

PACE

(Program of All-inclusive Care for the Elderly)

Presentation to Medicaid Reform Advisory Group
January 15, 2014



NC PACE
ASSOCIATION

What is PACE?

- A unique program developed by laypersons seeking a better way to care for their frail, aging loved ones
- An alternative to institutional care with *proven quality outcomes for participants and predictable costs for funders*
- An integrated system of care for the frail elderly that is:
 - Community-based
 - Comprehensive
 - Capitated
 - Coordinated
- A Medical Home

PACE and Medicaid Reform Objectives

- As a capitated program of health care, PACE is predictable and sustainable for NC taxpayers
- PACE is all inclusive and patient-centered, providing care for the whole person. PACE provides or arranges for all medically necessary care at no additional expense to the state.
- PACE constantly seeks better and more efficient ways to reduce administrative burdens and enhance quality of care.

Who Does PACE Serve?

■ **Eligibility**

- 55 years of age or older
- Living in a PACE service area
- Certified as needing nursing home care
- Able to live safely in the community with the services of the PACE program at the time of enrollment

Who Does PACE Serve?

▪ Characteristics

- Over 90% dually eligible for both Medicare and Medicaid
- Almost half have dementia as significant diagnosis
- Typical participant is 80 year old woman with 7 – 8 medical conditions who is limited in approximately three activities of daily living
- ***PACE is serving the costliest segment of the Medicaid population for one fixed payment.***

Comprehensive Care for Seniors

PACE provides the entire spectrum of health and long-term care services, addressing medical, social, and environmental needs, including:

- Primary care
 - rehab therapy
 - meals
 - caregiver respite
 - home health care
 - ***Hospital, nursing home and hospice care when necessary***
 - prescription drugs
 - medical equipment
 - Dentistry, optometry, audiology
 - podiatry
- **All services are covered by capitated payment**

Coordinated Care via Interdisciplinary Team

- Integrated, team managed care vs. individual case manager
- Each participant's care is coordinated by an Interdisciplinary Team (IDT) that includes:
 - Primary Care Physician
 - Social Workers
 - Home Care Providers
 - Physical, Occupational and Recreational Therapists
 - Drivers
 - Pharmacist
 - Nutritionist
 - Personal Care Aides
 - Other disciplines as needed
- Continuous process of assessment, treatment planning, service provision and monitoring
- Focus on primary, secondary, tertiary prevention

Community-Based Model

- Majority of the services are provided at the center – health care, therapy, recreation, and social activities
- Average attendance 3 times per week
- Open 5 days per week
- Certified Adult Day Health Center
- Transportation provided
- Other services provided in the home or by community providers
- 92% of the participants live in the community



Capitation and Pooled Financing

- Blended Medicare and Medicaid Capitated Monthly Payment to program
- PACE Programs receive approximately:
 - 2/3 of their revenue from Medicaid
 - 1/3 from Medicare*
- PACE programs are Medicare D providers
- Medicare capitation rate adjusted for the frailty of the PACE enrollees
- **PACE program bears all risk - no additional cost to the state**

**A small percentage of program revenue comes from private sources or enrollees paying privately*

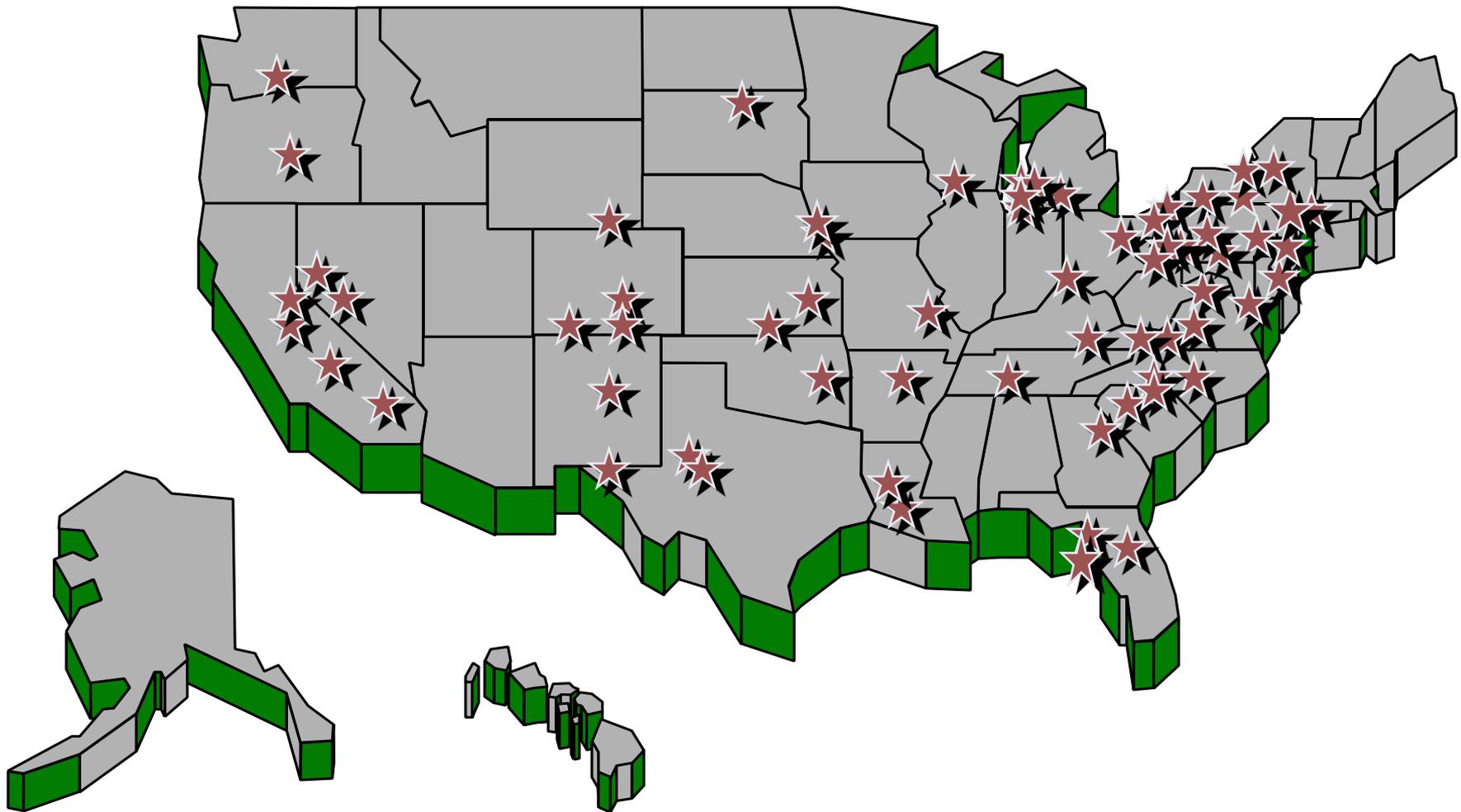
Growth in PACE Organizations

- **Nationally:**

- >160 centers operated by 94 sponsoring PACE organizations in 31 states;
- >35,000 enrolled
- # doubled between 2005-2010

PACE Programs Around the Nation

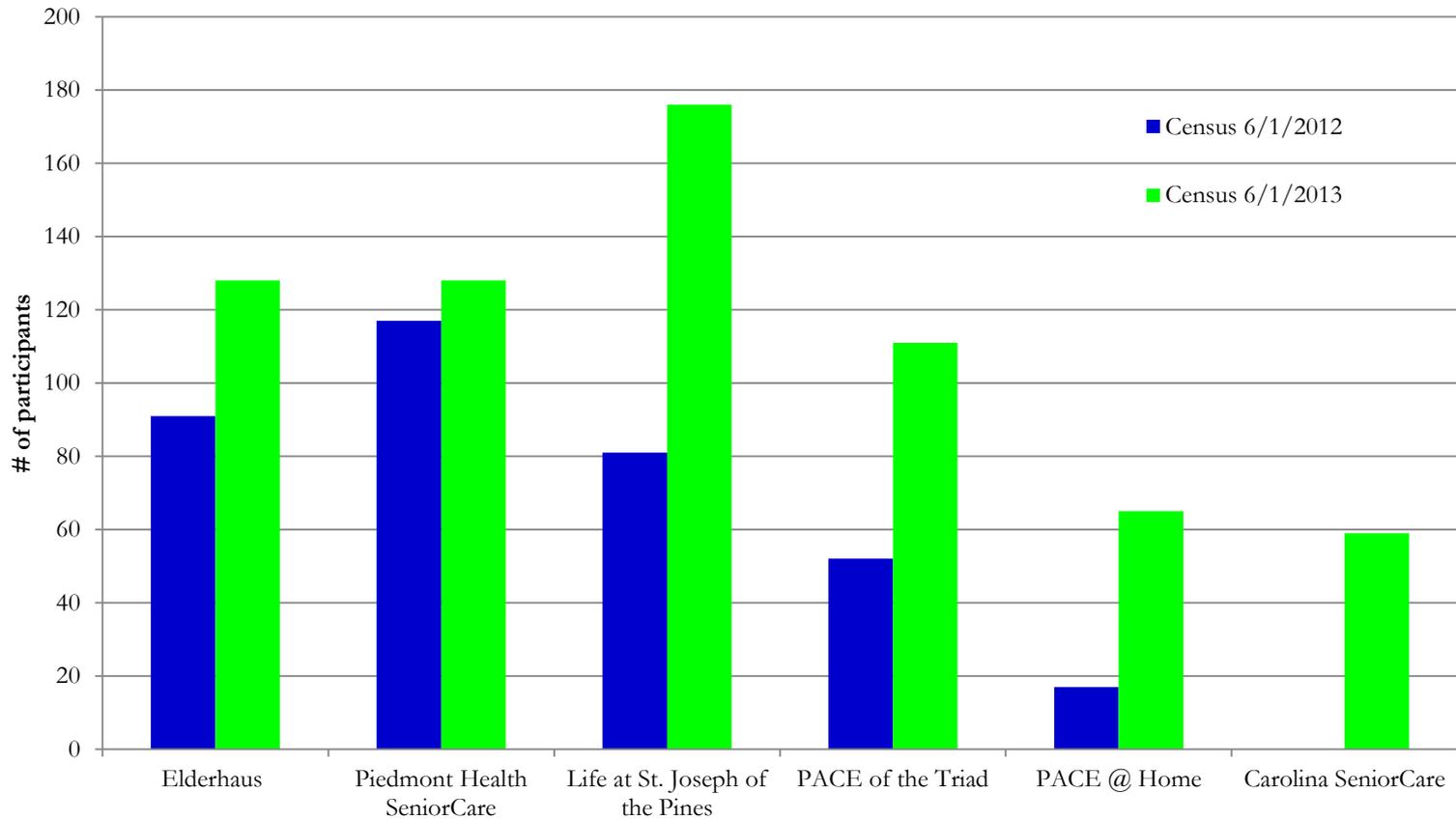
94 PACE programs in 31 states (10/1/2013)



Milestones in NC PACE Development

- 2008 – Elderhaus in Wilmington opens first PACE program in NC
- Piedmont Health Services opens second program a few months later
- April 2011 – NC PACE Association is formed
- January 2014 – 9 programs are open in NC
- Approximately 850 North Carolinians receiving PACE care
- *Number of PACE participants has doubled (186% increase) from July 2012 to December 2013*

PACE Growth by Program June 2012- June 2013



PACE Programs in North Carolina

- Nine currently operational – Wilmington, Fayetteville, Burlington, Greensboro, Lexington, Newton, Durham, Charlotte, Gastonia
- One has second site (Pittsboro)
- Two scheduled to become operational within 12 months (Asheville, Asheboro)
- At least seven more “designated service areas” claimed or requested
- Serving urban and rural counties



ing
request pending

NC PACE Association Vision

Place every potential participant within 45 minutes of a PACE facility.

- Piedmont and urban areas close to being “covered”
- Interest growing in rural areas, but different strategies may be required:
 - “Hub and spoke” approach (satellite office) strategy will work in some rural areas
 - Typically underserved areas remain a challenge

NC PACE Programs: Creative Social Entrepreneurs

- All are not-for-profits
- Job creators, contributors to local economy
- Multiple “ownership” structures, but all community-based
 - 1 Independent
 - 4 federally qualified health centers
 - 4 “consortiums” (hospitals, home health, ccrc’s, etc.)
 - 1 hospital
 - 4 national religious-affiliated entities

PACE : Good for the State Budget . . .

- PACE receives fixed payment and is **fully at risk** for all care and services. No matter how much someone costs, wherever they are, PACE pays.
- This the **only** state cost for PACE participants
- State achieves cost predictability and limits its cost exposure for a population which is typically the most difficult and costly to treat

And good for the participants

- PACE programs provide for the total needs of participant, unencumbered by rigid government payment rules
- Nationally, PACE has lowest industry rates for hospital readmissions and a 94% approval rating from members

PACE and Medicaid Reform

- PACE is important part of continuum of care
 - Serves “dual eligibles” who are 5 times more expensive to serve than nonduals*
 - In NJ, managed care plans urged state to keep and expand PACE statewide
 - Must be maintained as direct enrollment option in managed care
-
- *\$20,902 v \$4,553 (Kaiser)

More Information

Linda S. Shaw
Executive Director
NC PACE Association
2401 Weston Parkway, Suite 101-B
Cary, NC 27513
919-234-1707
Linda.Shaw@ncpace.org
www.ncpace.org