



Testimony for the Ohio Senate Health Committee

Wednesday, May 3, 2023

Patrick Schwartz, VP for Government Affairs

High Bridge Consulting (on behalf of McGregor PACE)

Good morning, Chair Huffman, Vice Chair Johnson, Ranking Member Antonio, and members of the Ohio Senate Health Committee. My name is Patrick Schwartz, and I am the Vice President for Government Affairs at High Bridge Consulting. For the past two years, my colleagues at High Bridge and I have been honored to represent McGregor PACE, Ohio's only current Program for All-Inclusive Care for the Elderly (PACE). 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, since 2010, PACE care. McGregor provides exceptional care to its 650 PACE participants and serves as a state and national role model for stewardship of PACE.

The Program for All-Inclusive Care for the Elderly provides comprehensive medical and social services to certain frail older adults 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, 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.

PACE care is proven to reduce 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. 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.

The health outcomes of PACE are truly extraordinary - those enrolled in PACE are shown to live longer on average than enrollees in other home- and community-based waiver programs. The program 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 both fewer hospital admissions and shorter hospital stays. In addition, 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. The “magic” of PACE is in its care coordination, and the health outcomes of many participants speak for themselves.

Under federal requirements, the PACE model actually *saves* taxpayer dollars by requiring states to pay less than what they would otherwise spend for traditional Medicaid funded health care services. By serving most participants in their homes, which is where most people want to be, PACE offers significant cost savings in addition to exceptional care outcomes and participant satisfaction. PACE Medicaid rates are lower for both Medicaid and dual eligible individuals, and expanded PACE care has the potential to save the state millions of dollars annually when the expansion is complete.

During the 134th General Assembly, we appreciated the willingness of members of both the Ohio Senate and Ohio House to consider expanding the program to multiple areas throughout Ohio. Our coalition, led by McGregor PACE and High Bridge Consulting, hosted dozens of meetings, delivered committee testimony, led tours of McGregor PACE, and coordinated legislative roundtables all across the state with an eye towards this expansion. We are grateful that both chambers saw fit to expand the program via House Bill 45 in December 2022. Thanks to your efforts, Ohio will expand this worthy program to, at a minimum, Franklin, Hamilton, Montgomery, Lorain, Lucas, and Summit Counties through a rigorous RFP and selection process within the Ohio Department of Aging designed to find highly qualified entities to provide PACE services in these new service areas.

Understanding that PACE will be a larger part of Ohio’s system of long-term services and supports going forward, PACE should not be left behind when the General Assembly and Administration consider rate increases across the continuum this budget. The best way to accomplish this for PACE is to ensure that the state is responsible for making adjustments to the PACE rates each year to reflect annual changes in payment rates to the Medicaid service providers PACE organizations contract with for the provision of services to participants enrolled in the program, in alignment with federal requirements. In other words, making sure that changes to the costs of the services provided through PACE match the rate. Prior to an increase in 2021, PACE rates had not risen in 7 years despite rising health care costs during the same time period. An annual review and adjustment based on costs would ensure this does not happen again.

In a budget where historic increases are being suggested across the health care continuum, Ohio should not leave behind one of the state’s smallest but most impactful senior care options. Even if a cost assessment suggests an upward adjustment to PACE’s dual or Medicaid only rate, PACE will maintain a cost savings because it is federally required to do so, and because serving people in their homes, when safe and appropriate, is simply more cost-effective.

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 the successful effort to expand this worthy program. The future of PACE in Ohio is bright, and we would ask that the General Assembly consider codifying an annual rate adjustment to support this highly effective, cost-efficient model of care as it grows.

Thank you to the members of the committee and I would welcome any questions you may have at this time.