



Program of All-Inclusive Care for the Elderly (PACE)

CENTERS FOR MEDICARE & MEDICAID SERVICES

Purpose

To provide a coordinated care intervention model that focuses entirely on older people who are frail enough to meet their state's standards for nursing home care

Target Population

A high percentage of the PACE population has a significant degree of cognitive impairment; according to the National PACE Association (2002), 62 percent of PACE and pre-PACE enrollees suffer from cognitive deficits²⁸

Goals

- To manage all of the medical, social and rehabilitative services these enrollees need to preserve or restore their independence, to remain in their homes and communities, and to maintain their quality of life²⁹
- To promote continued community residence, with an emphasis on frequent attendance at an adult day health center

Years in Operation

The model was tested via demonstration projects that began in the mid-1980s through the Centers for Medicare & Medicaid Services (CMS), which was then the Health Care Financing Administration.³⁰

Results

Research shows that PACE can achieve better health outcomes. For example, in Texas, PACE enrollees have had fewer hospital admissions than the overall Medicare population (2,399 per 1,000 per year versus 2,448) even though PACE enrollees are far frailer than the average Medicare patient. Nursing home admissions in PACE are lower, too; only 7.6 percent of PACE enrollees live in nursing homes, although all are certified as eligible for institutional care.³¹

Funding

Funding for PACE programs is provided by Medicare and Medicaid.

Key Partners

Centers for Medicare & Medicaid Services; respective states; National PACE Association; John A. Hartford Foundation

What Works and Why

Though clients are frail enough to be eligible for nursing home care, PACE's comprehensive and preventive services enable most to remain in lower-cost community settings, and provides benefits to consumers, health care providers and payers.³²

- For consumers, PACE provides:
 - Caregivers who listen to and can respond to their individualized care needs
 - The option to continue living in the community as long as possible
 - One-stop shopping for all health care services
- For health care providers, PACE provides:
 - A capitated funding arrangement that rewards providers who are flexible and creative in providing the best care possible
 - The ability to coordinate care for individuals across settings and medical disciplines
 - The ability to meet increasing consumer demands for individualized care and supportive service arrangements
- For those who pay for care, PACE provides:
 - Cost savings and predictable expenditures
 - A comprehensive service package emphasizing preventive care that is usually less expensive and more effective than acute care
 - A model of choice for older individuals, focused on keeping them at home and out of institutional settings

Structure and Operations

Participants in PACE programs are served by a multidisciplinary team, with much care centered in an adult day health center model. These services are supplemented by in-home and referral services in accordance with participants' needs.

After more than a decade operating as a federally supported demonstration project, the Program of All-Inclusive Care for the Elderly is now recognized as a permanent provider under Medicare and a state option under Medicaid. More than two dozen sites serving Medicaid and Medicare patients currently operate nationwide. Approximately 17,000 persons are being served through the various sites. The Balanced Budget Act of 1997 (BBA [P.L. 105-33]), in establishing PACE as a permanent provider, also mandated monitoring of the quality of care received by PACE enrollees.

Barriers to Success

A PACE organization needs significant capital to finance site acquisition and renovation, the purchase of vans, and other startup costs. The sponsor needs to do financial projections for its PACE program, often with the help of a business consultant, an actuary, or financial experts within its own organization.³³

For More Information

Additional information is available online:
<http://www.medicare.gov/Nursing/Alternatives/Pace.asp>