



# **Overview and Current Status of Program of All-inclusive Care for the Elderly (PACE)**

Dr. Cheryl Phillips, M.D.  
Chief Medical Officer, On Lok Lifeways

# What is On Lok?

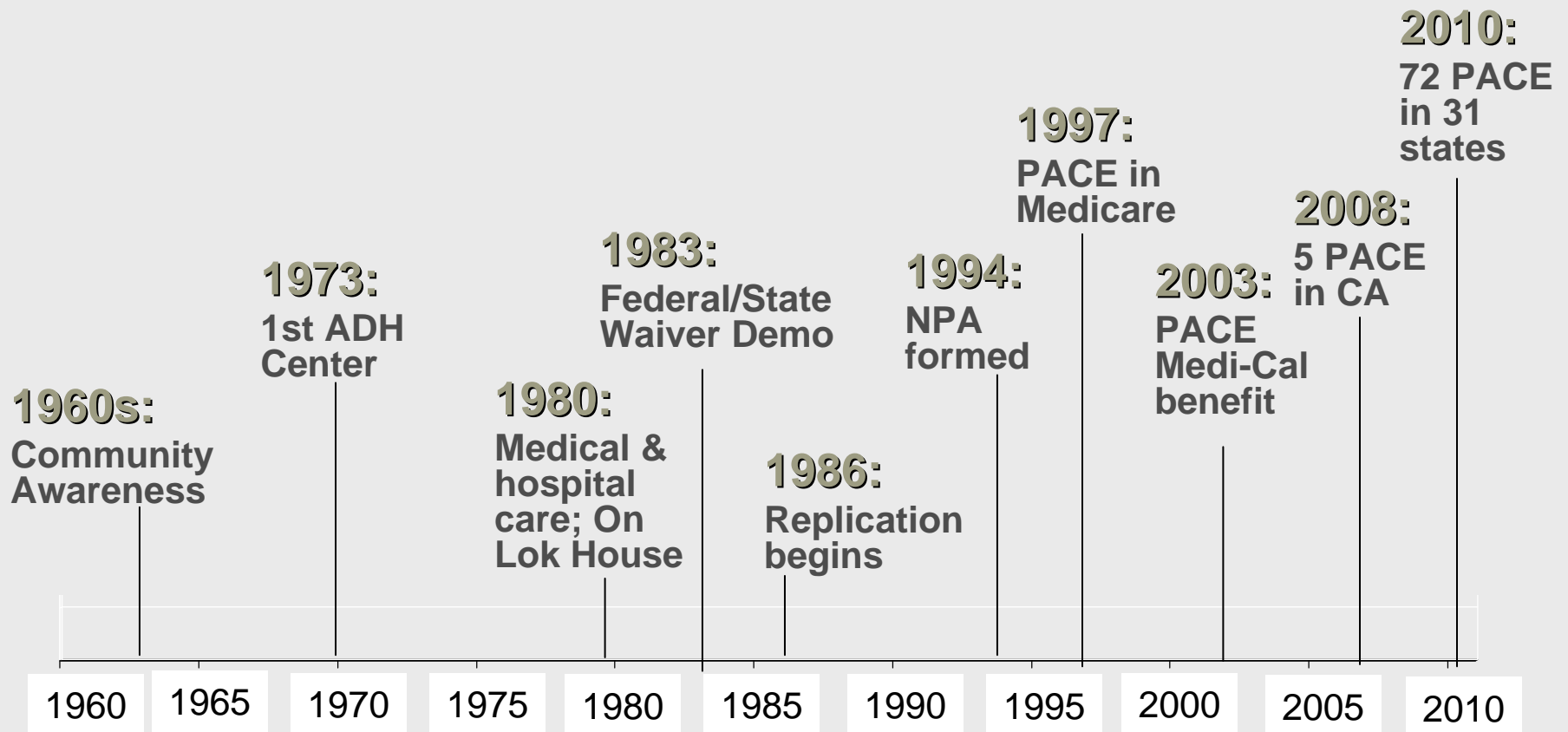
- Original Vision:
  - Help the low-income seniors in Chinatown/North Beach area of San Francisco stay in their own homes with all health and social services needed to maintain independence
  - National prototype for the Program of All-inclusive Care for the Elderly (PACE) model of care
  
- Structure Today:
  - On Lok Lifeways serves over 1,000 frail seniors in San Francisco, Southern Alameda and Santa Clara Counties
  - Care provided by 10 Interdisciplinary Teams and operating PACE centers (co-located clinics and adult day health care)
  - Complete network of contract inpatient and specialty providers

# What is PACE?

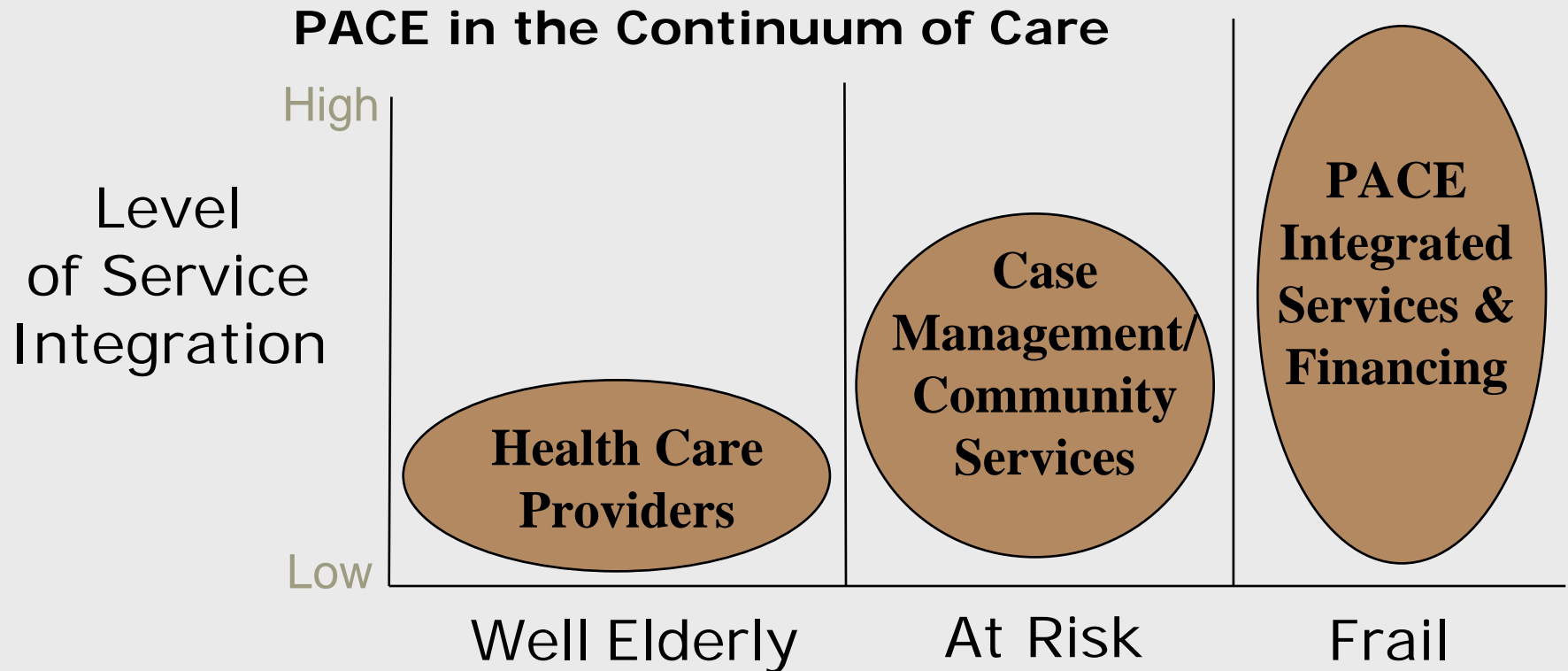
## Program of All-inclusive Care for the Elderly

- Comprehensive services for the frail elderly:
  - Preventive care
  - Primary care
  - Medications
  - Acute care
  - Long-term care, including nursing facility when needed
  - Transportation
  - Meals
  - Medical specialists
  - Dental & Vision
  - Emergency care
  - Behavioral and mental health
- Capitation funding (per member per month):
  - Combines Medicare, Medicaid, private
  - Program has full financial risk (without carve-outs)
- Alignment of care needs and financial interests:
  - Monitors elders closely – takes action early to restore health, control cost

# History: On Lok & PACE

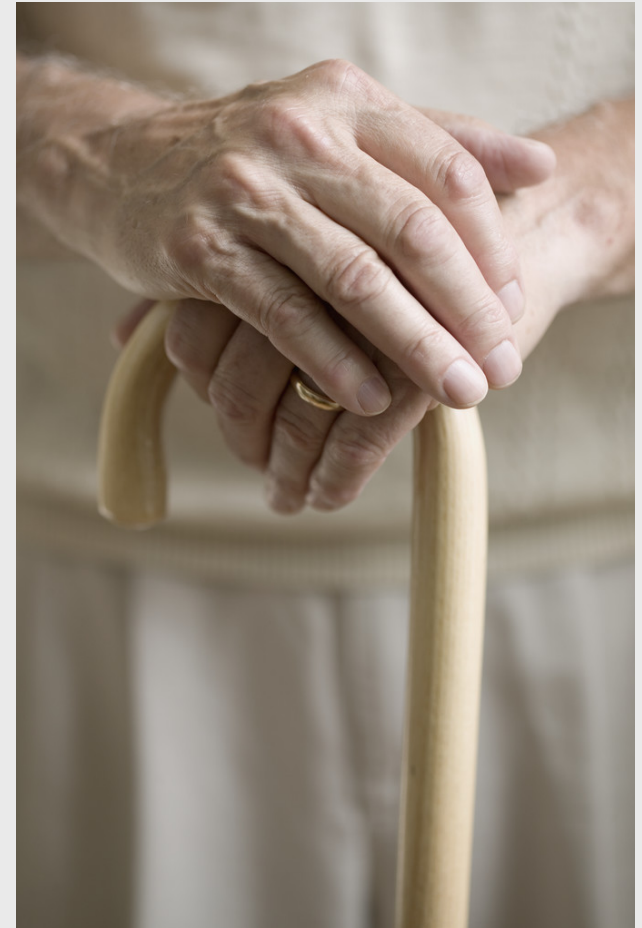


# Where PACE fits



# Who benefits from PACE?

- **Frail older people** who want to live in the community
- **Family members** caring for an elder
- **Providers** who want to deliver seamless, high quality care
- **Senior housing facilities** where elders age in place
- **Policy makers** seeking to save taxpayer money and deliver effective care



# Who does PACE serve?

## ➤ Eligibility:

- 55 years or older
- Resident of PACE service area
- State-certified to need nursing home level care
- Can live safely in community



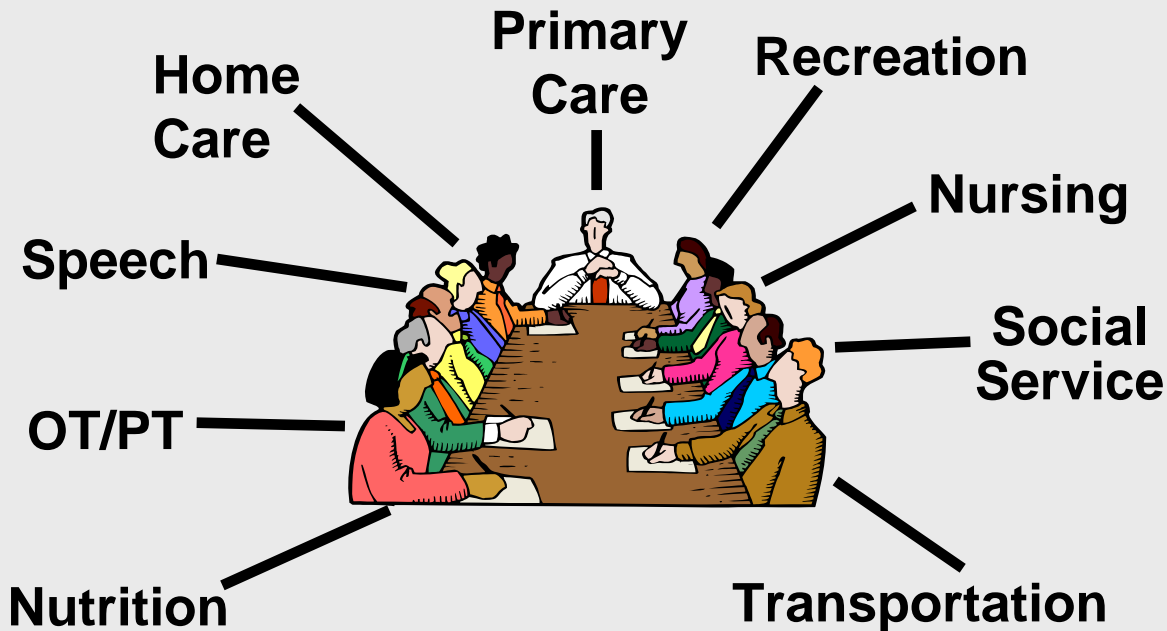
# On Lok's PACE Participant Profile

- Profile of typical participant
  - Female; average age of 84
  - 13 medical conditions
  - Dependent in 3.3 ADLs (bathing, dressing, etc.)
  - Dependent in 6.6 out of 7 IADLs (medication management, money management, etc.)
  - Has some degree of cognitive impairment (59%)
  - Dually-eligible for Medicare & Medi-Cal (95%)
  - Enrolled in program last 4-5 years of life
  
- Serves culturally and linguistically diverse population
  - 63% Asian/Pacific Islander, 19% Caucasian, 11% Hispanic, 7% African American



# How does PACE work?

Interdisciplinary teams assess need, deliver & manage care across settings:



## Settings/Services

- Adult Day Health Care
- Personal Care
- Home Care
- Nursing Home
- Hospital
- Medical Specialists
- Pharmacy
- Lab/X-ray Medications/DME

# Care Management

- Interdisciplinary Team (IDT) Care Planning
  - Daily IDT meetings to review and discuss care needs and changes in status
  - Integrates skilled assessment and evaluation findings and regular assessments by PACE IDT members (physician, nurse, rehab therapists, social worker, dietary, recreation and home care staff) into new or revised person-centered care plan.
- Frequent Monitoring
  - Regular attendance at day center combine with home care according to individualized care plan
  - Input from professionals and paraprofessionals
- Collaborative Care Planning with Participants and Family Members
  - Insures and improves quality of care
  - Maintains participant autonomy
- Electronic Medical Record

# Medical Management

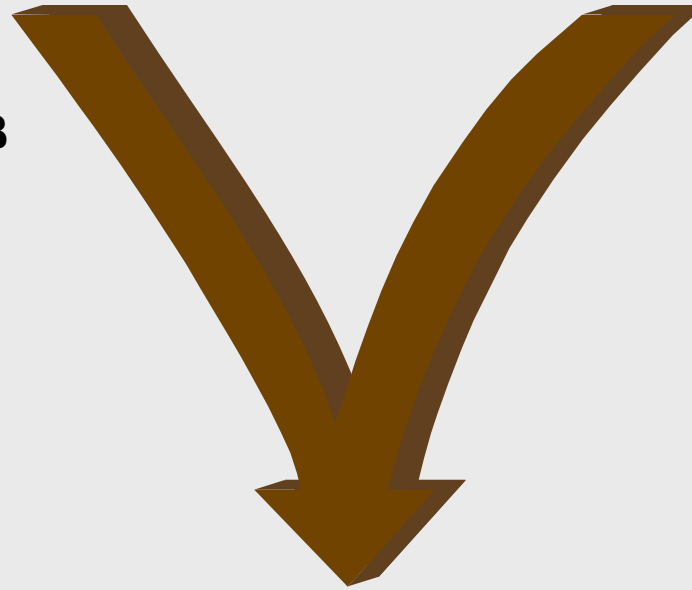
- The goal is to maximize medical management in the outpatient setting and integrate social and functional support needs with IDT
- Primary care team on-site: MD, NP, RN
- Full-service clinic for urgent care and management of chronic conditions
  - IV and Respiratory therapy
  - Wound care management
  - Frequent visits for management of chronic disease such as CHF, diabetes, chronic lung disease
- Effective delivery of end-of-life care
  - Discussion of advance healthcare directives to promote end of life care based on the values of the person
- 24 hour call system with on-call physicians and nurses linking to IDT

# Integrated financing

## MEDICARE

- Medicare Part A/B
- Medicare Part D

**MEDICAID**  
and/or **PRIVATE**  
**PAY**



**MONTHLY CAPITATION**

# PACE rate-setting method

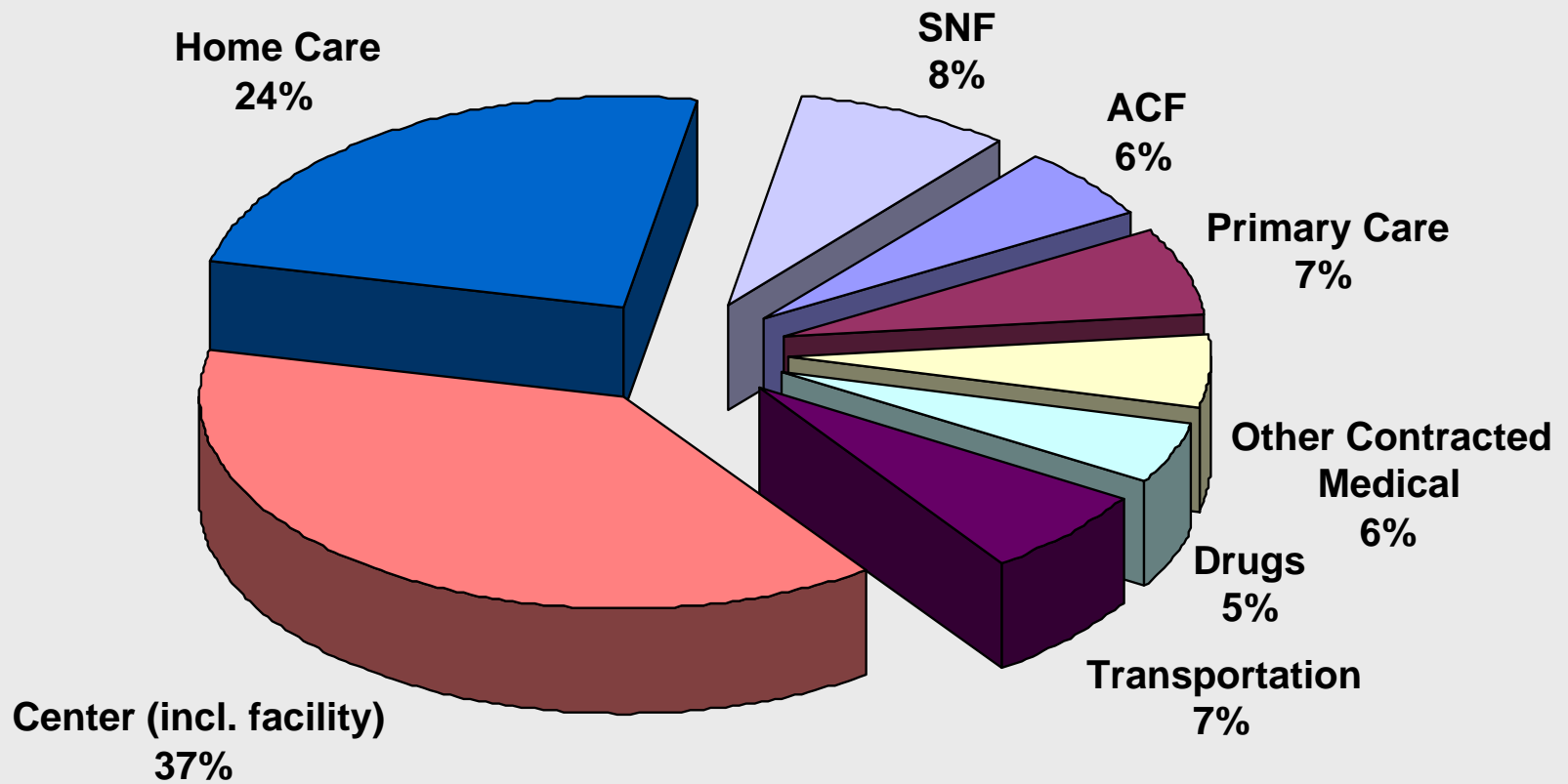
## Medicare

- Parts A/B: Risk-adjusted for each enrollee by demographic and diagnostic characteristics, plus frailty adjustor
- Part D: Bid premium, risk-adjusted for each enrollee; year-end reconciliation with risk-sharing

## Medicaid

- 90% of fee-for-service cost equivalent for comparable long-term care population (California W&I §14592 (c))

# How On Lok PACE dollars are spent



# On Lok PACE Outcomes Summary

- **High Rates of Community Residence:** 91% reside in the community rather than a nursing home.
- **Lower inpatient utilization:** Acute care utilization is comparable to the Medicare population even though PACE enrolls an exclusively frail population.
- **Better follow-up after acute care stay:** Readmission rate to acute hospital within 30 days of discharge is half the Medicare average.
- **Medical Home:** 100% of participants have a medical home with a primary care physician and interdisciplinary team responsible for coordinating and providing direct care.
- **End of Life Care:** Vast majority of participants remain enrolled through end of life care: 96%
- **High Consumer Satisfaction:** In 2008, 95% of participants interviewed reported that they were very satisfied with the program and 95% reported that would refer a close friend to the program.

# Differences between PACE and other types of managed care plans

- PACE organizations are both direct care providers and managed care plans.
- PACE organizations enrolls a subset of the Medicare and Medi-Cal population with very high fee-for-service costs.
- PACE organizations fully integrate both financing and care delivery of all Medicare and Medicaid covered benefits, including long-term care, at the individual beneficiary level.
- PACE is highly regulated and federal requirements specify a unique care model with detailed requirements related to care management, interdisciplinary team composition and staffing.
- PACE organizations create health care delivery systems that address the unmet needs of a medically complex, functionally impaired, low-income and historically underserved population.



# Status of PACE Development in California

- Operating PACE organizations:
  - AltaMed Senior Buena Care serving East Los Angeles and surrounding communities
  - Centers for Elder Independence serving Alameda and Contra Costa Counties
  - On Lok Lifeways serving San Francisco, Alameda (Tri-City) and Santa Clara Counties
  - St. Paul's PACE serving San Diego County
  - Sutter SeniorCare serving Sacramento and Yolo Counties
- One additional organization moving forward in PACE development; PACE Provider Application (PPA) submitted to DHCS
- Two organizations working with PACE technical assistance centers to explore PACE development
- Project underway to explore PACE development in three rural communities in California.

# Challenges

- Significant upfront capital investment to begin and expand PACE
- Nursing facility level of care and age requirements limit population served
- Federal and state regulatory requirements are significant and, in some cases, burdensome
- Unintended conflict in federal statute for COHS

# Opportunities

- Proven model of acute and long-term care integration for low-income, frail older adults
- Consistent with the goals of health reform
  - Person-centered care based on shared decision-making and values-based choices for people with chronic diseases and long-term needs.
  - True “medical home” that is available to the individual and their family/caregivers – 24 hours/day, 7 days/week.
  - Full integration of all health care services over time and across delivery settings through an interdisciplinary team to facilitate smooth care transitions.
  - Provider accountability for quality and quantity of all services provided.
  - Payment method with incentives for providing the right care, at the right time, in the right place.
- Existing California PACE programs have infrastructure for expansion
- Rural initiative holds promise nationally

# Q & A and Wrap Up