

TESTIMONY IN SUPPORT OF EXPANDING OHIO'S PACE PROGRAM

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Mr. Chairman, Senators, thank you for the opportunity to speak to the committee this morning. My name is Ann Conn, and I am the President and CEO of the McGregor Foundation. McGregor has a 144-year history of providing health and care services to older adults in Northeast Ohio. McGregor provides independent and assisted living, rehabilitation, nursing care, hospice, and the McGregor PACE program. I have been working in aging services for more than 20 years and the PACE program is the best option I have seen that allows providers to support seniors in need, in a sustainable model, while providing high levels of satisfaction for frail elders who need nursing home level of care and want to remain in their homes.

PACE Model

Imagine a program where frail older adults reliant on state funding for health services receive coordinated care without giving their medical history every time they start a new service and can live happier, healthier lives in their homes for a fraction of the cost of a nursing home stay. Thankfully, this program currently exists in Ohio and we are seeking to provide more Ohioans access to this worthy program.

The Program for All-Inclusive Care for the Elderly (PACE) delivers coordinated care outside of a nursing home for those who require a high level of medical and social care to maintain independence. PACE coverage includes all Medicaid and Medicare covered services which are delivered by an interdisciplinary team of professionals. Working together, the team ensures the participants receive the benefits of coordinated comprehensive care.

Individuals must qualify for PACE. To qualify, the person must be at least 55 years of age, meet nursing home level-of-care, and live in Cuyahoga County.

The program is truly all-inclusive, covering and coordinating all needed services including adult day, behavioral health, medical equipment, emergency services, home care, hospital stays, lab, x-ray, meals, specialty services, long-term care, transportation, social work, therapy, primary and preventive care, nutritional counseling, and prescription drugs. 90% of McGregor PACE participants reside in the community, but long-term care options are available when care needs are required.

The care team handles the coordination and helps to manage the transition from hospital to skilled nursing to home seamlessly. Most Ohioans have experienced the frustrations of our current medical system. PACE helps older Ohioans find where they can best receive care and helps them maintain independence.

PACE Effectiveness

Research has shown that PACE participants receive high quality care resulting in improved health outcomes. The program has demonstrated a high level of satisfaction with 97 percent reporting overall satisfaction with the program. In addition to providing high quality care and high rates of customer satisfaction, evidence suggests PACE programs are a cost-effective model of care delivery. One of the demonstrated outcomes of the PACE

program is delaying admissions to skilled nursing facilities which reduces the cost of care per participant and overall costs to the program.

PACE programs are currently operated in 31 states caring for over 55,000 elders around the country. The National PACE Association has identified Ohio as having one of the highest number of residents who are PACE eligible but lack access. Currently just 16% of PACE-eligible residents of Ohio have access to a PACE program. Over 66,000 Ohioans could benefit from PACE but do not live in an area of the state with a program.

PACE Program in Ohio

Unfortunately, the PACE program in Ohio has operated largely under the radar since 1997, with few legislators or policy makers outside of Cuyahoga County having any awareness of the program. McGregor has sponsored PACE since 2010 when the program served approximately 166 older adults. Today, McGregor supports more than 640 nursing home eligible seniors across Cuyahoga County in the program.

Other states have moved to adopt the program at a greater speed than Ohio. Currently in Pennsylvania, there are 19 PACE operations serving 7,500 seniors and in Michigan, there are 13 PACE organizations serving 3,700 older adults.

McGregor is working with a strong coalition of high-quality Ohio providers, along with LeadingAge Ohio and the National PACE Association, to advocate for the expansion of the program across the state. This coalition includes Ohio’s Hospice, Ohio Living, National Church Residences, Otterbein SeniorLife, and United Church Homes, who provide direct care for over 60,000 elders across all corners of the state with over 500 years of collective experience in serving seniors in Ohio.

PACE Capitation Payments versus MyCare Payments

PACE offers an enormous cost savings to the state when compared to the MyCare program and other managed care models. The funds are currently being distributed through the MyCare program at a much higher monthly premium than what is paid to PACE. PACE receives 31% less than the MyCare rates while it serves the same population.

	MyCare Average Rate	McGregor PACE Rates (Estimated Rebasing)	Monthly Savings per participant enrolled
Dual Eligible Monthly Rates	\$4,322	\$3,396	\$11,113

REQUEST

- 1. Expand the PACE program to allow for five new programs to be developed in the next two years.**

Older adults living outside of Cuyahoga County deserve the opportunity to enroll in PACE. By replicating the McGregor PACE program in metropolitan centers like Columbus, Cincinnati, Toledo, Dayton, and smaller cities like Youngstown, Lorain, or Canton, more Ohioans will have access to this proven model.

By 2030, the 65 and up population, many with serious disability, is expected to grow anywhere from 20 to 40%. Ohio will need a variety of care options to serve these individuals, particularly those with long-term care needs. We believe PACE should be a vital part of the solution.

Nearly every state and local aging expert interviewed in the recent study by the Center for Community Solutions said that PACE could play an important role in providing better care for a vulnerable population. We also agree with the recommendation of the 2012 Scripps Gerontology Center report which said that any PACE expansion should “build on the expertise of current operators”¹. As mentioned earlier, we have a strong coalition of willing providers who are ready and eager to offer PACE in other areas of Ohio.

2. PACE funding should be included in the Department of Medicaid’s MyCare budget versus the Department of Aging.

The Ohio Department of Aging has been a good administrator and a very willing partner throughout our work with them over the years. We are grateful for that partnership. However, Ohio is currently providing coverage for the majority of the dually-eligible population through the MyCare Insurance Program, paying 31% more per month within the Ohio Department of Medicaid. Expanding PACE could provide a significant cost savings for Ohio. For example, if Ohio expands PACE to 5 new programs in the major metropolitan areas, which grow to serve 400 participants each, Ohio would save more than \$22 million annually while meeting consumer preferences to remain at home.

PACE should be looked at as a vital program to help Ohio manage the growth of its older adult population and the high cost of serving dual-eligible individuals. It is a piece of the aging network that is needed now and in the future as the older adult population grows. This is a program that excels in providing the right service in the right place at the right time. This program is a proven model with high quality outcomes, high satisfaction, at a lower cost to taxpayers. It makes sense to move forward with the expansion.

Acknowledgements

Lastly, I would like to thank the Centers for Community Solutions for completing its recent study on the effectiveness of the PACE program, which I highlighted in my testimony. I have also included a copy for future reference if you would like to delve further into the details.

Thank you, and I would welcome any questions from the committee at this time.

¹ Shahla Mehdizadeh, Robert Applebaum, Suzanne Kunkel, Patricia Faust, Evaluation of Ohio’s Program of All-Inclusive Care for the Elderly (PACE), Scripps Gerontology Center Miami University, Page x, August 2012