



# PACE Innovation Act Demonstrations: Opportunities and Challenges



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# PACE Innovation Act Demonstrations

- Theory of action: The PACE model of care – integration and coordination of all medical services and social supports, the interdisciplinary care team, person-centered care planning, and full capitation for all services – will result in positive outcomes for new populations.

# PACE Innovation Act – New Opportunities

- The PACE Innovation Act (PL 114-85) authorized the Department of Health and Human Services to waive applicable Medicare and Medicaid requirements of PACE to conduct demonstration projects under 1115A.
  - Can newly test models for those under age 55, as well as those who do not yet meet qualifications for institutional level of care (including those over 55 years old)
- The PACE Innovation Act prohibits HHS from waiving: (1) the requirement to offer all items and services under Medicare and Medicaid and (2) certain requirements regarding program enrollment and disenrollment.

# Programs of All-Inclusive Care for the Elderly (PACE) – Background

- President's budget for FY13-16 has included legislative recommendations for authority to test model for younger populations.
- NPA is working with disability advocates and providers on development of an adapted PACE protocol for individuals with disabilities, including physical, intellectual, and developmental disabilities.
- CMS and the Administration for Community Living have hosted listening sessions with disability advocates on these issues.

# One Potential Target Population

- Medicare-Medicaid Enrollees 21+ with:
  - Nursing home level of care,
  - Physical disabilities that impair mobility
- Maximizing Community Integration through:
  - Modifying the PACE Center
  - Applying concepts from HCBS rule
  - Self-directed care

# Population Characteristics

- Roughly a quarter of the mobility-impaired population resides in institutions.
- MMCO believes that a meaningful percentage of these younger individuals could live in the community with the support of PACE-like services.
- High rates of spending for populations show the intensity of the services received, which argues for a coordinated approach to care.
- Community integration and quality of life is an overarching care goal.

# Allows Retention of Core Elements of Existing PACE Model

- Within the broad demonstration authority of 1115A and PL 114-85, for initial models, CMS would retain many of the core elements of the PACE Model potentially including:
  - Capitated payments for the delivery of all Medicare and Medicaid services;
  - Provision and coordination of care, including development of a person-centered care plan for medical, behavioral, and social services, through an interdisciplinary care team;
  - Integration of all medical, behavioral, and social services to foster community living and community integration; and
  - Joint CMS-State program oversight.

# Potential Differences from Existing PACE Model

- Potential differences from traditional PACE Model:
  - Changes appropriate for care delivery to a younger population;
  - Services could be provided at alternative locations from PACE centers to provide greater choice and community integration;
  - Innovation in the composition of and processes used by the interdisciplinary care team;
  - Participating organizations may be encouraged to innovate on the PACE care model to provide greater freedom of choice in provider and enhanced focus on social and employment support services to support greater community integration; and
  - Participating organizations may be subject to additional and different quality measurement efforts reflecting care needs and goals of the targeted population.

# Additional Potential Populations

- Individuals Age 21+ with:
  - Intellectual and developmental disabilities
  - Severe and persistent mental illness
  - Substance use disorders
  - End stage renal disease
- Elderly Medicare Beneficiaries
  - At risk for nursing home care

# Intellectual and Developmental Disabilities

- Examples of Key Considerations:
- Eligibility Criteria
  - Institutional Level of Care (ICF-MR)
  - Medicaid Only?
- Community Integration
  - More Limited Role for the PACE Center?
  - Application of HCBS Standards

# Serious Mental Illness

- Examples of Key Considerations:
- Eligibility Criteria
  - SMI Diagnoses
  - Additional Medical Diagnoses?
  - Include Medicaid Only?
- Community Integration
  - PACE Center as Drop-in Center
  - Alternatives to Inpatient Treatment

# Substance Use Disorder

- Examples of Key Considerations:
- Eligibility Criteria
  - Substance Use Disorder
  - Additional Diagnoses?
  - Medicaid Only?
- Role of PACE Center as Treatment Hub

# End Stage Renal Disease

- Examples of Key Considerations:
- Eligibility Criteria
  - ESRD
  - Medicare Only
- Relationship of Dialysis Facility and PACE Center
- What Role for Medicaid?
  - Payment of Medicare Cost Sharing

# Frail Elderly

- Examples of Key Considerations:
- Eligibility Criteria
  - Diagnoses/ADLs as Substitute for NH Level of Care?
  - Age Limits?
  - Medicare and/or Medicaid Only?

# Frail Elderly (cont.)

- What role for Medicaid, for enrollees who do not meet NHLOC?
- How to assess premiums for non-Medicare services, especially community supports?
- How should Part D payments/premiums change?
- What role for the PACE Center?

# Help Inform Model Development

- Informal Communication:
  - [Paul.Precht@cms.hhs.gov](mailto:Paul.Precht@cms.hhs.gov)
- Formal Process:
  - Request for Information
- Research:
  - ASPE
  - Others?