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2003 Legislative Session Ends with Flat-Lined Medicaid Budget

by Kim Dodson, Director of Government Relations and Development

With a Legislative Session that began with more than 1,600 bills being introduced and a bleak fiscal future to craft a biennial budget bill, it seemed only appropriate that the session ended in the wee hours of a Sunday morning with only 140 Bills passing on to the Governor for his signature.

The long session of the Indiana General Assembly was a difficult one. Legislators had little or no money to work with in passing legislation.

Following is a summary of the Budget Bill as it concerns appropriations for people with disabilities:

The Budget, as described by its crafters, is a maintenance budget with no significant new spending. To reach agreement on spending, the legislature transferred money from nearly every reserve.

Early in the Legislative Session, Governor Frank O'Bannon offered a budget that would increase spending for Medicaid and flat-line spending for education. The final budget did the exact reverse—flat-lining Medicaid, while giving education a 2.3% increase in new funding for 2004 and 1.9% in 2005.

Funding provided for Medicaid in the state budget is $218 million short of forecasted costs for the program. Since state funds are needed to provide matching funds to draw down federal dollars, this means fewer federal dollars will be drawn down. The overall reduction in funds totals nearly $574 million.

The budget bill did include language stating that, to the extent funding reductions are made to *optional* Medicaid services, no service can be eliminated; but the reductions *may* be on a proportionate amount. The Office of Medicaid Policy and Planning will determine where final cuts are made. *Optional* Medicaid services that could face funding cuts include: Medicaid waiver services, group homes funded by Medicaid, case management, dental services, emergency hospital services, eyeglasses, inpatient psychiatric and nursing facility services for children, occupational and physical therapy, prescription drugs, psychological services, rehabilitative services, speech, hearing, and language disorder services, transportation, and home health services.

The Budget further provides the following:

Sean King at State House rally

Maintains **DD Client Services Funding** at $169 million for the Biennium. These funds provide the state match portion for Medicaid waivers and other services that allow people with disabilities to live in the community. In addition, $30.3 million each year of the Biennium is provided for DD Client Services from Tobacco Master Settlement monies—these funds currently serve an estimated 1,500 people on Medicaid waivers.

Establishes the **Quality Assurance Services Account** at $10 million each year of the Biennium raised by the DD provider assessment fee.

Includes **Medicaid Lien Language** which states that the State can conduct a *look back* of at least three years. The lien automatically expires after two years following the Medicaid recipient's death (changed from 9 months). The first $75,000 of a Medicaid recipient's property is exempt from a lien (changed from $125,000).

Provides for **Risk Based Managed Care** statewide.

Maintains **CHOICE,** Indiana's state-funded home health care program, at $48 million per year.

Deletes language approved in 2002, stating that residents of **Muscatatuck State Developmental Center** (MSDC) must be placed in settings that are acceptable to the individual or the individual's family. FSSA has pledged that they will continue to work closely with all families of MSDC residents to find placements that will be agreeable to all parties involved.

Legislative Wrap-Up – New Bills Which May Affect You

Following are bills passed in the 2003 session of the Indiana General Assembly that will impact people with developmental disabilities and their families:

HB 1019 – Insurance Coverage for Inherited Metabolic Diseases. Requires a group accident and sickness policy and a group health maintenance organization to contract to provide coverage for medically necessary medical food prescribed for treatment of an inherited metabolic disease for a covered individual or an enrollee. This will benefit children born with PKU who need specialized formula to prevent developmental disabilities. Requires the Commissioner of Insurance to establish a voluntary task force to review mandated benefits and proposed mandated benefits and report to the Legislative Council. Public Law 166.


Hundreds gather at the State House to speak out on flat-lining Medicaid and to show support for Autism Awareness at combined State House rallies in April.

HB 1399 – Exemption from Home Health Agency Licensing. Specifies that a person approved by the Division of Disability, Aging and Rehabilitative Services who only serves certain disabled individuals is not considered a home health agency for licensor purposes. Public Law 37.

HB 1458 – Medicaid Waiver Application Process. Amends the Medicaid Waiver application process for persons who are developmentally disabled to allow applications to be mailed and requires the Office of Medicaid Policy and Planning (rather than the county office) to make the final determination of eligibility for services under a Medicaid Waiver for a person with a developmental disability. Applications shall be made

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Self-Advocates speak out about their concerns on flat-lining Medicaid funds at the State House rally in April.

Indiana Team Attends Partners in Justice Working Conference

There is growing concern throughout Indiana regarding the rights of people with developmental disabilities who encounter the criminal justice system—either as victims, witnesses, or alleged perpetrators. While various organizations, including The Arc of Indiana and local chapters of The Arc, have made efforts to address this issue, there has not been a coordinated, sustained effort among organizations. The goal of a new coalition, Indiana Partners for Justice, is to create a sustained, coordinated effort to address issues concerning people with developmental disabilities and the criminal justice system.

Goals of Indiana Partners for Justice include:

- Developing and implementing strategies so that all people with developmental disabilities have reduced risk of victimization and increased access to equal justice when they encounter the criminal justice system as victims, witnesses, or alleged perpetrators
- Promoting the safety of and equal justice for people with developmental disabilities
- Providing a cross-system venue for addressing issues and sharing information and resources

Members of Indiana Partners for Justice include:

Dee Enrico-Janik, PADD Coordinator, Indiana Protection and Advocacy Services

Kim Dodson, Director of Government Relations and Development, The Arc of Indiana

Vicki Pappas, Director of Center for Policy and Planning Studies, Indiana Institute for Disability and Community

Dortha Joyce, Indiana Bureau of Developmental Disabilities, FSSA

Paula Sites, Assistant Director of Field Services, Indiana Public Defender's Council

Suellen Jackson-Boner, Executive Director, IN Governor's Planning Council for People with Disabilities,

John McGrew, Ph.D., IUPUI / Secondary Consumer

Steve Tilden, Alternative Dispute Resolution Director, IN Civil Rights Commission/Secondary Consumer

Indiana Partners for Justice plans to add representatives from victim's services, law enforcement, the judiciary, and self-advocates.

There is growing concern throughout Indiana regarding the rights of people with developmental disabilities who encounter the criminal justice system

Indiana Partners for Justice had a unique opportunity to develop an action plan for Indiana, when a team from Indiana attended "Partners in Justice IV" in Philadelphia, June 1-3, 2003. This unique conference, sponsored by the Institute on Disabilities at Temple University, provided stipends to cover the cost of state teams that attended the conference.

Indiana's team included:

Mike Smith, Acting Director, Bureau of Developmental Disabilities, FSSA
Vicki Pappas
Dee Enrico-Janik
Kim Dodson
Steve Tilden

Each team committed to developing and implementing an action plan, which will include one or more of the following:

1. Develop cross system collaboration, through public awareness campaigns; local, regional, or state training; or other activities outlined in the state's action plan.
2. Develop a regional or statewide policy improvement plan.
3. Develop a plan to sustain statewide efforts.
4. Develop an evaluation plan of the state's action plan that will be both formative and summative.

Indiana Partners for Justice hope that time spent at the conference in developing an action plan will jump start the process of addressing critical issues in Indiana regarding people with developmental disabilities in the criminal justice system.

Four Rivers Resource Services Leads "Most Improved" Public Transportation Effort

When you think of cities that should be recognized for "most improved transit systems," it might not be surprising to see Nashville, Phoenix, San Francisco, or Seattle on this list. But would you expect to see Washington, Indiana?

Thanks to the work of Four Rivers Resource Services, Ride Solution was recently recognized by Metro Magazine as one of the ten most improved transit systems in the country.

Four Rivers Resource Services, lead by Executive Director Stephen Sacksteder, provides services to people with developmental disabilities in several counties in Southwest Indiana.

Ride Solution operates in Daviess, Greene, Martin, Pike, and Sullivan Counties.

According to Charles Kidwell, transportation director, there were several individual agencies in the five-county area providing rides to people who were elderly, disabled, or on Medicaid; but there was no coordinated public transportation to serve these individuals or the general public.

Four Rivers Resource Services, Ride Solution's lead agency, and the Southern Indiana Development Commission obtained $250,000 in federal funding for the project, along with local matching funds to offer transportation services through Four Rivers and several other provider agencies.

Several agencies are contracted under Ride Solution and are allowed to add the Ride Solution logo to the name of their agency. Financial assistance is provided by Vocational Rehabilitation of Indiana, the Indiana Department of Transportation and Generations – Area 13 Agency on Aging.

Ride Solution is now in its third year of operation. Approximately 52% of the passengers are elderly or disabled, while the remaining 48% of passengers are general public transit riders.

Reflecting on the impact of Ride Solution, Kidwell said, "I have spoken with several people in the five-county area who have expressed their sincere gratitude for having this transportation option in their community. One of my favorites is a letter I received last year from a 72-year-young lady from Sullivan County who simply said, 'It is so nice to be able to call you to get a ride so I can visit my friend on the other side of town. Before, I had to wait for my daughter to visit me from Indianapolis before I could visit my friend. Now I can visit her when I want.'

"Public transportation opens up doors and supports a community in several ways. People use public transportation to go to work, school, training, grocery shopping, the doctor, dentist, pharmacy and, yes, to visit good friends," Kidwell said.

Ride Solution's plans for the future include using a $27,981 mini-grant from Indiana Family and Social Services Administration to purchase a car and to help fund the salary for a driver. The car will be used to better serve persons with disabilities. Four Rivers Resource Services is funding 10% of the operation as required match money. Ride Solution was also awarded two wheelchair accessible vans through the State of Indiana by the Federal Transit Administration's Section 5311 program. The vehicles should be delivered by next year.

WIN is a collaborative effort of the Indiana Institute on Disability and Community, The Arc of Indiana, and The Indiana Parent Information Network, funded by a grant from the Governor's Planning Council for People with Disabilities.

A GUIDE TO MEDICAID AND MEDICAID WAIVERS

Medicaid Overview

Medicaid is a federal public health insurance program which was created to provide health care to the following groups of low income individuals:

- Families with Children
- Pregnant Women and Children
- Aged
- Blind and Disabled

To be eligible for Medicaid, a person must belong to one of these groups and meet the financial criteria for that group. A disabled person must have a physical or mental impairment, disease or loss (verified by a physician) that will result in death or that has lasted or appears reasonably certain to last for a continuous period of at least 12 months. This was changed from a period of four years in the 2003 session of the Indiana General Assembly, effective July 1, 2003.

Financial criteria for disabled persons varies, depending on if they are enrolled in MEDWorks or are receiving services under a Medicaid waiver. (See *Medicaid Financial Eligibility* on page 5.)

Medicaid brings federal tax dollars back to Indiana—for every dollar spent on Medicaid in Indiana, the federal government pays approximately 62 cents, and Indiana pays approximately 38 cents.

The federal government requires that states receiving federal funds for Medicaid include certain "mandatory" services—such as hospital services, and allows states to offer a variety of "optional services"—such as dental care and eyeglasses. (*For a complete list of services provided under Medicaid in Indiana, see lists on page 4.*).

In addition to health-related services, Medicaid funds long-term care in licensed facilities such as group homes, nursing homes, large intermediate care facilities, state operated institutions, and developmental centers. Medicaid also funds "Medicaid waivers"—home and community based services that allow people with disabilities to live in the community, and allow families to support a loved one with a disability at home.

What is a Medicaid Waiver?

Medicaid waivers "waive" the requirement that a person reside in a long-term care Medicaid-funded institution in order to be covered by Medicaid, and they allow parental income and resources to be disregarded when determining Medicaid financial eligibility for a minor.

The first Medicaid waiver was allowed by the federal government in 1982, thanks to the efforts of one mother, Julie Beckett. Julie fought to allow Medicaid to pay for services for her daughter, Katie, at home rather than in a long-term care hospital. In Indiana, Julie's efforts paved the way for Indiana to pass "Senate Bill 30" in 1992, allowing parental income and resources to be disregarded for children who otherwise meet the Medicaid definition of disability and who require the level of care provided in long-term care settings. This led to the creation of Indiana's Medically Fragile Children's Waiver, Developmental Disability Waiver, and Autism Waiver. Julie Beckett will be a keynote speaker at The Arc of Indiana's convention, October 8-9. (See article on page 8)

Medicaid waivers can be used to move someone from a Medicaid funded facility including state operated facilities, nursing homes, large intermediate care facilities for the mentally retarded, and group homes. They can be used to support a family caring for a family member at home, and can support a person with a disability in a home of his or her choice.

Why are there Waiting Lists for Medicaid Waivers?

Medicaid waivers are "optional services." The federal government does not require that states have a Medicaid waiver program. In fact, states must make a special application to the federal government requesting how Medicaid waivers will be used and how many people they will serve.

Indiana must show that the cost of serving people under Medicaid waivers will cost less than serving them in a Medicaid funded institution.

The state legislature and the state budget agency also require that funds be specifically allocated to cover Indiana's share of the cost of providing services under Medicaid waivers.

Thus, unlike other Medicaid programs, Medicaid waivers are not an "entitlement." If your family member applies and is found eligible for waiver services, he or she will be put on a waiting list before actually beginning to receive services under a Medicaid waiver.

Indiana does have a limited number of "Priority Waivers" available for people in crisis situations—primarily the loss of a primary care giver and loss of shelter.

Remember, because there are long waiting lists for Medicaid waivers, it is important to apply and get on the waiting list *before* a crisis happen**.** This is particularly important for families who have an adult, disabled child.

Types of Medicaid Waivers

Indiana has seven Medicaid waivers:

- Developmental Disabilities
- Autism
- Support Services for People with Developmental Disabilities
- Medically Fragile Children's
- Traumatic Brain Injury
- Assisted Living
- Aged and Disabled

Eligibility for Medicaid Waivers

To be eligible for a Medicaid waiver, you must first meet Indiana's guidelines for Medicaid financial eligibility and meet Indiana's definition for Medicaid disability. However, under a Medicaid waiver, parental income and resources are not counted when determining financial eligibility for a child under the age of 18. The child's income and resources are counted.

Applicants must also meet "level of care" requirements. This means that the applicant must be eligible for the level of care provided in a Medicaid funded institution.

Applicants for **DD, Autism, and Support Services Waivers** must need the level of care provided in an Intermediate Care Facility for the Mentally Retarded (ICFMR), such as group homes, state operated facilities, and large nursing homes for people with developmental disabilities.

Applicants for the **Traumatic Brain Injury, Assisted Living, and Aged and Disabled Waivers** must need the level of care provided in a nursing facility.

Applicants for the **Medically Fragile Children's Waiver** must need the level of care provided in a skilled nursing facility or hospital.

Applying for Medicaid and Medicaid Waivers

To apply for Medicaid, contact your local Division of Family and Children. This should be listed in the "blue pages" of your phone book, or go to: www.in.gov/fssa/children/dfc.

To apply for the DD, Autism, and Support Services Waiver, contact your local Bureau of Developmental Disability Services (BDDS) office. To learn where to call in your area, contact the state office at: 1-800-545-7763, ext. 2; or go to: http://www.in.gov/fssa/servicedisabl/field/index.html

To apply for the Aged and Disabled, Traumatic Brain Injury, Assisted Living, and Medically Fragile Children's Waiver, contact your local Area Agency on Aging office at: 1-800-986-3505. (Note: Some AAA's also take applications for the DD, Autism, and Support Services Waiver.)

If you are not sure what waivers you may be eligible for, contact both your BDDS and AAA offices.

If you are applying for a Medicaid waiver for a child under the age of 18, and parental income and resources would normally exclude your child from being eligible for Medicaid, *you should apply for the Medicaid waiver, but wait to apply for Medicaid*. Parental income and resources will be disregarded in determining your child's eligibility for Medicaid only after your child is found eligible for Medicaid waiver services *and* has been taken off the waiting list and given a Medicaid waiver *slot*.

If your family member is an adult, and has never applied for Medicaid, apply for Medicaid *as soon as possible*. This will expedite the process of receiving Medicaid waiver services—once he or she has been found eligible for a waiver and has been given a Medicaid waiver slot.

Remember, you can apply for more than one waiver. For example, if your child has Autism, you can apply for the

(Continued on page 4)

DD, Autism, and Support Services Waiver. If your child has Down Syndrome, you can apply for the DD and Support Services Waiver.

You can also receive services under one waiver and remain on the waiting list for another waiver. For example, you can receive services under the Support Services Waiver and still remain on a waiting list for the DD Waiver.

Medicaid Waiver Services

The following services are available under the DD, Autism,** and Support Services Waiver.***

- Adult Day Services
- Adult Foster Care*
- Behavior Management/Crisis Intervention
- Case Management
- Community Education and Training Services
- Community Habilitation and Participation
- Enhanced Dental Services
- Environmental Modifications*
- Expenses of an Unrelated Live-In Caregiver*
- Family and Caregiver Training
- Health Care Coordination
- Music Therapy
- Nutritional Counseling
- Occupational Therapy
- Personal Emergency Response System
- Physical Therapy
- Pre-Vocational Services
- Therapy Services (includes psychological therapy)
- Recreational Therapy
- Residential Habilitation and Support*
- Respite Care
- Specialized Medical Equipment and Supplies
- Speech/Language Therapy
- Supported Employment
- Transportation

** These services are not available under the Support Services Waiver*

*** In addition to the services listed above, the Autism Waiver also covers: Applied Behavior Analysis, Community Transition (one time set-up expenses for people moving from institutions), and Person Centered Planning/Individualized Support Plan facilitation. (Community Transition and PCP/ISP facilitation are planned to be added to the DD Waiver in the future).*

**** The Support Services Waiver is limited to $13,500 in services per year, which may include up to $2,000 in respite care.*

Remember, in addition to services available under a waiver, you can also access services available under the regular state Medicaid program (See Medicaid Covered Services, this page.).

Developing an Individualized Support Plan

Under a Medicaid waiver, families or individuals work with a case manager of their choice to develop an "Individualized Support Plan" (ISP), using a "Person Centered Planning" process (PCP) to determine what services available under the waiver will be utilized.

Remember, with the exception of the Support Services Waiver, there are no specific cost caps or limits on services utilized under a waiver. However, the state must show that the total cost of providing services to all people using Medicaid waivers is less than what it would cost to serve those people in a Medicaid funded institution.

Ask for what you want but not more than what is really needed.

The case manager should also work with the family to help the family choose providers of services.

Find out about providers of Medicaid covered services on TheArcLink, at: *www.TheArcLink.org*

Medicaid Covered Services for People with Disabilities

Mandatory Medicaid Services

The federal government requires that states receiving federal funds for Medicaid include the following services:

- Outpatient hospital services
- Inpatient hospital services
- Rural health clinic
- Laboratory and x-ray services
- Nursing facility and home health services for those age 21 and over
- Nurse midwife services
- Family planning services and supplies
- Physicians' services and medical & surgical services of a dentist
- Nurse practitioners' services
- Early/periodic screening diagnosis & treatment for people under age 21

Optional Medicaid Services

In addition to mandatory Medicaid services, states may offer optional services under their state Medicaid program. The following optional services are offered under Indiana's Medicaid program.

- Dental services
- Emergency hospital services
- Hospice care
- Inpatient psychiatric services for those under age 21
- Home Health Services provided by home health agency (under age 21)[1]
- Transportation services
- Nurse anesthetists' services
- Occupational therapy
- Physical therapy
- Prescription drugs
- Private duty nursing services
- Psychological services
- Respiratory care services
- Speech, hearing, and language disorder services
- Extended Services for Pregnant Women[2]
- Chiropractic services
- Clinic services
- Diagnosis services
- Eyeglasses
- Inpatient hospital services for those over age 65 in institutions for mental diseases
- Intermediate care for the mentally retarded (group homes and large facilities)
- Nursing facility services for those under age 21
- Optometry services
- Podiatrists' services
- Preventive services
- Prosthetic devices
- Rehabilitative services
- Screening services
- Durable medical equipment

[1]Includes intermittent/part-time nursing services, home health aide services, medical supplies, equipment, appliances for use in home, physical, occupational or speech pathology/audiology.

[2]Includes pregnancy-related & postpartum services for 60 days, additional services provided to pregnant women only (care coordination/targeted case management), and services for condition that may complicate pregnancy.

August 7, 8, and 9, 2003
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Registration Information: (812) 855-6508 (Ask for Sarah Moore)
Or Visit the Website at http://www.iidc.indiana.edu/cclc/conference.htm

Keynote Speakers: Ako Kanbon, Visionary Leadership Institute in Columbus, OH —multicultural issues and parental involvement in education.
Kathie Snow, Woodland Park, CO—parent and author of *Disability is Natural.*
Michael Wehmeyer, Ph.D. University of Kansas in Lawrence, KS—self-determination and student-involvement in transition planning.

For More Information

For more information on Indiana's Medicaid Waivers for home and community based services, go to: http://www.in.gov/gpcpd/html/publications/ Click on: *Third Edition of the Consumer Guide to Medicaid Waiver Home and Community Based Services, September 2002.*

Medicaid Financial Eligibility

When you apply for Indiana's Medicaid Disability program, you need to know that eligibility is based on more than disability. Your income must be below a specified maximum. For unmarried persons, the current maximum (as of January 1, 2003) is $552 a month. If married the maximum combined income is $829.

Assets also must be below a specified maximum. If you are single, the current maximum is $1,500. If you are married the current maximum is $2,250 for both you and your spouse.

If you have excess income and/or excess assets, you may still be eligible for Medicaid through what is called *spend-down*. Your medical expenses must be equal to or exceed your spend-down on a monthly basis. When your eligibility for Medicaid is approved, you will receive a notice giving the spend-down amount. This amount is determined through a formula set by Medicaid. The formula compares the person's income and assets to the allowed maximums.

Once medical expense equals spend-down, Medicaid coverage is available for the remainder of the month. For example, if your medical expenses equal your spend-down on the tenth day of the month, you will have Medicaid coverage from the tenth day to the end of the month.

Financial Eligibility and Indiana's Medicaid Waiver Programs

Indiana's Medicaid waiver programs for Home and Community Based Services *exclude* parental income and assets from counting when determining a minor child's financial eligibility for a Medicaid waiver. The child's income and assets, however, are counted. If a minor has too much income or too many assets, eligibility for a waiver is unlikely.

Two waivers, the Developmental Disabilities Waiver and the Support Services Waiver, modify the income level that an applicant or recipient (minor or adult) can have. Under these waivers *spend-down* due to excess income remains a possibility. Under the DD and SS waivers the income limit is $1,635 a month. If your income exceeds this amount, spend-down comes into play. Individuals receiving any Medicaid Home and Community Based Service waiver are subject to the same asset limit as those not receiving waiver services.

Determining Spend-Down Under Medicaid Waiver Programs

If you are eligible for a Medicaid waiver, you are eligible to receive that waiver's approved services. You are also eligible to receive services through Medicaid Disability. If you are subject to spend-down, the one spend-down applies to both services. You can use the Medicaid Disability services or the waiver services to meet your spend-down.

Financial Eligibility Under MED Works—Medicaid for Employees with Disabilities

MED Works is a category of eligibility for Medicaid. It is intended for disabled persons who work and whose income and assets are more than the amounts allowed for Medicaid Disability. These workers use MED Works in lieu of spend-down (which is only used in the Medicaid Disability program).

If you are disabled, you have a job, and you have income or resources that exceed the limits for the Medicaid Disability program, MED Works is your best option. However, your income must fall within a certain range. To be eligible your gross earnings must exceed the *substantial gainful activity* amount established by the Social Security Administration. For 2003, this amount is $800 a month for non-blind persons with disabilities and $1,330 for blind persons with disabilities. The maximum *countable income* allowed is an amount equal to 350% of the federal poverty level for a family of one (Effective July 1, 2002, the standard is $2,585 a month.).

Impairment-related expenses are excluded when determining countable income. Allowable expenses include but are not limited to: payment for attendant care services, medical devices, prosthetic devices, work-related equipment, residential modifications and transportation costs.

MED Works recipients pay a monthly premium

With MED Works, unlike spend-down, you pay a monthly premium. The premium is less than spend-down and is based on the gross income of you and your spouse, if any, and on a percentage of the federal poverty level income. No premium is assessed if income is lower than 150% of the federal poverty level for an individual or married couple. Currently the premiums are as follows:

Percent	Individual	Married Couple
150 – 175%	$48	$65
176 – 200%	$69	$93
201 – 250%	$107	$145
251 – 300%	$134	$182
301 – 350%	$161	$218
Above 350%	$187	$254

Important Tips

1. Not only paid medical expenses are counted toward spend-down. While you need to pay your bills, Medicaid counts both paid and unpaid expenses for the purpose of meeting spend-down.
2. If you have unpaid bills received prior to your eligibility for Medicaid, they can be used to meet spend-down if you are still legally liable for them.
3. If you are married, you have only one spend-down amount for both you and your spouse, even if only one of you receives Medicaid. Your combined medical expenses are used to meet spend-down. When spend-down is met, you are eligible for the remainder of the month—both of you if both receive Medicaid.
4. The asset spend-down described above does not apply to everyone whose assets are over the limit. It applies only if you receive SSI or meet SSI financial requirements. If your assets are more than $2,000 (the SSI limit), asset spend-down won't apply to you in that month.
5. You can reduce your assets to become eligible for Medicaid, but your eligibility cannot start until the following month after they are within the Medicaid limit. For example: In May, your assets total $2,100. The maximum allowed is $1,500. You spend $600 from your assets. In June, your assets are now $1,500 and you meet the asset limit. You would not be eligible for Medicaid during May, but you would be in June.

Medicaid Can Pay Medicare Premiums

The Qualified Medicare Beneficiary Program

If your son or daughter receives Medicare, he or she might be eligible to participate as a qualified medicare beneficiary (QMB). If eligible, money currently paid for Medicare premiums, deductibles, and coinsurance (several hundred dollars a year) can be used in other ways because Medicaid can pay these costs. In order for Medicaid to pay Medicare premiums, deductibles, and coinsurance under the QMB category, your child must be entitled to Medicare Part A. Also, he or she can have only a limited amount of income and resources. For the QMB program these limits exceed those typically allowed for Medicaid. If your child is single, he or she can have a maximum monthly income of $739, and financial assets of no more than $4,000. If your child is married with no children, his and her combined family income can be $995 a month; combined financial assets can total no more than $6,000.

Several sources of income are excluded from consideration in the QMB determination. Your child's SSI, for example, is excluded. Also excluded is the first $65 a month of your child's earned income, plus one-half of all remaining net earned income. In addition, $20 in unearned or earned income is disregarded.

If your child meets the QMB requirements, Medicaid can pay the following costs:

1. The monthly premium for Medicare Part B. In 2003, this premium is $58.70 a month. (Medicare Part B helps pay for doctors' bills and other medical services. A person is automatically enrolled in Part B when he or she enrolls in Part A, unless they state they don't want it.)
2. The monthly premium for Premium Hospital Insurance under Medicare Part A. Most individuals are entitled to free Part A. In 2003, those that aren't pay $316 a month. (Medicare Part A is hospital insurance.)
3. Medicare Part A and B deductibles and coinsurance. (A deductible is an initial dollar amount which Medicare does not pay. Coinsurance is your share of expenses for covered services above the deductible.)

For a more detailed fact sheet on how Medicaid can pay Medicare premiums, go to The Arc of Indiana's web site at: *www.arcind.org* and click on "Fact Sheets." Then click on: *Medicaid Can Pay Medicare Premiums: The Qualified Medicare Beneficiary Program.*

Using Mutual Funds to Plan for Your Child's Financial Future

by Alan Kemp, Trust Director, The Arc of Indiana Master Trust

Thinking about mutual funds as a way to plan for your disabled child's financial future? If so, spend time learning about fees. **You can't avoid mutual fund fees**. But the funds you choose and the fees assessed do make a difference, in some cases a very big difference. At minimum, over an extended period of time, **the fee difference can be thousands of dollars. And, depending on the funds involved, this difference can be as high as six figures.**

What follows are two examples. One example is a stock fund; the other a bond fund. Both funds are offered through a large brokerage firm. This firm advertises financial services that meet the needs of families of children with disabilities. (Like most brokerage firms, this firm has sales commissions, often reflected in front- and deferred-loads. I made the assumption that the firm does not waive these commissions for parents using its service. I also made the assumption that the fees are not reduced for parents using this service. If the commissions and fees are waived—or reduced—then the results will be different.) Each of the two funds has several share classes. I compared the fees for the different classes.

I also compared the fees for these funds with those for the Vanguard Total Stock Market Index fund and Vanguard Total Bond Market Index fund. Why did I make this comparison? These two Vanguard funds comprise the biggest part of investments in The Arc of Indiana Master Trust I. I wanted to see how they compared.

For each fund, I assumed an initial investment of $100,000. For stocks, I assumed an annual return of 8%; for bonds, an annual return of 6%. I assumed the funds would be held for 30 years. Here are the results below.

To make my comparison, I used the Securities and Exchange Commission's fund cost calculator. You can find the calculator at: *www.sec.gov*.

Under **Investor Information** click on: **Interactive Tools**. Then, click on: **Mutual Fund Cost Calculator.** Included in the SEC's introductory information is the following statement:

"Mutual fund costs take a big chunk out of any investor's return. That's why it's important for investors to know what costs they are paying, and which cost structure is best for them. By using the Cost Calculator investors will find answers quickly to questions like this: Which is better, a no-load fund with yearly expenses of 1.75%, or a fund with a front-end sales charge of 3.5% with yearly expenses of 0.90%?"

Based on the results from my comparisons, here is a tentative conclusion: If you want to use the brokerage firm's funds and have a choice between A, B, and D shares, you would probably choose the A shares. Why? You pay less in fees. The lower the fees, the more that remains for your child.

How much more will remain for your child? The SEC calculator tells you. Over a 30 year period, the increase can exceed one hundred thousand dollars.

For me, the hardest part in using the calculator was following its initial instructions. Once I understood the instructions, using the calculator was easy. If you are not comfortable using financial software, call me. We can go over the fund's prospectus for needed information. I will input the numbers and get the results to you. And I'll do it free!

For some people, the eyes glaze over when confronted with too many numbers. But these numbers are important. That is why I would be happy to input the data for you. My help is free, and you don't have to be enrolled in The Arc Trust to get it. Just call or write to me: Alan Kemp, The Arc of Indiana Master Trust, P.O. Box 80033, Indianapolis, IN 46280-0033, or phone 317-259-7603 or 800-382-9100.

STOCKS

Mutual Stock Fund	Front (F) or Deferred (D) Load	Annual Operating Expense	Total Fees Paid Over 30 Year Period
Share Class A	F – 5.25%	1.04%	$103,577.18
Share Class B	D – 4.00%	2.07%	$104,914.22
Share Class D	F – 5.25%	1.28%	$120,782.42
Vanguard Total Stock Market Index Fund	No load	0.20%	$23,520.48

BONDS

Mutual Bond Fund	Front (F) or Deferred (D) Load	Annual Operating Expense	Total Fees Paid Over 30 Year Period
Share Class A	F – 4.00%	0.61%	$47,833.43
Share Class B	D – 4.00%	1.38%	$48,465.88
Share Class D	F – 4.00%	0.86%	$63,033.42
Vanguard Total Bond Market Index Fund	No load	0.22%	$17,696.92

WRAP-UP, from page 1

available on the Internet, at an enrollment center, and through the mail. Extends the Select Joint Commission on Medicaid Oversight. Public Law 184.

HB 1596 – Amendment to Medicaid Waivers for Autism. Requires the Office of Medicaid Policy and Planning to amend certain Medicaid waivers to change the waiver language from using the term "autism" to the phrase "autism spectrum disorder." Public Law 118.

HB 1632 – Premiums for Medicaid Buy-In Program. Specifies that the Office of Medicaid Policy and Planning's calculation of an individual's personal needs allowance include income in addition to Federal Supplemental Security Income. Requires the Office to adjust, at times in addition to the annual review, the premium for working disabled persons to participate in the Medicaid Buy-In Program. Requires the Office to adjust the premium upon verification of a change in the person's income or family size. Public Law 26.

SB 477 – Polling Place and Voting Machine Accessibility. *Requires voting systems to meet accessibility requirements no later than January 1, 2006.*

HB 1724 – State and Local Purchases of Accessible Technology. Requires the State Information Technology Oversight Commission to adopt rules that conform to federal requirements for electronic and information technology accessibility. Public Law 28.

HB 1837 – Provider Assessments. Allows the Office of Medicaid Policy and Planning to assess providers of supported living services and support to individuals with a developmental disability an amount not to exceed 2.5% of all service revenue included on the annual plan of care excluding resident living allowances. Creates the community services certification and quality assurance assessment fund to be used for the funding of licensing, certification, and quality assurance services. Public Law 259.

SB 57 – Audit of FSSA. Requires the Legislative Evaluation and Oversight Policy Sub-Committee to direct staff in performing an audit of the organizational structure of the Office of the Secretary of Family and Social Services in 2003. Public Law 197.

SB 367 – Reports Concerning Adult Lead Poisoning. Authorizes the State Department of Health to determine the magnitude of lead poisoning in all Indiana residents. Public Law 59.

SB 460 – Audit and Eligibility Assistance for the Disabled. Amends eligibility requirements for Medicaid assistance for disabled individuals. Requires that a person have a physical or mental impairment, disease, or loss, verified by a physician, that will result in death or that has lasted or appears reasonably certain to last for a continuous period of at least 12 months (changed from 4 years.) Public Law 218.

SB 477 – Polling Place and Voting Machine Accessibility. Requires voting systems to meet accessibility requirements no later than January 1, 2006. Public law 116.

HB 1458 – Medicaid Waiver Applications... *shall be made available on the Internet, at an enrollment center, and through the mail.*

SB 493 – Home and Community Based Services. Establishes a caretaker support program. Encourages the Indiana Health Facility Financing Authority to work with for-profit health facilities that are partnered with nonprofit agencies in converting licensed beds to less intensive care beds through bonds. Requires the FSSA to establish a home and community based long- term care service program and establishes eligibility for the program. Requires the Office of Medicaid Policy and Planning to apply for (1) a waiver to amend the aged and disabled waiver to include any service offered by the community and home options to institutional care for the elderly and disabled (CHOICE) program; and (2) a waiver to amend Medicaid waivers to include spousal impoverishment protection provisions that are at least at the level of those offered to health facility residents. Public Law 274.

Participants at "It's My Choice...Getting Started with Person Centered Planning" workshops in Ft. Wayne, Merrillville, South Bend and Logansport get to work developing Person Centered Plans. Workshops were conducted in 17 cities by the Waiver Information Network, a collaborative effort of the Indiana Institute on Disability and Community, The Arc of Indiana, and The Indiana Parent Information Network, funded by a grant from the Governor's Planning Council for People with Disabilities.

The Arc of Indiana 2003 Convention

Registration

$70 for *Early Bird Registration* on or before September 8. $75 after September 8. *Group Registration Rates* will be available to Local Chapters of The Arc of Indiana. Reception and Appreciation Dinner, $40. Convention Luncheon, $25. Scholarships available through the Governor's Planning Council for People with Disabilities, and INSOURCE. Watch your mail for registration information, or call The Arc of Indiana—(317) 977-2375 or 1-800-382-9100, or go to: *www.arcind.org*

Keynote Speakers

Sue Swenson—Assistant Executive Director for Chapter, Membership and Program Services, The Arc of the United States; and Executive Director, Joseph P. Kennedy, Jr. Foundation.

Sue was Commissioner of The Administration on Developmental Disabilities in the US Department of Health and Human Services from 1998 to July of 2001. She is the mother of three sons, one of whom—Charlie, age 20—has developmental disabilities.

As a parent and a professional in the field of developmental disabilities, Sue believes that systemic change must focus on building sustainable systems that are diverse, flexible and sensitive to the feedback of people who depend upon them.

Julie Beckett—"Mother" of the Medicaid Waiver Program and co-founder of Family Voices. Due to Julie Beckett's unparalleled advocacy, her daughter, Katie, received the first Medicaid waiver in the nation in 1982, "Katie Beckett" waivers have enabled many families to provide care for their children in their homes and communities rather than in hospitals or institutions. In Indiana Julie's efforts paved the way for the state to pass "Senate Bill 30" in 1992, allowing parental income and resources to be disregarded for children who otherwise met the Medicaid definition of disability, and who required the level of care provided in long term care settings. This lead to the creation of Indiana's Medically Fragile Children's Waiver and Developmental Disability Waiver. Julie is an expert in the complex issues of health care financing. She has been honored for her extraordinary work on behalf of children with special health care needs and their families.

Paul Marchand—Staff Director of The Arc and UCP Public Policy Collaboration. Paul Marchand is a nationally recognized expert on public policy and disability. Over the past thirty years, through his work at TheArc of the United States, he has been instrumental in the passage of vital Federal laws including the Americans with Disabilities Act, the Education for All Handicapped Children Act and its successor, the Individuals with Disabilities Education Act. He played a major role in the enactment of legislation to provide supported employment for persons with severe disabilities, to mandate preschool services for children with disabilities, and to establish state programs to serve infants and toddlers. He was also instrumental in reshaping Medicaid policy to move people from segregated and isolated institutions to home and community-based services and supports.

Workshops

Learn from National Leaders
- ★ Individual workshops lead by Keynote Speakers: Sue Swenson, Julie Beckett, and Paul Marchand

Community Living
- ★ Living and Working with Direct Care Givers in Your Home
- ★ One Family's Journey—Building a Life in the Community
- ★ Positive Behavior Supports

Life Skills
- ★ Future Planning—Government Benefits & The Arc Trust
- ★ When Conflict Happens—Coming to a Resolution

Building Success at School
- ★ Adapting Curriculum
- ★ No Child Left Behind—Bob Marra, Assoc. Superintendent, State Div. of Exceptional Children
- ★ Graduation Exit Exams: Leveling the Playing Field

Appreciation Dinner

Wednesday, October 8, Reception 4:30 p.m., Dinner 6:00 p.m.
Join us as we honor individuals and organizations whose efforts have made a positive difference in the lives of people with mental retardation and related disabilities.

The Arc of Indiana Annual Meeting

Thursday, October 9, 4:00 p.m.

Steve Green's
The Arc of Indiana
Benefit Golf Tournament

The Legends of Indiana
Golf Course
Franklin, Indiana

September 19, 2003

For information, please call
The Arc of Indiana
(317)977-2375 or 1-800-382-9100
or go to: www.arcind.org

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E-Mail: TheArc@arcind.org

The Arc News in Indiana is mailed to members of The Arc of Indiana. Contact your local Arc for membership information. Local members automatically become members of The Arc of Indiana and The Arc of the United States. If a local chapter is not located in your county, you may join The Arc of Indiana as an at-large member for $15 per year.

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