PACE: How to Achieve Widespread Adoption

HCBS Conference
September 1, 2015
Washington, DC

NATIONAL PACE ASSOCIATION
Advancing Programs of All-inclusive Care for the Elderly
www.NPAonline.org | (703) 535-1565
Questions for Today:

What would widespread adoption of PACE look like?
What will it take to get there?
Program of All-Inclusive Care for the Elderly (PACE)
Agenda

1. Where Are We Now & Growth Potential
2. Federal, State & Marketplace Issues
3. Scaling PACE as a National Provider
4. Dialogue
"On Lok [is] part of a very important program called PACE," Slavitt said. "Places like On Lok really impress me. When I visit them, I feel like I'm glimpsing very much into our future."

Andrew Slavitt
CMS Administrator
Speaking at the 50th July 29, 2015
PACE Programs around the Country
(Jan. 2015)

32 States – newest is Indiana
PACE Programs and Centers

1.5 Centers/Program

<table>
<thead>
<tr>
<th>Year</th>
<th>Centers</th>
<th>Programs</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>126</td>
<td>84</td>
</tr>
<tr>
<td>2013</td>
<td>173</td>
<td>88</td>
</tr>
<tr>
<td>2014</td>
<td>196</td>
<td>99</td>
</tr>
<tr>
<td>2015</td>
<td>228</td>
<td>114</td>
</tr>
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</table>

2 Centers/Program

<table>
<thead>
<tr>
<th>Year</th>
<th>Centers</th>
<th>Programs</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td></td>
<td></td>
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<tr>
<td>2013</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td></td>
<td></td>
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<tr>
<td>2015</td>
<td></td>
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</tr>
</tbody>
</table>
People

EOY, 2012: 28,255
EOY, 2013: 31,654
EOY, 2014*: 35,000

* 2014 enrollment estimated based on responses to NPA’s 2015 survey of PACE organizations
Why Grow PACE

• Delivery system reform – fully realized
  • Integrated (Medicare/Medicaid; Acute/Primary/LTSS)
  • Community based
  • Person centered, provider-sponsored

• Value
  • Below states’ cost of serving a comparable population – 13%
  • Predictable, capitated cost to states

• Quality
  • Increased life expectancy \(^1\)
  • Improved physical and mental functioning \(^1\)
  • Higher quality of life \(^1\)
  • Longer ability to live at home \(^2\)

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2 Segelman, M., Cai, X. van Reenen, Temkin-Greener, H. Transitioning From Community-Based to Institutional Long-term Care: Comparing 1915(c) Waiver and PACE Enrollees. The Gerontologist 2015.
Growth Potential: Trend Analysis

Baseline Growth Projection - Recent Growth Experience

- Total Enrollment
- Dual-Eligible Enrollment


Values range from 0 to 50,000.
## Growth Potential: Scaling Up

### Five Largest PACE Organizations by Enrollment

<table>
<thead>
<tr>
<th>PACE Organization</th>
<th>Metropolitan Statistical Area (MSA)</th>
<th>State</th>
<th>1/1/2014 Enrollment</th>
<th>July 1, 2013 MSA Population Estimates</th>
</tr>
</thead>
<tbody>
<tr>
<td>CenterLight</td>
<td>New York-Newark-Jersey City, NY-NJ-PA Metro Area</td>
<td>NY</td>
<td>3,813</td>
<td>19,949,502</td>
</tr>
<tr>
<td>InnovAge Greater Colorado</td>
<td>Denver-Aurora-Lakewood, CO Metro Area</td>
<td>CO</td>
<td>2,056</td>
<td>2,697,476</td>
</tr>
<tr>
<td>AltaMed Health Services</td>
<td>Los Angeles-Long Beach-Anaheim, CA Metro Area</td>
<td>CA</td>
<td>1,592</td>
<td>13,131,431</td>
</tr>
<tr>
<td>On Lok Lifeways</td>
<td>San Francisco-Oakland-Hayward, CA Metro Area</td>
<td>CA</td>
<td>1,382</td>
<td>4,516,276</td>
</tr>
<tr>
<td>Providence ElderPlace</td>
<td>Portland-Vancouver-Hillsboro, OR-WA Metro Area</td>
<td>OR</td>
<td>1,055</td>
<td>2,314,554</td>
</tr>
</tbody>
</table>
Growth Potential: Access and Market Penetration

Market Penetration varies; high performing PACE organizations average 23%; average is 10%
Estimating Growth Potential

- Trend: 45,000
- Scale Up: 166,322
- Access, Mkt Penetration: 182,160
- Under Age 55*: 270,839

Scale Up

Under Age 55*

13
Of the 1.32 Million Dually-Eligible, Elderly Who Will Need LTSS…

100% Access: 26.4%
50% Access: 13.2%
PACE today: 2.65%

How Many can PACE Serve…
Achieving Scale Requires Coordinated Efforts

- States
- CMS
- PACE Sponsors
## 5 States Lead Growth

<table>
<thead>
<tr>
<th>State</th>
<th>2015 Enrollment</th>
<th>Growth 2012-2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>New York</td>
<td>5,653</td>
<td>1,379</td>
</tr>
<tr>
<td>Pennsylvania</td>
<td>4,733</td>
<td>1,450</td>
</tr>
<tr>
<td>California</td>
<td>4,655</td>
<td>1,675</td>
</tr>
<tr>
<td>Virginia</td>
<td>1,311</td>
<td>576</td>
</tr>
<tr>
<td>North Carolina</td>
<td>1,196</td>
<td>920</td>
</tr>
</tbody>
</table>
High Growth State Features

• Competitive Managed LTSS Environments
  • New York
  • California

• State Planning to Increase Number of Programs
  • Pennsylvania
  • Virginia
  • North Carolina
State Policies That Can Support PACE Adoption

- Established RFP process
- Equitable rate setting process
- Timely review of new PACE applications
- Unbiased options counselling that includes PACE
State Policies Can Support PACE Enrollment

- **Expedite State Eligibility Determination**
  - State policies and resources should be allocated to assure timely, qualified and unbiased assessments to allow enrollment in PACE

- **Allow Enrollment for All PACE Eligibles**
  - Any individual assessed as PACE eligible should be allowed to enroll without a state imposed enrollment cap, waiting list or other state imposed barrier

- **Passive Enrollment Should Include PACE**
  - Intelligent assignment processes should be developed to include PACE in passive and auto enrollment when it is applied to other programs for dual eligibles
Federal Flexibilities Can Maximize PACE Investment and Growth Potential

- **Flexibility in Rate Setting for Non Medicaid Enrollees**
  - Allow PACE Organizations to have flexibility in setting rates for non Medicaid, private pay enrollees based upon patients needs and marketplace issues

- **Enrollment Flexibility**
  - Allow enrollment on a continuous basis (similar to nursing home enrollment) so that enrollment can be on a level playing field

- **Streamline Approval Process for new POs**
  - Allow concurrent state and federal reviews to shorten current review times of two plus years
# Federal Flexibilities Can Maximize PACE Investment and Growth Potential

| Flexibility to Use Community Settings | • Allow PACE Organizations to use community settings such as adult day care centers as PACE centers so that existing provider capacity already existing in the community is used |
| Flexibility in Providing Primary Care | • Allow enrollee to receive primary care from community-based primary care physicians  
• Allow use of nurse practitioner and physician assistants without a waiver request |
| Flexibility in Composition of IDT | • After initial comprehensive assessment, allow PACE Organizations to establish an IDT based upon participant specific need |
New Payment and Delivery Models Emerging

- MLTSS
- MMP (Duals)
- Independence at Home
- HCBS
- Medicare Advantage
New Payment and Delivery Models

**Independence at Home Demonstration**
- Targets Medicare patient with multiple chronic conditions
- Provides home based primary care
- In year 1, 15 programs served 8,400 beneficiaries and saved $3070 saved per beneficiary

**Managed Long Term Support Services**
- Risk based arrangements to provide LTSS (HCBS and institutional care)
- 22 states have MLTSS programs and interest is growing among states

**Medicare and Medicaid Plans (FAD)**
- New CMS program combining payment for Medicare and Medicaid
- 15 states are pursuing a Financial Alignment Demonstration (capitated or managed FFS)
Trinity Health PACE Plans
## Trinity Health PACE

<table>
<thead>
<tr>
<th>Program</th>
<th>State</th>
<th>City</th>
<th>Date Opened</th>
<th>June 2015 Census</th>
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<tbody>
<tr>
<td>Catholic Health LIFE¹</td>
<td>New York</td>
<td>Buffalo</td>
<td>1-Nov-09</td>
<td>199</td>
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<tr>
<td>Eddy SeniorCare</td>
<td>New York</td>
<td>Schenectady</td>
<td>1-Oct-96</td>
<td>171</td>
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<tr>
<td>LIFE at Lourdes</td>
<td>New Jersey</td>
<td>Camden</td>
<td>1-May-09</td>
<td>223</td>
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<tr>
<td>LifeCircles²</td>
<td>Michigan</td>
<td>Muskegon</td>
<td>1-Feb-09</td>
<td>225</td>
</tr>
<tr>
<td>LIFE St. Francis</td>
<td>New Jersey</td>
<td>Trenton</td>
<td>1-Apr-09</td>
<td>318</td>
</tr>
<tr>
<td>LIFE St. Joseph of the Pines</td>
<td>North Carolina</td>
<td>Fayetteville</td>
<td>1-Apr-11</td>
<td>232</td>
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<tr>
<td>LIFE St. Mary</td>
<td>Pennsylvania</td>
<td>Langhorne</td>
<td>1-Mar-10</td>
<td>229</td>
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<tr>
<td>LIFE St. Michael</td>
<td>New Jersey</td>
<td>Newark</td>
<td>Projected Opening March 2017</td>
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<tr>
<td>Mercy LIFE (AL)</td>
<td>Alabama</td>
<td>Mobile</td>
<td>1-Jan-12</td>
<td>174</td>
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<tr>
<td>Mercy LIFE (MA)</td>
<td>Massachusetts</td>
<td>Springfield</td>
<td>1-Mar-14</td>
<td>93</td>
</tr>
<tr>
<td>Mercy LIFE (PA)</td>
<td>Pennsylvania</td>
<td>Philadelphia</td>
<td>1-Oct-98</td>
<td>659</td>
</tr>
<tr>
<td>Saint Francis LIFE</td>
<td>Delaware</td>
<td>Wilmington</td>
<td>1-Feb-13</td>
<td>142</td>
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<tr>
<td>Saint Joseph PACE</td>
<td>Indiana</td>
<td>South Bend</td>
<td>Projected Opening August 2016</td>
<td></td>
</tr>
</tbody>
</table>

- Largest Provider of PACE Programs in the Country
- Operates 11 programs in eight states
- TH PACE Programs comprise 10% of all programs

2,665
Expansion Potential

Streamline Approval Process
• Average growth of each program is less than three new net participants each month. With a streamlined process there would be the ability to enroll 15 – 20 net participants monthly.

Alternate Care Sites
• Contracting for Adult Day services reduces Center capacity issues.

Reduce Capital Costs
• Between developing a PACE Center and achieving break-even costs $4 - $7 million.
  – Contracting for services already in the community reduces the need for a 20,000 – 30,000 square foot Center and eliminates competition concerns from local providers.

Inter Disciplinary Team
• Keep the IDT concept to ensure the model of care is continued but provide flexibility in the service locations.
Current State: Advocacy and Collaboration Result in Opportunities for Growth

National

National PACE Association-PACE Innovations Act, if passed will:
• Allow PACE to serve persons under 55 years of age
• Allow persons under 55 with cognitive and/or physical disabilities to enroll in PACE

State

Rise of state PACE associations successfully advocated for changes at the state level that promote PACE growth:

Example: CalPACE worked with the state to implement a highly successful expedited PACE intake and enrollment process that resulted in a decrease in the time to enroll participants resulting in enrollment growth
Future State: PACE Seen as an Equal Player in States’ Managed Care Strategy

• Pennsylvania is now designing their MLTSS program.
  • Plans are to have a 12-month lock in period for persons auto enrolled in an MLTSS plan.
  • It would be optimal for PACE if the state will consider eliminating the lock-in period or at least reduce it to 6 months.
State and County Systems Advocacy

• Increase in state-specific PACE associations, e.g., PALPA
  – Keep current on state issues and policy
  – Paid executive director advocates on behalf of membership, e.g. CalPACE successfully lobbied the state to adopt an expedited intake and enrollment process that significantly decreased referral to enrollment time
Achieving Widespread Adoption

Federal regulations and policy

State regulations and policy

Provider capacity and efficiency
Knowing is not enough; we must apply. Willing is not enough; we must do.
DISCUSSION
Thank You!!!

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