

PACE Expansion: Building Effective Community Care for Frail Elders

"[A] locally-based, patient-centered and comprehensive commitment to patients is vital to our future. I believe PACE is a model with great promise and I want to affirm my commitment to cultivating that promise."

—Andy Slavitt, Acting Administrator, Centers for Medicare and Medicaid Services

Following enactment of the PACE Innovation Act (P.L. 114-85) in late 2015, the Centers for Medicare and Medicaid Services (CMS) is poised to expand the Program of All-inclusive Care for the Elderly (PACE) to provide a reliable and comprehensive care system for seniors who need both excellent geriatric care and long-term services and supports (LTSS) in communities across the country. This means that PACE is well-positioned to provide elders who only have Medicare coverage with longitudinal, integrated care plans and more flexible and appropriate services, and in doing so, to delay or prevent spend down to Medicaid.

What is PACE?

Up to now, PACE has been a comprehensive program tailored to individuals over the age of 55 who are eligible for both Medicare and Medicaid. These beneficiaries must qualify as being eligible for nursing home care and have low incomes that qualify them as financially eligible under standards applicable in their state. PACE is designed to provide a comprehensive service mix of medical care and LTSS.

How can we expand PACE eligibility?

The new law allows CMS to grant waivers for PACE pilots through the Center for Medicare & Medicaid Innovation (CMMI). It authorizes CMMI to adapt otherwise applicable PACE eligibility, services delivery and payment rules.

Why expand PACE?

The average man will need both medical and LTSS support for 1.5 years,¹ and the average woman for 2.5 years. Apart from PACE, today's care system was designed when average

life expectancy was 70, and most people did not experience extended periods of disability and decline before dying. However, during the 21st century, the number of people 85 years or older will double between 2000 and 2030.² On average, people now live a decade longer than they did when Medicare first became law in 1965, and half of us will reach a time when we need assistance with everyday LTSS, such as assistance with eating, dressing and bathing, or preparing meals.³ PACE expansion provides a way to address this challenge comprehensively and to build a better care system for frail elders—a community-anchored, elder-centered care system that is adapted to the goals and priorities of this phase of life.

How would an expanded PACE program work?

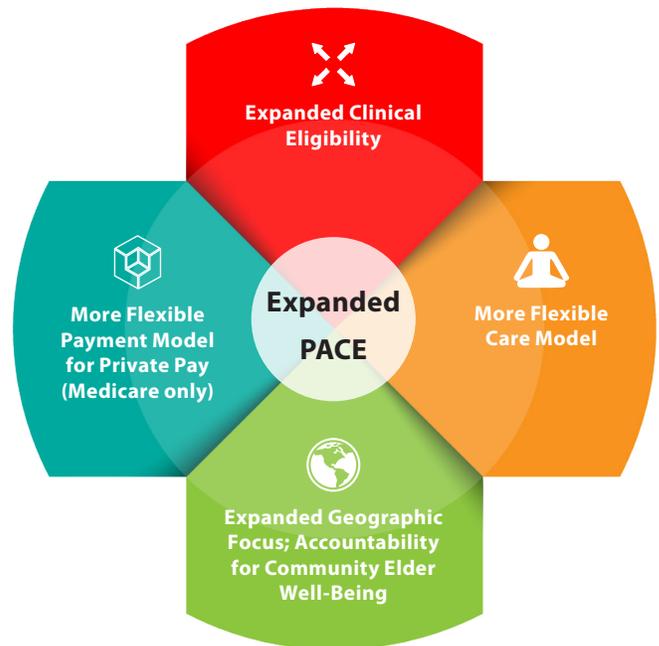
- ▲ A PACE expansion would care for enrolled beneficiaries in a designated community and be guided in its efforts by an independent board to monitor the system's functioning, and serve as the voice of the community in meeting the needs of seniors.
- ▲ Each beneficiary undergoes comprehensive assessment, generating a care plan that reflects service needs and patient and family priorities.
- ▲ All beneficiaries would receive assessment, care navigation, coordination, access to appropriate specialists and services, and critically important backup services.
- ▲ LTSS service tiers or menu-driven services would be priced fairly, aiming to accommodate the range of circumstances and preferences.

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How would an expanded PACE program work, cont.

- ▲ Medicare-only beneficiaries would buy LTSS services with private funds, mostly through PACE, thereby getting best available service packages, strong coordination, and prudent spending.
- ▲ The public would have ready access to the independent board's quality, satisfaction, and financial data and analyses, and would have opportunities to engage in the process of setting priorities for local improvements.
- ▲ Savings from reduced utilization of high-cost Medicare-covered services would be invested in LTSS and the monitoring and management functions of the independent board, thus improving access and quality for beneficiaries.
- ▲ The expanded PACE program would have the flexibility to contract with a wider array of community medical and social service providers, while retaining responsibility for reporting and meeting quality and other performance outcome standards.

Components of the Frail Elder Expanded PACE Program



Expansion of PACE could anchor major reforms in elder care. Read more about how this could be done in our new book, *MediCaring Communities: Getting What We Want and Need in Old Age at an Affordable Cost*.

To learn more, go to medicaring.org/book or find it on Amazon.

The Altarum Institute Center for Elder Care and Advanced Illness is a nonprofit research, consulting, and advocacy organization that aims to ensure that elders who must live with disabilities and illnesses can live comfortably and meaningfully at a cost that families and the public can afford.

Please join us in helping to expand PACE for frail elders!

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¹ Favreault M & Dey J. Long-term services and supports for older Americans: Risks and financing research brief. Washington, DC: Assistant Secretary for Planning and Evaluation, U.S. Department of Health and Human Services, 2015.

<https://aspe.hhs.gov/basic-report/long-term-services-and-supports-older-americans-risks-and-financing-research-brief>

² Ortman JM, Velkoff V, & Hogan H. An Aging Nation: The Older Population in the United States. Population Estimates and Projections. Washington, D.C., United States Census Bureau. 2014.

<http://www.census.gov/library/publications/2014/demo/p25-1140.html>

³ Favreault & Dey, 2015.