AGENDA

1. Welcome

2. State Budget and Legislative Update

3. Federal Policy Update
   - Final PACE regulation

4. State Policy Update
   - PACE application process
   - CalPACE policy priorities for 2019

5. West Coast PACE 2.0 update

6. Adjourn

Attachments:

A. CalPACE policy priorities for 2019

B. West Coast PACE 2.0 DHCS and CMS update – 11-7-18
## 2019 CalPACE Legislative & Policy Priorities

<table>
<thead>
<tr>
<th>POLICY AREA</th>
<th>BACKGROUND</th>
<th>COMMENTS</th>
<th>CalPACE POSITION or ACTION</th>
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<tr>
<td><strong>1. PACE Rate Setting</strong></td>
<td>The PACE Modernization Act (PMA) authorizes the use of experience based rate setting for PACE starting in 2017. The PMA recognizes several principles including recognizing unique aspects of PACE, adjusting for geographic disparities, and providing transitional protections and protections for new POs. DHCS’ implementation of the new rate setting provisions does not fully meet these principles, particularly in the areas of recognizing capital costs, accepting POs cost projections, and protections for new POs and existing POs transitioning to the new rate methodology.</td>
<td>DHCS argues that it is meeting the intent of the PMA and is making special adjustments for POs that it doesn’t allow for managed care plans. There may be opportunities to strengthen and clarify the provisions of the PMA to ensure that the rate methodology is more protective of the PACE model.</td>
<td>Sponsor budget language to amend the PACE rate methodology provisions in the PMA to reduce downward pressure on rates and ensure that experienced based rates are sustainable. Subject to final board approval, this would include the following: 1. Require the rate methodology to provide for all reasonable, appropriate and attainable costs for each PO; 2. Require the rate methodology to more explicitly recognize capital needs and the inherent risk and volatility of the PACE model, and provide an additional administrative cost add-on for managed care reporting requirements; 3. Provide an additional administrative cost add-on and new floor for new PACE organizations’ rates for the first three years; 4. Establish a floor for PACE rates of no less than 90 percent of the AWOP.</td>
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<td><strong>2. PACE Application Streamlining</strong></td>
<td>DHCS has implemented several PACE flexibility initiatives but has recently revised the application processes for new PACE organizations and PACE expansions to limit PACE start-ups to twice per year. DPH is backlogged with licensing applications which is stretching out the amount of time needed to secure licenses.</td>
<td>While DCHS has committed to make improvements, it is not clear how long it will take them to put these in place. The department may be overwhelmed with new priorities once a new administration is in place.</td>
<td>Continue to work with DHCS to establish a more streamlined and integrated application and licensing process for PACE, one that creates new licensing options for PACE including potential delegation of authority to DHCS of certain licensing and exemption approval functions.</td>
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<td>3. Managed Care Enrollment Materials &amp; PACE</td>
<td>DHCS has included PACE in the choice books and forms it has developed for Cal MediConnect. For non-duals and duals not eligible for Cal MediConnect, and for SPDs in non-CCI counties, DHCS provides inserts with information about PACE in the managed care enrollment materials they provide to beneficiaries who must enroll in managed care. CalPACE managed to get language adopted in the 2017 budget which allows beneficiaries who are subject to mandatory enrollment in managed care in CCI counties to be informed that they may alternatively request to be assessed for PACE eligibility.</td>
<td>The inserts that DHCS has developed that go to beneficiaries 55 and older in non-CCI counties are outdated and of limited value to beneficiaries. It is not clear whether duals and SPDs in CCI counties who are not subject to passive enrollment in Cal MediConnect but are subject to MLTSS are receiving information and guidance that they may alternatively be assessed for PACE eligibility.</td>
<td>Continue to work with DHCS to develop consistent and up-to-date information and materials about PACE for SPDs and duals who are subject to managed care enrollment in non-CCI counties and to make them available in all managed care enrollment and outreach materials and communications. The materials should enable beneficiaries to understand what PACE provides; that, if eligible, they may be assessed for PACE eligibility and enroll in PACE; and how they can receive additional information and request to be assessed for PACE eligibility.</td>
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| 4. Overlapping Service Areas | DHCS has established initial guidance on how it will process and evaluate overlapping service areas but the criteria and thresholds that the department is applying to determine when an area can additional POs are not clear. DHCS staff have expressed openness to providing additional data and information on the basis for its decisions to approve overlapping applications. | This area is still evolving and a few other states are beginning to consider the need for more formal policies on when and how they will permit overlapping service areas. | Continue to work with the administration to make the process and criteria that DHCS uses more transparent, including providing its findings and conclusions and the data that the findings are based on. |
| 5. **New Populations** | CMS has issued two RFIs related to PACE pilots but has not implemented any to date.  
NPA is seeking support for Congressional proposals to provide POs with greater flexibility to serve Medicare-only beneficiaries, including by being able to enroll in PACE with their own Part D coverage and to be charged flexible premiums linked to their level of need. At least one PO nationally has sought waivers to do this but was rejected. | CMS may be more amenable to state-based waivers that seek broad flexibility to implement PACE pilots and to more easily serve Medicare only beneficiaries. | Support NPA initiatives to get CMS to issue a final PACE regulation, initiate PACE pilots, and to authorize PACE to more easily serve Medicare only beneficiaries. |
|---|---|---|---|
| 6. **Senior and Supportive Housing** | The Legislature passed three housing finance bills in 2017 which are expected to provide new revenues for development of affordable housing. There is a growing demand for senior housing and supportive housing arrangements, in which residents have access to services to enable them to age in place. However, none of the bills passed by the Legislature direct funds into senior or supportive housing.  
Several POs have pursued or implemented supportive housing projects with developers including colocation of PACE centers and set asides of units for PACE participants. | Continue to advocate with Leading Age CA for incentives or set asides to steer greater housing resources into senior and supportive housing arrangements.  
Advocate to ensure that PACE is eligible to provide supportive services under any proposals designed to encourage development of senior and supportive housing. |---|
<p>| 7. <strong>Loan Forgiveness &amp; Residency and Clinical Training</strong> | POs are facing increasing difficulties attracting primary care providers including physicians, NPs, PAs, and nurses. POs in some areas face competition from other health care providers. The Health Professions Education Fund within OSPHD currently provides a few loan forgiveness programs tied to specified funding sources, e.g. the Steven M. Thompson Physician Corps | Search for funding to establish a state loan forgiveness program targeted to geriatric primary care providers. |---|</p>
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<th>providers and systems such as Kaiser while those in other areas have problems attracting professionals to live and provide services in their areas. Existing Geriatrician residency slots go unfilled and POs with training sites have difficulty attracting residents. State and federal loan forgiveness programs don’t target enough resources for geriatric primary care training.</th>
<th>Loan Repayment Program (physician licensing fees) and the County Medical Services Program Loan Repayment Program (CMSP governing board funding) within OSHPD. The challenge is coming up with a source of funding. According to the HPEFs website, most POs currently operate within qualifying areas for HPEF loan forgiveness programs.</th>
<th>Work with other organizations such as the California Primary Care Association to jointly request that OSHPD establish the program. Explore whether there is support for earmarking a portion of recent budget augmentations for health workforce development for PACE or for geriatric training.</th>
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<td>8. Allow mid-month enrollment in PACE States may establish cut-off dates for accepting new enrollment in managed care plans and PACE. California generally establishes a cutoff date of 7 – 10 days from the end of each month as the cutoff data for enrollment starting in the following month; enrollments received after that date are not effective until the first of the month after the following month.</td>
<td>Study options for allowing enrollment in PACE beyond the established cut-off dates.</td>
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TOPICS

- PACE 2.0 Overview
- Exponential Growth Drivers & Tactics
- Growth Model Field Test
- Learning Collaborative
- Next Steps
PACE 2.0: SCALE AND SPREAD

**Scale** – serving more people through the growth of currently operating PACE organizations, serving our current target population (Growth Stream 1)

**Spread** – serving more people through current and new PACE organizations expanding into new service areas, serving our current target population (Growth Stream 2)

**New Populations** – serving new eligible populations e.g. under age 55, at-risk of nursing home level of care, Medicare-only (Growth Stream 3)
PACE 2.0 GOAL: 200K PARTICIPANTS BY 2028

Serve 100K Participants by 2021

GS1 - Current PACE Programs
GS2 - New PACE Programs
GS3 - New Populations
Total Baseline Participants
CALIFORNIA AND PACE

PACE Organizations

- CA, 11
- MI, 11
- NC, 11
- PA, 19
- All other, 94

PACE Enrollment, Top 4 States

- CA
- PA
- NY
- MA

All data as of 1/1/2018
Total PACE enrollment nationally 45,500
PACE 2.0: ACCELERATING GROWTH

- Retain essential elements
- Develop growth model
  - Identify bright spots achieving high growth
    - Net Monthly enrollment: 10-15
    - Market penetration: 20% or more
  - Construct Growth Model
  - Field Test Growth Model
- Disseminate model and support implementation
ESSENTIAL ELEMENTS

HIGH FUNCTIONING IDT

EFFECTIVE, ONGOING CARE COORDINATION

CLINICAL UTILIZATION MANAGEMENT

PRESENCE IN THE HOME

EFFICIENT TRANSPORTATION SYSTEM

SOCIALIZATION SYSTEMS
BRIGHT SPOTS: 10-15 NET MONTHLY ENROLLMENT/20% MARKET PENETRATION

PACE SE Michigan – Mary Naber
St. Paul’s PACE—Carol Hubbard
AltaMed – Maria Zamora
Palm Beach PACE – Alan Sadowsky
Piedmont Health SeniorCare - Marianne Ratcliffe
Rocky Mountain PACE, Cambridge Health Alliance - Tom Reiter (now with West PACE)
GROWTH STRATEGY: PRIMARY DRIVERS

- Set clear aims and create context for change
- Increase pipeline for enrollment
- Streamline enrollment and limit disenrollment
- Build readiness for growth
FIELD TEST: PACE OF THE TRIAD

Greensboro, North Carolina
Established in 2011
Current Census: 219
FIELD TEST RESULTS

September net enrollment was 4x June net enrollment
WEST COAST PACE 2.0 LEARNING COLLABORATIVE

- Includes 10 PACE organizations from California, Washington, and Oregon
- Kicked-off with an in-person learning session on October 3rd
- Will continue for 12-months with bi-weekly all team calls and 3 more in-person learning sessions with coaches & Bright Spot faculty
- Participants will conduct rapid cycle tests of tactics, collect data, and share lessons learning

Learnings will be incorporated in the driver diagram and shared with the broader NPA membership
## WEST COAST PACE 2.0 GROWTH AIM

<table>
<thead>
<tr>
<th>State</th>
<th>Number of PACE Organizations</th>
<th>Net Enrollment Growth Aim (All POs), by 10/1/19</th>
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<tbody>
<tr>
<td>CA</td>
<td>8</td>
<td>1,596</td>
</tr>
<tr>
<td>WA &amp; OR</td>
<td>2</td>
<td>388</td>
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<tr>
<td><strong>ALL</strong></td>
<td><strong>10</strong></td>
<td><strong>1,984</strong></td>
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NEXT STEPS

1. Continue West Coast PACE 2.0 Learning Collaborative
   o Consider adding regional/multi-collaboratives

2. Prepare Growth Pledge Materials

3. Begin Growth Stream 2 – New PACE Organizations – Model Development
   o Bright Spots
   o Prototype
   o Service Areas for Growth