



JOINT LEGISLATIVE OVERSIGHT COMMITTEE  
ON MEDICAID AND NC HEALTH CHOICE

# **Efficacy of the Programs of All-Inclusive Care for the Elderly (PACE) Study**

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# **Programs of All-Inclusive Care for the Elderly**

- **PACE is a capitated managed care program for frail, elderly adults who are enrolled in Medicaid, enrolled in Medicare, dually enrolled in Medicaid or Medicare, or able to pay privately.**
- **Program features a comprehensive service delivery system and integrated Medicare and Medicaid financing for beneficiaries enrolled in both programs.**

# **PACE is a managed care model for the Elderly**

- **PACE organizations assume full financial risk for the costs of all medical care for their participants, including nursing home care, long-term care services, inpatient hospital services, outpatient hospital services, physician services, laboratory and radiology services, pharmacy, transportation, durable medical equipment (DME), and hospice services.**

# Program of All-Inclusive Care for the Elderly

- **To be eligible for PACE an individual must:**
  - 55 years of age or older;
  - Determined to need the level of care required under the Medicaid State Plan for coverage of nursing facility services;
  - Reside in the PACE organization's service area;
  - Able to live in a community setting at the time of enrollment without jeopardizing his or her safety; and
  - Meet any additional criteria set forth in the program agreement.
- **11 PACE Organizations with 12 sites**
  - 36 counties have at least one zip code served by a PACE Organization
  - 64 counties have no PACE access at this time
  - Current enrollment is 2040 individuals

# Next Steps for PACE growth in NC

- NC can consider expanding the capacity of existing PACE Organizations
  - Zip code expansion
  - Approval of alternative care setting
- Expansion of PACE to unserved and underserved areas in NC will require additional funding

# Expanding PACE access

- **Zip Code Expansion**
  - Will allow existing PACE Organizations to enroll individuals residing outside their current service areas.
- **Alternative Care Setting (ACS)**
  - ACS allows PACE participants to receive some (but not all) PACE services at the alternative setting during usual and customary PACE center hours of operation.
    - Services at an ACS should supplement and not replace services provided at the main PACE center
    - Periodic visits to the main center are required

# **Next Steps for PACE regulatory reform**

- **Operationalize the recommendations that have been identified to address the duplication of regulatory monitoring by Centers for Medicare & Medicaid Services (CMS), Division of Medical Assistance (DMA), and Division of Aging & Adult Services (DAAS)**
- **Evaluate DMA and Division of Health Service Regulation (DHSR) rules regarding delivery of in-home services to verify duplication with CMS regulations**

# **PACE Innovation Act Options**

- **Medicaid will investigate options for delivery of care under the PACE Innovation Act**
- **DMA will consult with CMS Coordination Office regarding the PACE Innovation Act**
  - **Discuss strategies to adapt the PACE model of care to serve populations currently ineligible for PACE and diagnostic criteria other than nursing home level of care**



# Recommendations

- **Study the expansion of the Long-Term Care Ombudsman (LTCO) program to assist PACE participants.**
  - LTCO assists residents of long term care facilities to exercise their rights and resolve grievances between the residents, families, and facilities
- **Currently PACE participants and their families do not have comparable assistance to assist with grievances or complaints involving a PACE organization outside formal due process**
  - PACE Organizations manage all care for individuals