



PACE

A Program of All-inclusive Care for the Elderly

Provided by Mercy Medical

What is a PACE program?



Programs of All-inclusive Care for the Elderly (PACE) provide a wide range of health and social services to people who qualify for nursing home care, but prefer to live in their own homes.

PACE history



- 1970 -- formed in San Francisco, Calif., by families who wanted to avoid placing relatives in nursing homes.
- 1970–1986 -- Families achieved this by providing comprehensive services in one location.
- 1986 -- The model inspired the national PACE demonstration project.
- 1997 -- PACE programs earned permanent status from Congress.
- Today, there are 111 PACE programs nationwide in 31 states.

PACE in Alabama



- The first PACE program opened in the State of Alabama January 1, 2012.
- Mercy LIFE of Alabama, currently serves 175 participants.

Funding PACE



- Capitated Rate=Medicare and Medicaid dollars.
- Medicaid is funded through the General Fund in Alabama.

Who is eligible for PACE ?



- People 55 years of age and older
- People with health problems that qualify them for nursing home care
- People who meet the first two criteria and live in the PACE service area
- People who can live safely in their home/community with the assistance of a PACE program.

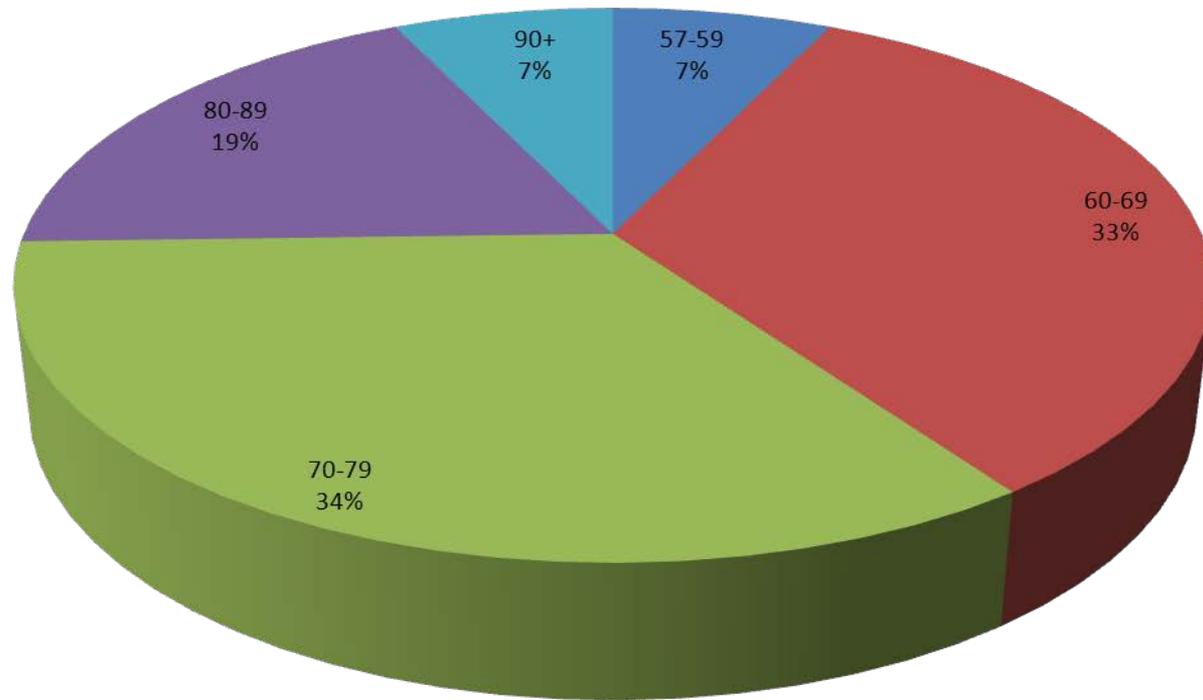
Who is a typical PACE participant?



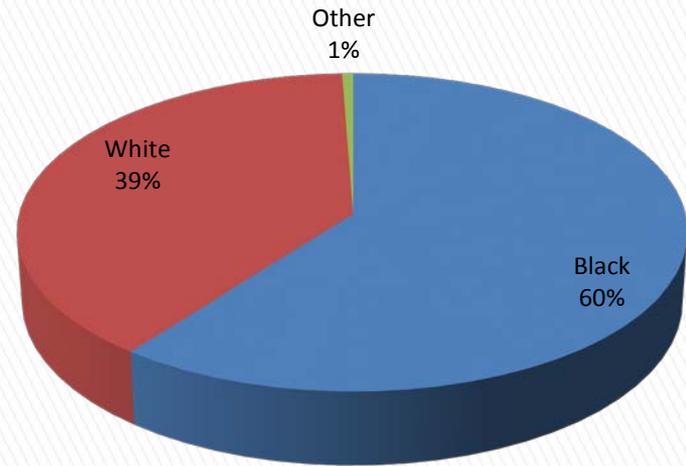
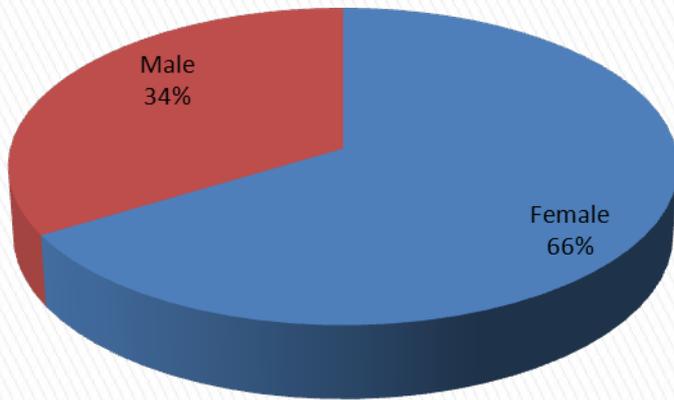
- More females than males
- Has almost 8 varying medical conditions
- Typically limited in 3 ADLs
- Some suffer some forms of dementia
- Almost all can safely live at home



Age of Current Participants



Current PACE Demographics



Gender

Race

PACE Health Centers



- The PACE Health Center is the core of activity for PACE programs.
- All PACE participants' clinical, rehabilitative and social services are coordinated from these centers.
- By going to the center for medical and supportive services, participants are able to form relationships with their care team.
- The care team is aware of all the services and treatments a participant is receiving, making individual care plans more effective.

PACE services



- Medical care delivered by a PACE physician
- Specialist care for hearing, vision, dentistry, speech and physical therapy
- Home healthcare
- Personal care
- Adult day healthcare
- Prescription medications
- Social services
- Hospital or nursing home care, if needed
- Transportation

PACE caregivers



- Primary care, including physician and nursing services
- Nurses
- Social workers
- Nutritionists
- Physical therapists
- Occupational therapists
- Personal care assistants
- Activities staff
- Transportation staff
- Chaplain, if requested



PACE benefits



- PACE offers a more cost-effective health delivery option
- Care plans are custom to program participants
- PACE Health Care Centers are an access point to many health and social services
- Participants receive comprehensive services from a team of caring professionals
- Participants continue to live independently at home
- PACE covers many services that other providers do not
- Family caregivers receive support and peace of mind

Cost Savings to Medicaid



- PACE serves an entirely high cost, high need population of people who are 55 or older and at a nursing home level of care.

- 15% of the dual eligible population is medically complex and needs access to long term services and support. (LTSS)
- 20% of the dual eligible population have multiple chronic conditions and limited access to long term services and support.

- PACE provides all Medicaid and Medicare benefits under the capitation rate it receives.

- PACE is at financial risk for utilization, including long term care placements and hospitalization, without adjustment to the PACE capitation rate.



State Studies



- **Alabama** estimates that average cost of nursing home care to Alabama taxpayer per patient is \$50,000 per year. PACE takes the same patient and provides all-inclusive care for \$39,600 per year. That's a 21% savings to the Alabama General Fund or \$2.6 million in direct savings annually per mature PACE site that would be applicable to the state general fund.
- **Virginia:** Comparison of PACE costs to the cost for a person receiving Medicaid services at home or in a nursing facility found that the PACE program cost the state approx. \$4,200 less per year per participant.
- **New York:** Program growth cost increased 0% between 2003 and 2009 vs. 26.2% average for other programs.
- **South Carolina:** In 2011 estimated savings of 28% vs. what would be spent for fee for service.
- **Texas:** Estimated a savings of 14% of costs vs. fee for service plans.

Economic Benefits to the State



- Immediate and long-term savings to the State Medicaid Costs for Dual eligible's already living in the State.
- Each PACE site employs skilled, higher wage health professionals whose jobs are in the state of Alabama.
- Each PACE site employs approximately 80 people in the local areas they serve.
- Locally purchased goods and services as well as payment to local health care providers.
- PACE sites take full risk for a high need population, shifting that responsibility away from the state.

Fewer Hospitalizations / Nursing Home Admissions



- ▶ PACE programs' incentives are aligned with participants' wishes and needs. Their all-inclusive capitated payments encourage timely and active provision of preventive, primary and community-based care in order to prevent the need for high-cost institutional care.
- ▶ PACE provides comprehensive care management through its interdisciplinary team with the objective of improving participants' quality of life, health and outcomes while avoiding unnecessary care and costs.

Nursing Home Admissions



- ▶ PACE participants, all of whom are clinically assessed to require a nursing home level of care, continue to live in their homes and communities

- ▶ A 2005 study found PACE participants have a low risk of long term nursing home placement.
 - The risk of admission to a nursing home for 30 days or longer was 14.9% over a period of 3 years
 - Fewer than 20% of PACE participants spent more than 30 days in a nursing home over the course of their enrollment (Friedman, et al, 2005).

Hospital Readmissions



- ▶ PACE participants experience fewer hospitalizations and fewer re-hospitalizations than their counterparts in other Medicaid funded programs.
 - The hospitalization rate for PACE participants was 43% lower than the rate for dual eligible recipients of Medicaid home and community-based services and
 - 24% lower for dual eligible's receiving Medicaid nursing home services (Walsh, et al, 2010).
 - For all 65+ dual eligible beneficiaries in 2008 (Oelschlaeger, 2011) readmission for any reason to the hospital within 30 days after discharge, was 17% lower. Notable given the significantly higher acuity of PACE participants, all of whom are at nursing home level of care (National PACE Association, 2011).

PACE is the Original Integrated Care Option

High Needs

- PACE has expertise in serving a subpopulation with very high needs by supporting their ability to live at home

Integrated Care

- PACE sites have implemented key features of integrated care including person centered care planning, full-risk capitated payments and emphasis on both quality of life and quality of care

Known providers

- PACE is a provider-based managed care model that offers beneficiaries a known local provider as an alternative to insurer-based managed care

Three areas of focus to harmonize PACE with other Integrated Care Programs

Access

- A mandatory/passive enrollment may create barriers to PACE

Rate Setting

- When rates are compared to other options adjustments should be made to address relative value: nursing facility level of care, full risk (prescription drugs, behavioral health), frailty

Oversight

- States may achieve efficiencies by combining administration with other integrated care contractors (Medicaid managed care, financial alignment demonstration programs)

Oversight – Similarities to Medicaid Managed Care & Financial Alignment Demonstration Programs

Access

- 3-Way Agreement

Rate Setting

- Joint readiness review process

Oversight

- Regular submissions of data to CMS and State administering agency

Questions?



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National PACE Association
www.npaonline.org

Centers for Medicare and Medicaid Services
www.medicare.gov