



Testimony for House Finance Subcommittee on Health and Human Services

February 23, 2023

Patrick Schwartz, Vice President for Government Affairs
High Bridge Consulting – McGregor PACE

Good morning, Chair Carruthers, Ranking Member Liston, and members of the Ohio House Finance Subcommittee on Health and Human Services. My name is Patrick Schwartz, and I am the Vice President for Government Affairs at High Bridge Consulting. I previously served as Director of Government Affairs and Communications at LeadingAge Ohio, a nonprofit trade association representing the full continuum of aging services and end-of-life care in Ohio and spent nearly four years with the association.

For the past two years, my colleagues Mike Dittoe, Spencer Gross and I have been honored to represent McGregor PACE, the state's only current Program for All-Inclusive Care for the Elderly. The Program for All-Inclusive Care for the Elderly provides comprehensive medical and social services to certain frail older adults (known as participants) living in the community. Most Ohioans who are enrolled in PACE are dually eligible for both Medicare and Medicaid, and all participants are certified by the state as requiring a nursing home level of care. PACE is a provider-based managed care program – it is uniquely both the insurer AND care provider - and assumes full financial risk for all primary, acute, and long-term care services to the frail older adults they serve. Services include primary and specialty care, adult day health services, personal care services, inpatient hospital care, prescription drugs, occupational/physical therapies, and nursing home care, offered through a PACE-employed interdisciplinary team responsible for coordination of care delivery. This hands-on approach also assists in preventing elder abuse and enhancing social supports.

McGregor PACE

McGregor, located in Cuyahoga County, is host to Ohio's only current PACE program. McGregor first began serving older adults in 1877, and eventually developed into an organization that today offers independent living, assisted living, skilled nursing care, short-term rehabilitation, hospice, and PACE care. In 2010, the Centers for Medicare & Medicaid Services and the Ohio Department of Aging chose McGregor to manage McGregor PACE. Today, McGregor PACE is providing exceptional care to approximately 650 Ohioans enrolled in the program and serves as a state and national role model for stewardship of PACE, despite being the only provider of PACE care in Ohio.

PACE expansion (134th General Assembly)

Before discussing the details of what we are seeking in House Bill 33, I want to take a moment to express gratitude on behalf of McGregor and a coalition of providers seeking to offer PACE around Ohio to both the legislature and the Administration for successfully expanding PACE during the 134th General Assembly using an amendment to House Bill 45 in lame duck. Thanks to your efforts, Ohio will expand the program to Franklin, Hamilton, Montgomery, Lorain, Lucas, and Summit Counties through a rigorous RFP and selection process this year, designed to find highly qualified entities to provide PACE services in these new service areas. While these specific counties are required for expansion, the language does not prevent the Ohio Department of Aging (ODA) from expanding the PACE program outside of these regions. On behalf of McGregor PACE and our state's population of older adults with care needs who wish to remain in their homes and in their communities, I want to thank everyone who supported this successful effort to expand this worthy program.

PACE outcomes

The PACE care model, often referred to as a "nursing home without walls", leads to reductions in costly long-term care stays for individuals who wish to safely remain in the community with access to the right services. While 100% of PACE participants are nursing home eligible, only 5% on average require a long-term care setting following enrollment. While the vast majority of PACE participants are served in their homes and through the PACE center, which includes services such as transportation, adult day care and a health clinic, long-term facility care is covered and available to PACE participants if and when the time is right for them.

Those enrolled in PACE are shown to live longer on average than enrollees in other home- and community-based waiver programs. PACE helps prevent and reduce avoidable hospitalizations and emergency room visits, and while PACE cares for a frailer population than Medicare in general, PACE enrollees generally have fewer hospital admissions and shorter hospital stays, with participants using only three days per year on average.

Lastly, PACE participants are overwhelmingly satisfied with the care received and, as a result, stick with the program. McGregor PACE participants report a 97% satisfaction rate with the care received through the program, and nationally, data on PACE participants and caregivers show high satisfaction and low disenrollment.

Cost savings and the SFY 2024-2025 state budget

Under federal requirements, the PACE model saves taxpayer dollars by requiring states to pay less than what they would otherwise spend for traditional Medicaid funded health care services. Because PACE Medicaid rates are significantly lower for both Medicaid and dual eligible individuals, PACE care has the potential to save the state millions of dollars annually when the expansion is complete.

While it is certainly the desire of current and prospective PACE providers to maintain the cost savings of PACE care to the State of Ohio, and in fact it is federally required that the program continues to offer a cost savings, PACE rates should move upward alongside pending rate increases for other senior care and managed care options, such as the MyCare managed care program and home- and community- based services (HCBS) rates and waivers. As PACE is responsible for providing all needed health care services through its fully at-risk care model, if the cost of reimbursement for health services increases, PACE is

still responsible for providing care at its current rate. While making an increase to the PACE rates at a comparable level to increases to other service lines in this budget bill would only benefit McGregor PACE in the first fiscal year of this budget, by SFY 2025, new sites could be coming online in Ohio. By making rate increases now, alongside those of other provider types, the state can ensure that the PACE expansion process set in motion by HB 45 is one that is built to last, giving this extremely worthy program a stronger base from where it will serve the high-need Medicaid and Medicare population for years to come.

Additionally, the Governor's budget proposal includes \$40 million in one-time Healthy Aging Grants over the biennium using State and Local Fiscal Recovery Funds from the US Treasury. Funds would be distributed to all 88 Ohio counties to support older Ohioans who want to stay in their homes as they age but may lack the choice. These investments are meant to support cost-effective home-based care options such as PACE. McGregor PACE and the nonprofit coalition of providers we support is also in favor of increasing the overall budget of the Ohio Department of Aging so it may expand administratively to better support the expansion of the PACE program over time.

I thank the members of this Subcommittee for your time today and would welcome any questions you may have.