income-generating potential.

Vocational – Goals related to obtaining, maintaining, or advancing in employment.

Self-Care – Goals to improve/maintain a consumer’s autonomy with respect to activities of daily living such as personal grooming and hygiene, meal preparation and nutrition, shopping, eating, and other aspects of personal health and safety.

Information Access/Technology – Goals related to consumer obtaining and/or using information necessary for the consumer’s independence and community integration. These may include use of a computer or other assistive technology, devices, or equipment, as well as developing information technology skills, such as using computer screen-reading software.

Personal Resource Management – Goals related to a consumer learning to establish and maintain a personal/family budget, managing a checkbook, and/or obtaining knowledge of available direct and indirect resources related to income, housing, food, medical, and/or other benefits.

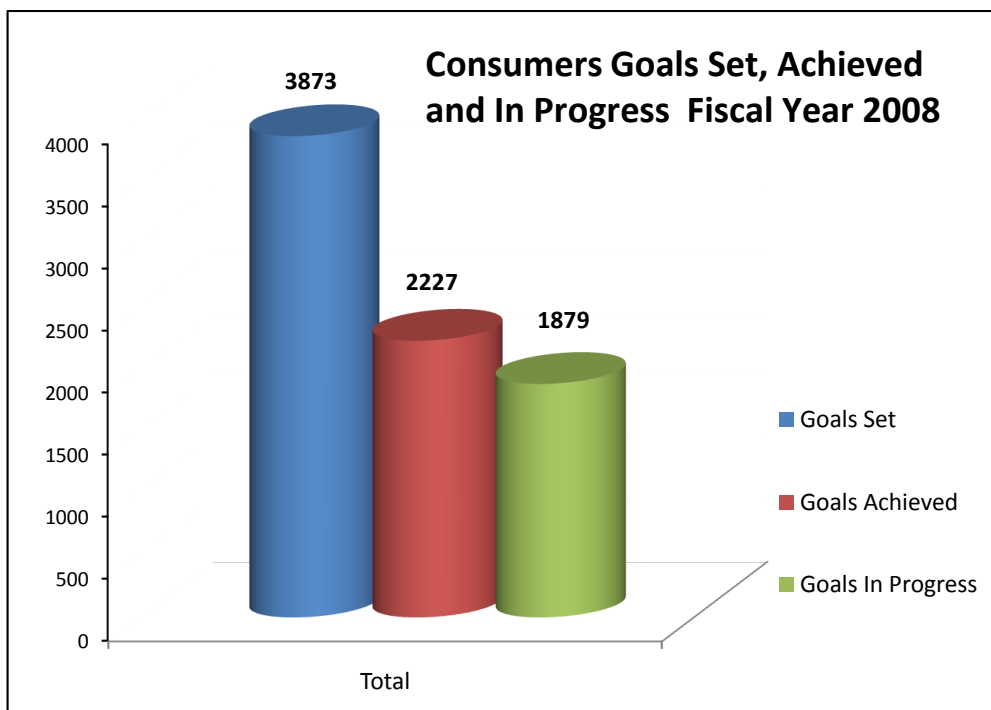
Relocation from a Nursing Home or Institution – Goals related to relocation from nursing homes or other institutions to community-based living arrangements. This significant life area specifically pertains to consumers who live in a nursing home or institution, unlike the Community-Based Living life area, above, which includes any consumer regardless of his/her living situation prior to receiving IL services.

Community/Social Participation – Goals related to full participation in the mainstream of American society, including the ability to participate in community events such as community fairs and government functions, attend worship services and access recreational activities and facilities.

Other – IL goals not included in the above categories.

### Independence in Significant Life Area Goal Attainment:

Throughout fiscal year 2008, consumers set 3,873 Significant Life Area Goals. Of these goals set, 2,227 had been attained. An additional 1,879 goals were still in progress. This represents a goal attainment rate of 57.5% for consumers.



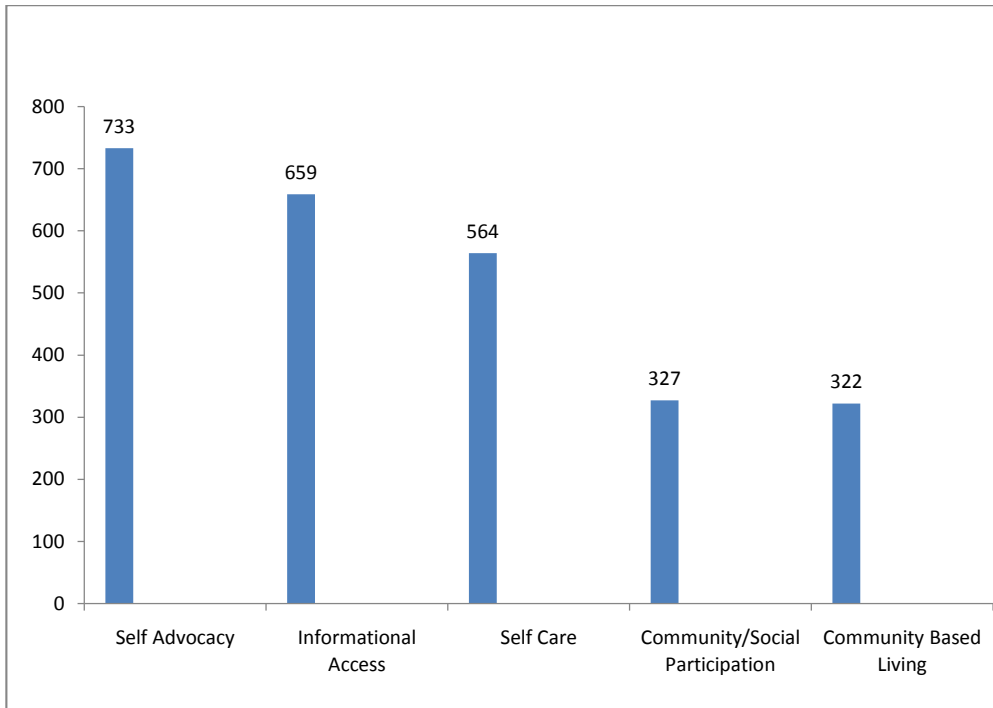
2

---

<sup>2</sup> Consumers set multiple goals for themselves which can be added to, or dropped, during their progress. Because of this, goals set, attained and in progress do not total.

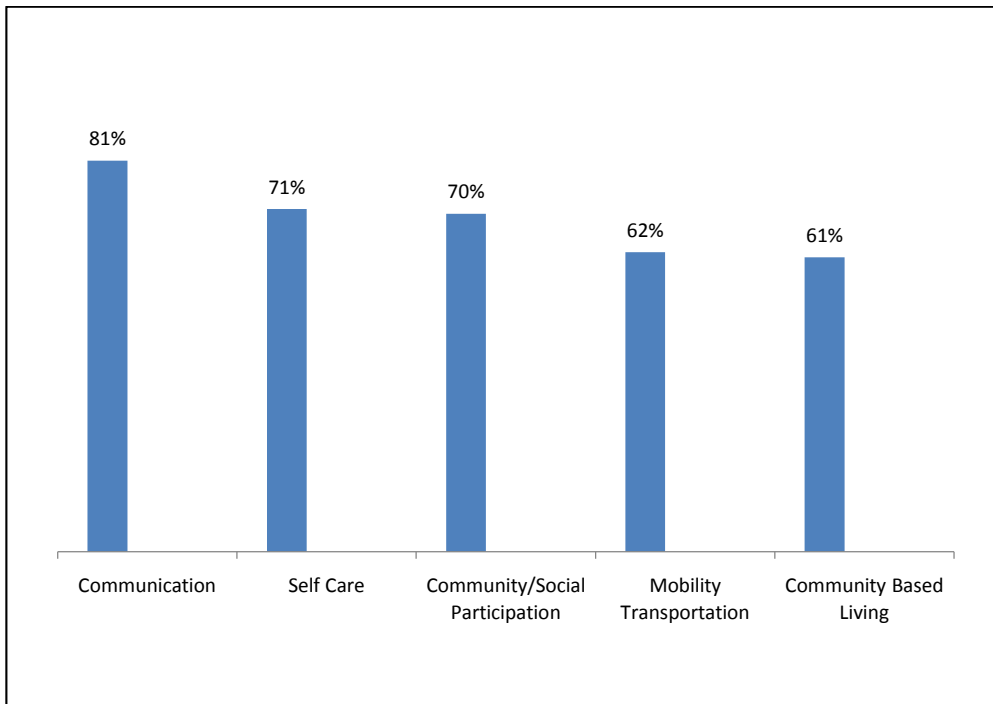
Top 5 Most Set Goals:

Consumers set individual goals most related to the following areas: Self Advocacy; Informational Access; Self Care; Community/Social Participation and Community Based Living. Below is a graph representing those goals most frequently pursued by consumers in 2008:



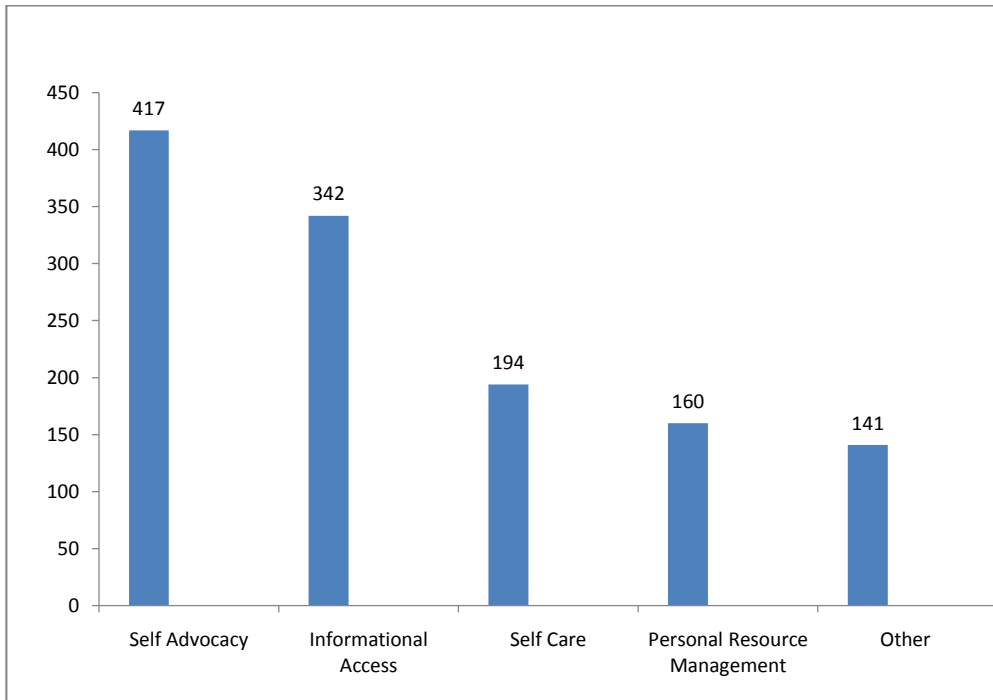
Highest Attainment Rate for Individual Goals:

Consumers had the highest attainment rates with the following goals: Communication, Self Care; Community/Social Participation; Mobility Transportation; Community Based Living.



### Goals Still in Progress:

Consumers cited the following goals as still in progress: Self Advocacy; Informational Access; Self Care; Personal Resource Management; and Other Goals.



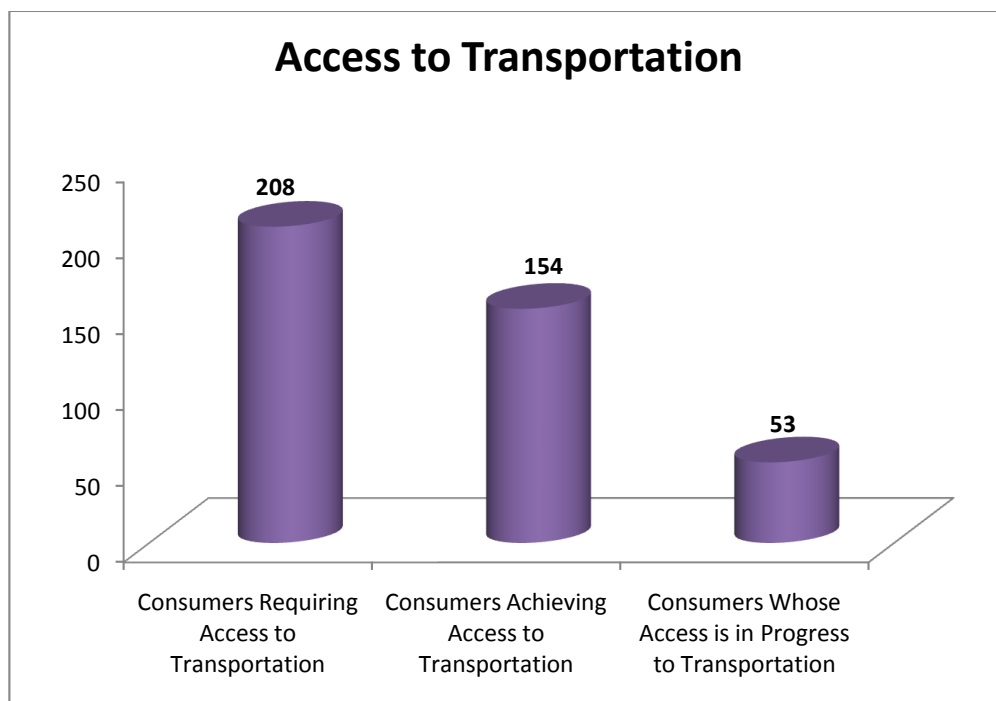
3

---

<sup>3</sup> Consumers set multiple goals for themselves which can be added to, or dropped, during their progress. Because of this, goals set, attained and in progress do not total.

## Improving Access to Transportation, Health Care Services or Assistive Technologies:

The lack of access to essential opportunities such as transportation, appropriate health care services, or assistive technology may prevent an individual from achieving independence in one or more significant life areas. This table measures how the independent living program enables consumers to overcome barriers to their independence by helping them to access previously unavailable transportation, health care services, and assistive technology.

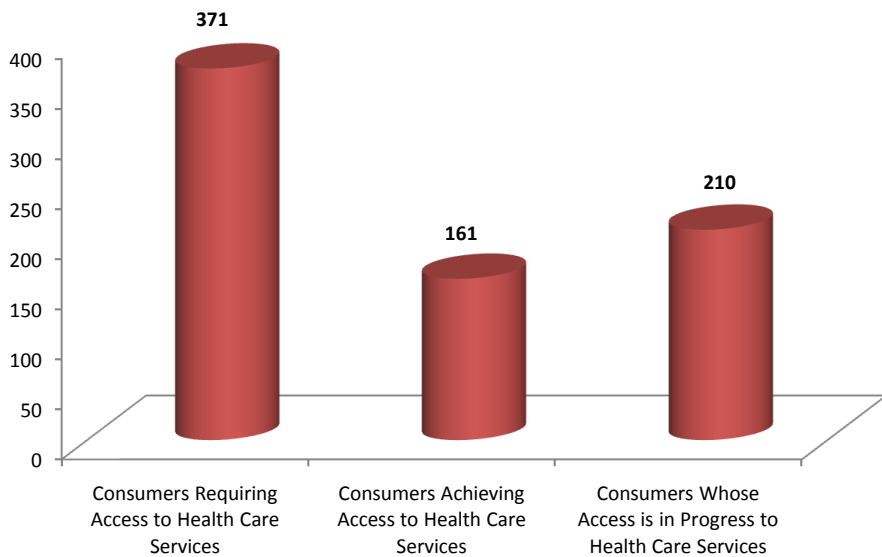


4

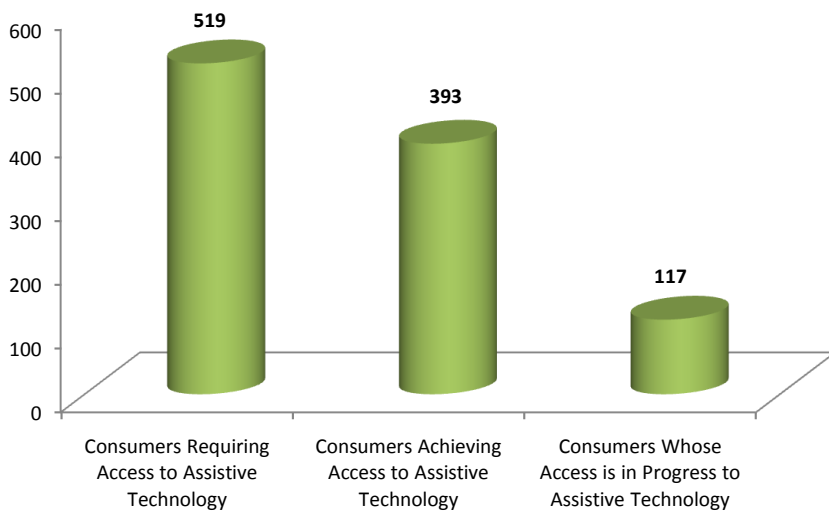
---

<sup>4</sup> These categories do not total due to the fact that some consumers may withdraw, die or move from the program before achieving their access goals

### Access to Health Care



### Access to Assistive Technology



#### Program Expansion and Evaluation:

The members of INSCIL continued to meet their mission of serving people with disabilities of all ages within their catchment areas, while strengthening the Independent Living Community statewide by:

- Increasing services to assist people with disabilities in Indiana
- Developing funds for people living with disabilities to assist with access issues like ramps and other home modifications
- Forming a statewide network and alliance of Independent Living Centers to collaborate and learn from each other
- Standardizing reporting issues to determine quality assurance and consumer satisfaction as well as determine cost-effectiveness of services

The following new and expanded services were rolled out during fiscal year 2008:

- In-home care services
- Youth transition services
- Community sign language interpreting services
- Video remote sign language interpreting services
- Braille production services
- Minority outreach services
- Institutional transition and diversion services
- Adaptive and medical equipment services
- Increased services to un-served and underserved counties

#### *In-home care services:*

All of the seven centers involved in the INSCIL network are pursuing in-home care services as of fiscal year 2008. In-home care services provide either attendant care or homemaker services to persons with disabilities who live in their own home or apartment. These are non-medical services that assist a person with household tasks like housekeeping, shopping, laundry, meal planning and preparation as well as limited outside chores and cleaning. They might also include companion services like fellowship, letter writing, mail reading, care, protection, transportation and other like tasks. These cost-effective services allow people with disabilities to maintain a level of independence and, therefore, have a high demand. Four of the centers are in the feasibility and planning stages. Their activities are centered on gaining licensures, filing for incorporation and evaluating feasibility of providing these services within their catchment area.

Three of the centers have rolled out these services to their communities and have had the following impacts to date:

- 59 new consumers served as a result of this new service
- A new office providing personal care assistance services has been established in Versailles, Indiana
- Contracts with the Area Agencies on Aging has resulted in 196 people served
- Medicaid reimbursement has been secured for some of the centers for these in-home services
- Additional revenues have been generated by these services to support the work of the centers

### *Youth Transition Services:*

Five of the seven centers have developed youth transition services programming. These programs provide children nearing age 14 with transition assistance. These services include more than job readiness. They address life after school, including the areas of work, life, learn and play. Youth transition programs also support parents who are working with their children on increasing independence on things like budgeting, use of debit cards and other age appropriate activities. Parents are also provided information on levels of guardianship, special needs trusts and other safe guards such as applying for Medicaid and the Medicaid waiver.

The following impacts have been recognized to date:

- A re-designed program to address transitioning into adult roles while utilizing the 40 developmental assets.
- A partnership with the Indiana State Department of Health that addresses the health care needs of youth as they transition into adulthood. This is the only partnership of this type in the United States.
- Peer support groups for hearing impaired youth
- A partnership with Covered Bridge that implements Key Train skills testing
- New outreach programming in schools has increased services by 40% for one CIL
- A partnership with the Muncie Health Department and Buley Center to increase services for youth in a Healthy Fitness program and tutoring program for children with below average grades in elementary school

The centers recognize that there are many more youth that they need services, but the CILs are limited by their staffing capacity. Additionally, many CILs cite the need to start earlier with youth in preparing for transition. It is suggested that some transitioning begin with elementary aged youth.

### *Community Sign Language Interpreting:*

Three of the seven CILs have added community sign language interpreting services. These services provide consumers with an interpreter. Since adding these services, the following impacts have been recognized to date:

- The development of a medical interpreter curriculum which is the first of its kind in Indiana. This curriculum will be rolled out in three phases and will start in the summer of 2009
- A contract has been established with three area employers to provide on-site interpreting services. The interpreter assists the employer with safety requirements. This assists both the employer and the disabled workers
- Fees for these services have provided revenue of approximately \$225,000

### *Video Remote Sign Language Services:*

One of the seven centers will offer video remote sign language services at its site. This video relay station will provide high speed internet access to consumers who live in outlying, rural areas where no such access exists.

### *Braille Production Services:*

Four of the seven centers provide Braille production services within their communities. Braille production services include the actual use of a Braille embosser machine to produce business cards and other printed materials. Additional services include Braille classes for those who have low-vision and have progressive eyesight loss. To date, the following impacts have been recognized:

- Three sites are now providing Braille classes. For one of these centers, this program has been reinstated. Demand for these classes has always been present but funding has not. These classes are offered free of charge to consumers.
- Two sites are providing Braille printing services on a fee for services basis

### *Minority Outreach Services:*

Two of the seven centers have expanded their services within the minority community. To date, the following impacts have been made:

- A full-time minority outreach coordinator has been hired thereby increasing services to Hispanic/Latino consumers by 92% at one center
- A partnership has been formed with the Minority Health Coalition which has resulted in more minority referrals to the CIL's.
- A partnership was developed with the Mexican Consulate, Latino Roundtable (group of over 20 organizations providing services to Hispanic/Latino community), La Plaza and the Wayne Township Language Assistance Program to increase referrals from the Hispanic/Latino community.

### *Institutional Transition and Diversion:*

All centers provided institutional transition and diversion services prior to 2008. However, additional staffing has allowed the centers to expand their services in the following ways:

- A partnership with the Department of Corrections to provide services for those who are incarcerated
- Increased awareness and presentations to long term care facilities which resulted in more transitions from the Area Agencies on Aging

### *Adaptive and Medical Equipment Services:*

The provision of adaptive and medical equipment services allows consumers to remain independent within their homes. INSFCIL has recently expanded these services throughout the state. Five of the seven centers reported increasing these services, as well as developing pass-through funds to the consumers to assist in the purchase of these devices. To date, the following impacts have occurred:

- Expansion of equipment loan programs to allow greater access to this equipment
- A partnership with the Department of Corrections that has inmates building adaptive equipment
- State licensure and national accreditation for one site to provide durable medical equipment. This center has also become a Medicaid/Medicare provider for these services

### *Increased Services to the Un-served and Underserved:*

INSFCIL currently provides services to 50 counties in Indiana. Most CILs will serve consumers with disabilities that reside in neighboring un-served counties. The state funding has allowed the following increase in services to un-served and underserved counties in Indiana to date:

- Increased services to donut counties of Marion County which were previously un-served
- New services for the older populations who are blind/visually impaired in Bartholomew and Owen counties
- Partnership with Purdue University now provides services to disabled agricultural workers who were previously un-served

## Cost Savings Analysis for the Indiana State Funded Network of Centers for Independent Living

The Indiana State Funded Centers for Independent Living, while relying on tax dollars for some of their funding, also create cost savings for state tax payers. Cost savings result from individuals living independently outside of institutional settings, from helping youth transition into independent living and gainful employment, and from helping adults with disabilities maintain gainful employment. Conservative estimates of these savings are presented below for the following areas: deinstitutionalization, preventing institutionalization, sustained independent living, educational transition, and employment support.

All costs savings are expressed in 2007 dollars and savings data is estimated in two ways. First, total savings of state and federal dollars are calculated. We also present a second estimate of savings of Indiana tax dollars.

### Savings from Deinstitutionalization

The Indiana State Funded Centers for Independent Living assist individuals in deinstitutionalization from nursing homes, youth and children's facilities, mental health facilities, and also work on prisoner community re-entry for ex-offenders with disabilities. The Centers also assist with maintaining independent living once individuals are deinstitutionalized. The cost savings from deinstitutionalization are calculated as the cost to the government of maintaining the individual in an institution less the cost to the government, if any, for the individual after deinstitutionalization. Obviously, the relevant costs will vary depending on the type of institution an individual was in and what, if any, treatment programs the individual receives after institutionalization. Because we do not have cost data specific to each individual, we use average costs of the programs to estimate cost savings.

### Nursing Homes

Tax payer savings for those deinstitutionalized from nursing homes are estimated based on the average cost of long-term care, which is obtained from the CHOICE's Report (CHOICE, 2008). The average cost for nursing home care, as reported in the CHOICE's report, is \$53,374 per year. For those individuals who are receiving Medicaid, the state share of the costs is \$19,786 and the federal share is \$33,588 dollars.

Of those individuals deinstitutionalized from a nursing home, 17 qualified for Medicaid or a Medicaid waiver, 3 are enrolled in the CHOICE's program, and the remaining 11 pay privately for their care. The average annual cost of those who receive a Medicaid waiver is \$7,834 with \$2,904 dollars being the cost to the state and \$4,930 being the cost to the federal government. The cost of those in the CHOICE's program is \$5,271 per year, with this cost being born entirely by the State of Indiana (CHOICE, 2008).

To summarize, each individual who received Medicaid in the nursing home and continue to receive it after deinstitutionalization results in a savings of \$45,540 (\$16,882 for the state and \$28,658 for the federal government). Each individual who received Medicaid before deinstitutionalization and enrolled

in CHOICE afterward results in a savings of \$48,103 (\$14,515 for the state and \$33,588 for the federal government).

### Prisoner Re-entry

Cost savings due to those who have participated in the prisoner community re-entry program are estimated based on the annual cost of incarceration in Indiana. The Indiana Department of Correction reports that the average annual cost for an adult prisoner in Indiana is \$19,203 (\$53 per day). This savings is multiplied by the number of individuals who have participated in the prisoner community re-entry program to estimate the cost savings for Indiana tax payers. We have no data on former prisoner participation in other state or federally funded programs, so no additional costs are included for ex-convicts.

### Mental Institutions

The benefit of deinstitutionalization from mental health facilities is based on the annual average cost for an individual in a mental health facility in Indiana which is \$73,625, as estimated by Dr. Eric Wright (E. R. Wright, White, & DeLiberty, 1997). We assume that all individuals received Medicaid while institutionalized, so the state share of the cost is \$27,293 and the federal share of the cost is \$46,332. It is also assumed that those who are deinstitutionalized will receive care through a Medicaid waiver which costs \$7,834 per patient year. Thus, the net savings is \$65,791 (\$24,389 for the state and \$41,402 for the federal government) per patient year. This savings is multiplied by the number of individuals who have been deinstitutionalized from a mental health facility.

### Children and Youth Facilities

The average annual cost for children and youth in a children’s facility is reported by COMPASS as being \$164 per day for group homes and \$329 per day for youth in residential care. In as much as we don’t know the fraction of youth deinstitutionalized from each type of facility, we will use the average of the two as the estimated cost. The average of the two costs gives an annual cost of \$89,928 per year. We assume that institutionalized children are covered by Medicaid so that the state bears \$33,336 of this cost and the federal government bears \$56,592. It is also assumed that those who are deinstitutionalized will receive care through a Medicaid waiver which costs \$7,834 per patient year. Thus, the net savings is \$82,095 per patient year with the state realizing \$30,433 of this savings and the remaining \$51,662 dollars being saved by the federal government . This cost is used as an estimate of the amount saved for each child or youth who is removed from a children’s or youth facility.

### FY 2008 Cost Savings from Deinstitutionalization

Reduced costs for individuals no longer in a long-term care facility	Total Savings	State Savings
Receiving Medicaid or having a Medicaid Waiver (17 individuals at \$45,540)	\$774,184	\$286,990
Enrolled in CHOICE (3 individuals at \$48,103)	\$144,310	\$43,545

Paying for own health care (11 individuals)	\$0	\$0
Reduced costs for individuals no longer in Youth and Children's Facilities (4 individuals at \$82,095).	\$328,379	\$121,730
Reduced costs from prisoner community re-entry (3 individuals at \$19,203).	\$57,609	\$57,609
Reduced costs for individuals no longer in mental health facilities (2 individuals at \$65,791).	\$131,582	\$48,777
<b>Total FY 2008 Cost Savings from Deinstitutionalization</b>	<b>\$1,436,064</b>	<b>\$558,652</b>

### Prevention of Institutionalization

The information collected from the Centers reports the number of individuals who are diverted from institutions and instead stay in the community. **Because the institution from which they are diverted is not reported and most deinstitutionalized individuals are released from nursing homes, we assume that those individuals who are diverted are diverted from a nursing home.** This is a conservative assumption, as the cost of the nursing home is much less than that of mental health facilities and the cost of youth and children's facilities.

The estimates of costs to the state of nursing home care and the various alternatives to nursing home care are the same as those used above. For some of the individuals who are diverted, it is reported that they receive SSBG assistance. The 2008 CHOICE's annual report indicates that the average annual cost of SSBG assistance is \$429 with \$44 being the cost to the state and the remaining \$384 being the cost to the federal government (CHOICE, 2008).

The summary of cost savings is shown below. Cost savings are also calculated for those individuals who are able to avoid homelessness as a result of intervention by the Centers for Independent Living. The savings is estimated at \$10,401 per individual annually (E. Wright, Littlepage, & Federspiel, 2007). This is a conservative estimate and includes only health care and criminal justice costs.

FY 2008 Cost Savings from Preventing Institutionalization	Total Savings	State Savings
Reduced costs for individuals kept out of a long-term care facility, receiving Medicaid (151 individuals at \$45,540).	\$6,876,573	\$2,549,146
Reduced costs for individuals kept out of a long-term care facility, paying privately for care (32 individuals).	\$0	\$0
Reduced costs for individuals kept out of a long-term care facility, enrolled in CHOICE (34 individuals at \$48,103).	\$1,635,514	\$493,514

Reduced costs for individuals kept out of a long-term care facility, receiving SSBG (54 individuals).	\$0	\$0
Reduced cost from individuals who avoid homelessness (10 individuals at \$10,401).	\$104,009	\$104,009
<b>Total FY 2008 Cost Savings from Institutional Diversion</b>	<b>\$8,616,097</b>	<b>\$3,146,669</b>

### **Savings from Sustained Independence for Individuals De-institutionalized and Diverted Prior to Fiscal Year 2008**

The Indiana State Funded Network of Independent Living Centers also assists those who have previously been deinstitutionalized or diverted to remain in the community. In addition to those above, there are other adults and children who continue to stay out of institutions, thanks to the Centers. The Centers report the total number of months of sustained independence for the adults and children they served in fiscal year 2008 (see below). This is an unduplicated account, not including those enumerated as deinstitutionalizations or diversions. To estimate the costs savings, we assume that any adults with sustained independence would otherwise be in a nursing home receiving Medicaid and that any children with sustained independence would otherwise be in a youth or children’s facility.

FY 2008 Cost Savings from Sustained Independence	Total Savings	State Savings
Reduced costs for adults not in a long-term care facility, receiving Medicaid (4,411 months at \$3,795).	\$11,717,878	\$4,343,818
Reduced costs for children not in facility, (291 months at \$6,841)	\$1,990,798	\$737,989
<b>Total FY 2008 Cost Savings from Sustained Independence</b>	<b>\$13,708,676</b>	<b>\$5,081,806</b>

### **Savings from Education Transition**

The Indiana State Funded Network of Centers for Independent Living work to help young people with disabilities to stay in school, to live independently after leaving school, and to provide them with the tools and skills to obtain employment after leaving school. The savings from these programs could include keeping young adults off of public assistance, including SSI benefits. If all participants in the program do not rely on SSI benefits, then a cost savings of \$7,847 annually, per individual, would be realized. However, data is not available regarding how many youth no longer rely on SSI benefits resulting from the education transition services. Because of the savings from education transition are hard to pinpoint, these savings are not included in the total savings.

FY 2008 Estimated Cost Savings from Education Transition

Saving from reduced SSI benefits (43 individuals at \$7,847)	\$337,421
<hr/>	
Total FY 2008 Cost Savings from Education Transition	\$337,421

### Savings from Employment Services for Those Who Obtained and Maintained Employment

Indiana State Funded Centers for Independent Living work to help people with disabilities find and maintain integrated, competitive employment. Tax payer savings from those who are able to obtain and maintain employment include less spending on SSI benefits and less expenditures on food stamps

The cost of unemployment is based on the cost of the state provision of unemployment benefits to those who are unemployed. The average annual unemployment benefits in Indiana are \$3,661. This estimate is obtained from the National Center for Children in Poverty at Columbia University. In addition, the increased tax revenues due to the income of those benefiting from employment services are counted as a benefit. Vocational Rehabilitation Services of Indiana reports that the increase in annual earnings for those using its services is an average of \$7,405 per person. We assume that gains are similar for those assisted by the Centers. Using Indiana’s tax rate of 3.4% and the standard deduction of \$1,000, this would result in tax revenues of \$224 per person.

Social Security Disability Insurance (SSDI) is a social insurance program which provides income to those who are unable to work due to a disability. To qualify for SSDI a person must have a physical or mental condition that prevents them from engaging in any substantial gainful activity, the condition must be expected to last at least 12 months, person must be under 65 years of age, and have worked out of the last ten years. The maximum individual benefit available to an individual on SSDI is \$23,532 per year. In contrast, SSI is a monthly stipend provided to aged, blind, or disabled persons based on need. Unlike SSDI, earned work credits are not a requirement for SSI. The maximum annual payment available through SSI is \$7,847. An individual can only enroll in one of these two programs. Given that we do not know the work history of those in the employment programs, we conservatively assume that they have not worked and thus are only eligible for SSI and not eligible for SSDI.

Comment [KPH1]: Is this an amount of years?

FY 2008 Cost Savings from Employment Services	Total Savings	State Savings
Savings from reduced SSI benefits (16 individuals at \$7,847).	\$125,550	\$0
Savings from reduced food stamp costs (16 individuals at \$2,112).	\$33,792	\$0
Savings from additional Indiana tax revenues (32 individuals at \$224)	\$7,167	\$7,167
Savings from unemployment benefits (16 individuals at an average of \$3,661).	\$58,576	\$58,576

Total FY 2008 Cost Savings from Employment Services	\$225,085.14	\$65,743
---	--------------	----------

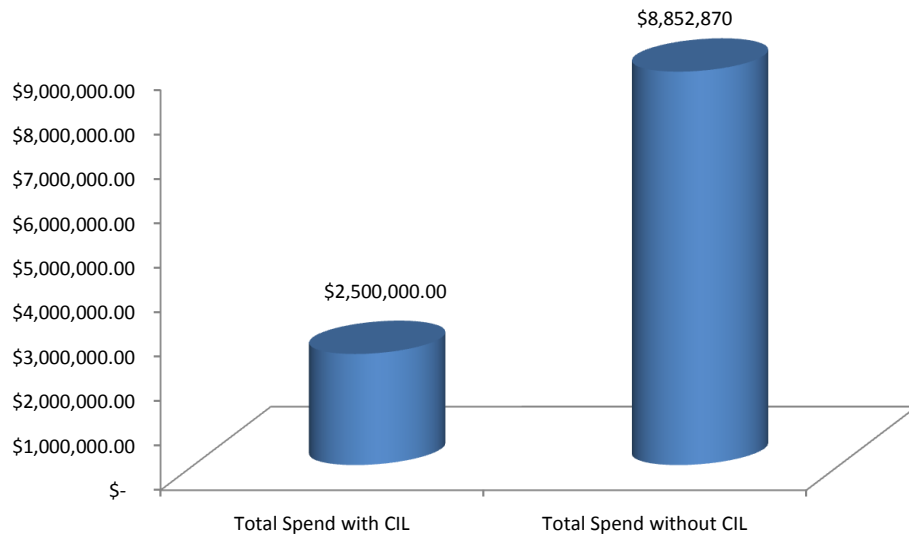
### Total Cost Savings

Total cost savings are estimated to be \$23.99 million and savings to the state are estimated at \$8.85 million. Approximately \$2.5 million dollars were appropriated from the state general fund. This resulted in a total savings (combined federal and state savings) of approximately \$9.59 for every state tax dollar spent on the Indiana State Funded Centers for Independent Living. Of this combined total, the state recognizes a savings of about \$3.54 for every state tax dollar spent on the Indiana State Funded Centers for Independent Living.

FY 2008 Cost Savings	Total Savings	State Savings
Cost Savings from Deinstitutionalization	\$1,436,064	\$558,652
Cost Savings from Preventing Institutionalization	\$8,616,097	\$3,146,669
Cost Savings from Sustained Independence	\$13,708,676	\$5,081,806
Cost Savings from Employment Services	\$225,085	\$65,743
<b>Total FY 2008 Cost Savings</b>	<b>\$23,985,921</b>	<b>\$8,852,870</b>

In addition to the savings enumerated in this brief report, there may also be savings resulting from individuals gaining employment and thus paying taxes. These are revenues which the state would not be receiving in the absence of this program. At this time, the average wage of those who gain employment is unknown, therefore the amount of this savings cannot be computed. Also, individuals who gain employment may have private insurance and no longer be eligible for Medicaid; however, without any information regarding the level of income of those who are employed, this is also difficult to estimate. Obtaining the needed information would help sharpen the savings estimates presented in this report.

### State Spending with CIL vs without CIL



## References

CHOICE. (2008). *Annual Report State Fiscal Year 2008*: Indiana Family and Social Services Administration.

Wright, E., Littlepage, L., & Federspiel, C. (2007). *Issue for Policy Makers: Serving the Homeless Well Could Save Taxpayer Dollars*. Indianapolis, Indiana: Center for Health Policy, IUPUI.

Wright, E. R., White, T. F., & DeLiberty, R. N. (1997). The Closing of Central State Hospital: An Alliance of Academic and Government Collaboration. In P. Nyden, A. E. Figert, M. Shilby & D. Burrows (Eds.), *Building Community: Social Science in Action* (pp. 169-176). Thousand Oaks, CA: Pine Forge Press.