



Press Release
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Centers for Independent Living

State Wide Network Expansion

In State Fiscal Year 2012, Indiana’s Centers for Independent Living (CIL’s) saved taxpayers over \$46 million. This couldn’t have come at a better time as every Aging, Disability and Mental Health (ADM) system in the United States is facing unprecedented long term challenges. Baby boomer retirements, 10,000 per day for the next 18 yearsⁱ, are only the most prominent concern. Seniors will require ever-increasing care for at least three decades, as the fastest growing senior age group is over 85ⁱⁱ. At the other end of the age spectrum, autism diagnoses are increasing almost exponentially. In 2008, the Centers for Disease Control (CDC) estimated autism’s prevalence for children under 8 as 1 in 150, in 2012 that estimate was revised to 1 in 88ⁱⁱⁱ. Filling in the middle of the age spectrum, people with disabilities are now living normal lifespans^{iv}. Compounding the challenges presented by today’s unprecedented long term sustained demand, the able-bodied workforce needed to provide personal care attendants is shrinking as it is also aging^v.

We need all hands on deck to successfully meet this demand. We can expect this elevated demand to continue at some level until at least 2085^{vi}. Clearly, austerity measures alone will not get us through this extraordinary period of demand. Rather, we need a proactive strategy that reduces demand by helping people live as independently as possible. The dynamic solutions delivered by Centers for Independent Living (CIL) are one such strategy.

CIL Driven FY 2011 Cost Savings ^{vii}	State Funds	Total Savings	State Savings
Cost Savings from Institutional Transition		\$2,057,850	\$866,391
Cost Savings from Preventing Institutionalization		\$16,372,790	\$6,468,311
Cost Savings from Sustained Independence		\$27,427,258	\$11,005,614
Cost Savings from Employment Services		\$578,845	\$171,579
SFY 2011 Gross Cost Savings		\$46,436,743	\$18,511,895
SFY 2011 State Funding for CIL’s	\$2,250,000		
Net SFY 2011 Return on each dollar invested		\$20.64	\$8.28

The above is accomplished by CIL’s through a variety of traditional and creative approaches to keeping people living independently in their homes and communities. Starting in 2008, Indiana took a leading role in harnessing the power of the Independent Living (IL) movement, and we are reaping the rewards. However, we are not fully realizing this movement’s full potential.

Today, **only 68%** of Hoosier counties are covered by CIL's. **Extending coverage to all Hoosiers could result in additional annual savings of \$14,859,957^{viii}.**

Even with full funding, CIL's can increase system savings beyond today's efforts. In April of 2012, the Division of Disability and Rehabilitative Services (DDRS) issued the "144 Report", setting out a series of steps that promise to reduce the cost of care by improving personal independence. One step is creating incentive based "indicators" that financially reward providers for reducing cost and increasing personal independence. Indicator 4, "Utilization of appropriate and safe community and natural resources in lieu of government resources" will save money by having DDRS waiver consumers participate in community activities in place of high cost structured services – this is what CIL's do. CIL's are open to discussing a formal relationship with DDRS to make this happen.

How does this work?

As a **20 to 1 return on investment** sounds too good to be true, it is wise to make sure that you understand how this works. Two examples show how and why Independent Living is a sound investment. Recently, the ATTIC, Inc. Independent Living Center helped a young man with paraplegia living in a nursing home due to residential physical access issues return home. It is hard to believe that twenty years after the Americans with Disabilities Act (ADA) went into effect this would still be happening, but it is. The CIL in question worked with this young man's family to get him the access and supports he needed to live in his own home. The average cost of a semi-private nursing home bed in Indiana is \$177 per day^{ix}, or \$64,605 per year. This young man's annual costs are a fraction of that amount.

The WILL Center in Terre Haute reports that this year they used a \$12,500 grant, and volunteer labor, to install 29 ramps in private homes, and they expect to get another 3 ramps installed before the weather turns cold. Not only is \$309 per ramp a reasonable cost, 32 Hoosiers have regained access to their homes. The cost of the entire grant that served 32 Hoosiers is just **19.3%** of the annual average cost of caring for one person in a semi-private nursing home bed.

These stories reflect a truth that became clear in the 1950's when the parents of children with disabilities began to reject institutionalization, instead forming community based organizations. Even these early efforts proved that maximizing personal independence in a community gets better results than higher cost services in an institution. Since then, the community movement has grown steadily. In 1981, recognizing this potential, the US Congress passed amendments to the Social Security Act authorizing Medicaid Waivers for people with developmental disabilities. By 1990, the evidence was so compelling that regulations ensuring the right to live in the community became part of the ADA. Since that time, many institutions have been closed and people are living better lives at a lower cost in their home communities, but more progress is required^x.

As a grassroots movement that relies on collaboration in the community first and government services last, the CIL's are the "tip of the spear" as they find ways to keep people in their communities. In 2008, DDRS and the CIL's agreed on a uniform process for measuring success. Metrics and regular reporting were negotiated, and the result is attached in the form of our annual report. For those who wonder whether the 20 to 1 return on investment is real, we are

confident that this report will answer your questions. If you want to know more, the CIL's always welcome visitors.

As demand grows, and available staff resources continue to shrink, we cannot afford to forego this outstanding and proven opportunity at this critical time. We urge the full funding of Independent Living.

ⁱ Pew Research Center, <http://pewresearch.org/databank/dailynumber/?NumberID=1150>

ⁱⁱ The Administration on Aging, http://www.aoa.gov/aoaroot/aging_statistics/Profile/2011/docs/2011profile.pdf. Between 2010 and 2020 people over 65 as a whole will increase 15.3% while those over 85 will increase by 19%.

ⁱⁱⁱ See <http://www.cdc.gov/ncbddd/autism/data.html>

^{iv} There is a great deal of literature recognizing that people with disabilities are living much longer than in past, but it is difficult to find hard data.

^v Today, hospitals are concerned that retirements will leave them incapable of meeting growing demands, see: http://www.hhnmag.com/hhnmag/jsp/articledisplay.jsp?dcrpath=HHNMAG/Article/data/01JAN2008/0801HHN_FEA_Gatefold&domain=HHNMAG.

^{vi} If an 8 year old male child is diagnosed with autism in 2012, the Social Security Administration's Life Expectancy Calculator, see <http://www.socialsecurity.gov/OACT/population/longevity.html>, estimate is that he will live until 2085. The only way to assume that this is the end of the enhanced demand tail is if we assume that autism diagnoses drop dramatically in 2013 – an unreasonable assumption based on the growth curve. The last baby boomers will turn 65 in 2030. The above calculator predicts that they will live another 35 years, suggesting that the end of the Aging growth curve will occur in 2055. The two key unknowns at this point is the life expectancy of people with severe disabilities which is now generally believed to be consistent with the general population, and whether autism diagnoses will continue to accelerate.

^{vii} See Indiana State Funded Network of Centers for Independent Living, Fiscal Year 2011, page 17.

^{viii} We reached this conclusion by multiplying the SFY 2011 savings of \$46,436,743 by .32, which represents the percent of Indiana that does not benefit from CIL coverage. While straight line projections have limitations, it remains unclear whether the outcome in this case is overly optimistic or pessimistic. While the uncovered areas have lower population density, there is also a higher cost associated with the distance people must travel. **Finally, we don't believe that CIL's have yet reached their fullest potential.**

^{ix} See, <http://www.seniorhomes.com/p/nursing-home-cost/>.

^x See, The State of the States in Developmental Disabilities 2011, David Braddock, et. al, University of Colorado. Indiana specific numbers begin on page 156. This book is an annual survey of state developmental disability services and has some historical data.