

PACE & Part D: A Tale of Two Statutes in Need of a Solution for Medicare Beneficiaries

Anne Montgomery, Center for Eldercare Improvement, ALTARUM

Francesca Fierro O'Reilly, National PACE Association

September 28, 2021



What is PACE?

(Program of All-Inclusive Care for the Elderly)

- An integrated care model and delivery system, which is
 - Community-based
 - Comprehensive
 - Coordinated
 - Capitated
- PACE serves those
 - 55 or older
 - Needing a nursing home-level of care as certified by their state
 - Living within the geographic service area of a PACE organization
 - Able to live in the community at the time of enrollment with the support of PACE

What Does PACE Provide?

- All Medicare and Medicaid covered services
- Other services determined necessary by the PACE interdisciplinary care team to improve or maintain overall health status
- The PACE Organization is responsible for the provision and integration of **all** services inclusive of medical care, behavioral health care, LTSS and some social determinants of health (meals/transportation) across all settings and over time

PACE is a Proven, Effective Model of Care

- One of the most effective, comprehensive and reliable models for cost-effective delivery of high quality medical+LTSS for older adults living in the community with chronic conditions and functional limitations
- Evidence of positive outcomes
 - Fewer hospitalizations
 - Improved quality of care for certain aspects of care
 - Effective in reducing institutional care, especially for people with dementia
 - High levels of participant and caregiver satisfaction

*PACE Can Scale to
Cover More Older
Americans...But
There Are Barriers
in the Way*

- 140 PACE organizations in 30 states serve over 57,000 participants as of 9/1/2021
- Only 1 in 10 older Americans who could benefit from PACE are currently served 90% of current PACE participants are dually eligible individuals
- Today, for the tiny number (less than 1%) of current participants who are Medicare-only beneficiaries, PACE is effective but expensive since participants must:
 - Pay a monthly premium out of pocket to cover non-Medicare covered care/services (i.e., the Medicaid capitation rate)
 - Pay an **extremely high** PACE Part D Plan monthly premium – over **\$900, adding up to more than \$10K per year.**

Scaling PACE is Simple for Congress to Solve

- Fortunately, there is a policy solution for the **Part D Barrier** that now effectively closes PACE off to a vast majority of middle-class Medicare beneficiaries who have not yet spent down to Medicaid. The solution is providing a Part D choice to:
 - ***Allow PACE participants to access their prescription drug coverage either through the PACE Part D plan, or through a local Part D Prescription Drug Plan.***
 - Doing so would provide Medicare beneficiaries with access to the same coverage, rebates and limits on out-of-pocket costs that all other Medicare beneficiaries get today – ***an affordable Standard Part D Benefit.***

PACE Part D Choice Act, H.R. 4941

- **House Champions**
 - Earl Blumenauer (D-OR3)
 - Jackie Walorski (R-IN2)
 - Debbie Dingell (D-MI12)
- Permits Medicare-only PACE participants to purchase a standalone Part D plan from the marketplace
- Requires PACE and Part D plan to coordinate
- PACE Part D premiums on average are **22x more costly** (\$907.41 x month v \$41 x month)
- **Senate Champion**
 - Tom Carper (D-DE)
 - Republican TBD

PACE Part D Choice Act, H.R. 4941

➤ H.R. 4941 calls for:

“...a PACE program...to monitor drug utilization, medication adherence, and spending throughout the year with respect to any applicable PACE program enrollee who elects to enroll in a qualified standalone prescription drug plan...in order to coordinate with the PDP sponsor of such plan regarding the drug benefits offered by the plan, including the filing of any grievances or appeals with the plan on behalf of the applicable PACE program enrollee.”

Questions?



Anne Montgomery - Anne.Montgomery@altarum.org or 202-492-9299

Francesca Fierro O'Reilly – FrancescaO@npaonline.org or 202-409-6571