Background Discussion of PACE in Ohio

Presented to the Annual Meeting of the Ohio Association of Area Agencies on Aging

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National Long-Term Care Numbers

We are aging!

- 16.5% of US is age 65 and older. By 2040, 22%
- Ohio 6th largest older population in the nation

- Nationally, 6.5 million older people with disability, will increase by 50% by 2040
- Disability defined as physical functional and cognitive limitations
- Long-term care about one-third of Medicaid (36%)
- Medicaid about 22% of state budgets
- Two-thirds of NF residents now on Medicaid

Most older people (more than 90%) are not on Medicaid
<table>
<thead>
<tr>
<th></th>
<th>2020 ¹ Number</th>
<th>2030 ² Number</th>
<th>2040 ² Number</th>
<th>2020 ¹ Percent of Population</th>
<th>2030 ² Percent of Population</th>
<th>2040 ² Percent of Population</th>
<th>2020-2030 Percent change</th>
<th>2020-2040 Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>All population</strong></td>
<td>11,693,217</td>
<td>11,615,120</td>
<td>11,680,180</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>-0.7</td>
<td>-0.1</td>
</tr>
<tr>
<td><strong>60 and over</strong></td>
<td>2,894,207</td>
<td>3,050,200</td>
<td>2,924,320</td>
<td>24.8</td>
<td>26.3</td>
<td>25.0</td>
<td>5.4</td>
<td>1.0</td>
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<tr>
<td><strong>65 and over</strong></td>
<td>2,097,638</td>
<td>2,381,610</td>
<td>2,323,420</td>
<td>17.9</td>
<td>20.5</td>
<td>19.9</td>
<td>13.5</td>
<td>10.8</td>
</tr>
<tr>
<td><strong>80 and over</strong></td>
<td>500,856</td>
<td>596,880</td>
<td>754,000</td>
<td>4.3</td>
<td>5.1</td>
<td>6.5</td>
<td>19.2</td>
<td>50.5</td>
</tr>
<tr>
<td><strong>85 and over</strong></td>
<td>255,610</td>
<td>290,970</td>
<td>388,900</td>
<td>2.2</td>
<td>2.5</td>
<td>3.3</td>
<td>13.8</td>
<td>52.1</td>
</tr>
</tbody>
</table>
Percentage of population 60+

- 14%-19.9% yellow
- 20%-24.9% very light green
- 25%-29.9% light green
- 30% or more dark green
An Aging America: Are You Aging?

• Gravity more powerful than kryptonite
• You are starting to look like your parents
• You can’t stay awake for Sat Night Live
• You have given up hope of being a professional athlete
• You have given up hope of finding a sensitive partner
• You need a junior high schooler to help you with your phone
Proportion of Ohio's Population Age 60 and Older with Severe Disability by Care Setting, 2019 (N=175,000)

- Unpaid Family Care, or private pay: 43.7%
- MyCare: 12.1%
- Nursing Facility, Medicaid: 17.0%
- Aging Medicaid Waivers: 13.5%
- RCF: 4.7%
- Nursing Facility, Private: 4.3%
- Aging Levies: 3.5%
- Prisons: 1.0%
- PACE: 0.2%
Take-Aways

• Most older people—even those with severe disability do not live in nursing homes

• A very small proportion of older people (about 3%) live in continuing care retirement communities

• Families and friends continue to provide a tremendous amount of care to individuals with disability

• Under the current system about half of older people with severe disability rely on Medicaid—even though most older people are not eligible for the program

• The population with severe disability is projected to increase to more than 262,000. How will we respond?
Figure 1. Percent Distribution of Ohio's Long-Term Services and Supports Use by Medicaid Recipients Age 60 and Older, by Nursing Home and HCBS Use, 1997-2019

- Avg. Daily Medicaid NF Census
- Avg. HCBS Enrollment

<table>
<thead>
<tr>
<th>Year</th>
<th>Avg. Daily Medicaid NF Census</th>
<th>Avg. HCBS Enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1993</td>
<td>91</td>
<td>9</td>
</tr>
<tr>
<td>1995</td>
<td>80</td>
<td>20</td>
</tr>
<tr>
<td>2001</td>
<td>71</td>
<td>29</td>
</tr>
<tr>
<td>2003</td>
<td>67</td>
<td>33</td>
</tr>
<tr>
<td>2005</td>
<td>65</td>
<td>35</td>
</tr>
<tr>
<td>2007</td>
<td>62</td>
<td>38</td>
</tr>
<tr>
<td>2009</td>
<td>58</td>
<td>42</td>
</tr>
<tr>
<td>2011</td>
<td>55</td>
<td>45</td>
</tr>
<tr>
<td>2013</td>
<td>52</td>
<td>48</td>
</tr>
<tr>
<td>2015</td>
<td>49</td>
<td>51</td>
</tr>
<tr>
<td>2017</td>
<td>45</td>
<td>55</td>
</tr>
<tr>
<td>2019</td>
<td>43</td>
<td>57</td>
</tr>
</tbody>
</table>
Number of People Age 60 and Older on Medicaid Residing in Nursing Facility or Enrolled in HCBS (including MyCare) per 1,000 Persons in Population, 1997-2019

<table>
<thead>
<tr>
<th>Year</th>
<th>Avg. Medicaid Daily NF Census</th>
<th>Avg. HCBS Enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997</td>
<td>31.8</td>
<td>7.3</td>
</tr>
<tr>
<td>1999</td>
<td>31.8</td>
<td>8.1</td>
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<tr>
<td>2001</td>
<td>32.0</td>
<td>9.3</td>
</tr>
<tr>
<td>2003</td>
<td>35.6</td>
<td>11.8</td>
</tr>
<tr>
<td>2005</td>
<td>34.1</td>
<td>11.9</td>
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<tr>
<td>2007</td>
<td>35.0</td>
<td>13.3</td>
</tr>
<tr>
<td>2009</td>
<td>35.5</td>
<td>13.9</td>
</tr>
<tr>
<td>2011</td>
<td>33.4</td>
<td>15.2</td>
</tr>
<tr>
<td>2013</td>
<td>33.0</td>
<td>15.9</td>
</tr>
<tr>
<td>2015</td>
<td>31.4</td>
<td>15.9</td>
</tr>
<tr>
<td>2017</td>
<td>32.4</td>
<td>17.9</td>
</tr>
<tr>
<td>2019</td>
<td>32.4</td>
<td>18.5</td>
</tr>
</tbody>
</table>
Ohio’ Current Approach to Long-Term Services

• The good news is that Ohio is recognized for making substantial improvements in its LTSS system.
• Ranked 47th two decades ago and in 2020 ranked 19th. ODA and AAA network are nationally known.
• Despite this progress the 50% increase in older people with disability means further challenges.
• Now using 3 approaches to addressing needs of Ohioans with LTSS needs.

MY Care Ohio began in May, 2014 (Urban)
Fee for services with AAA’s operating PASSPORT/AL PACE (1 site in Cleveland)
Ohio’s LTSS Strategy

• **MyCare** 5 health plans responsible for acute and long-term services for dual eligible individuals in urban counties,

• (Avg plan 28,000 MyCare members-- 36% LTSS about 32,000 hcbs)

Care managed by AAA’s– 2 models used in MyCare to manage LTSS members.

Individuals must enroll in managed care to receive Medicaid services– Medicare is optional,

CMS ending Financial Alignment Initiatives– did not save Medicare funds

DOM will use Medicaid managed care plans in combination with Medicare Advantage DSNP programs, but all else is yet to be determined. Stay tuned!
## Opt-in and Opt-out by Plan

<table>
<thead>
<tr>
<th>MyCare Plans</th>
<th>Total MyCare enrollment</th>
<th>Opt-in Number</th>
<th>Opt-in %</th>
<th>Opt-out Number</th>
<th>Opt-out %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aetna</td>
<td>28,018</td>
<td>16,612</td>
<td>59.3</td>
<td>11,406</td>
<td>41.7</td>
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<tr>
<td>Buckeye</td>
<td>27,458</td>
<td>16,453</td>
<td>59.9</td>
<td>11,005</td>
<td>41.1</td>
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<tr>
<td>CareSource</td>
<td>32,742</td>
<td>20,646</td>
<td>63.1</td>
<td>12,096</td>
<td>36.9</td>
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<tr>
<td>Molina</td>
<td>27,865</td>
<td>17,272</td>
<td>62.0</td>
<td>10,593</td>
<td>38.0</td>
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<tr>
<td>United</td>
<td>27,956</td>
<td>12,988</td>
<td>46.4</td>
<td>14,968</td>
<td>53.6</td>
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<tr>
<td>MyCare Total</td>
<td>144,039*</td>
<td>83,694</td>
<td>58.1</td>
<td>60,345</td>
<td>41.9</td>
</tr>
</tbody>
</table>

*Total number of members fluctuates daily.
## Opt-in and Opt-out Breakdown

### MyCare Opt-in and Opt-out Enrollment by Age and Race (October and November 2021)

<table>
<thead>
<tr>
<th>Breakdown by Age (October 2021)</th>
<th>Opt-in</th>
<th>%</th>
<th>Opt-out</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over 65</td>
<td>39,017</td>
<td>54.4</td>
<td>32,757</td>
<td>45.6</td>
</tr>
<tr>
<td>45-64</td>
<td>25,924</td>
<td>57.3</td>
<td>19,344</td>
<td>42.7</td>
</tr>
<tr>
<td>Under 45</td>
<td>15,118</td>
<td>71.4</td>
<td>6,051</td>
<td>28.6</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Breakdown by Race/Ethnicity (October 2021)</th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>46,472</td>
<td>61.7</td>
<td>28,831</td>
<td>38.3</td>
</tr>
<tr>
<td>BIPOC</td>
<td>28,831</td>
<td>55.3</td>
<td>23,333</td>
<td>44.7</td>
</tr>
<tr>
<td>Total Enrollees</td>
<td>75,303</td>
<td>59.1</td>
<td>52,164</td>
<td>40.9</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Breakdown by Type of Member (November 2021)</th>
<th></th>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Community Well</td>
<td>56,416</td>
<td>61</td>
<td>36,061</td>
<td>39</td>
</tr>
<tr>
<td>LTSS waiver only</td>
<td>17,605</td>
<td>54.9</td>
<td>14,442</td>
<td>44.1</td>
</tr>
<tr>
<td>LTSS long-stay nursing facility</td>
<td>9,673</td>
<td>49</td>
<td>10,065</td>
<td>51</td>
</tr>
<tr>
<td>Total Enrollees</td>
<td>83,694</td>
<td>58.1</td>
<td>60,568</td>
<td>41.9</td>
</tr>
</tbody>
</table>
Fee- for- service LTSS

Used in rural counties of the state. Medicaid HCBS administered through AAA’s. Nursing homes reimbursed by ODM.

In LTSS fee- for- service individuals can be in Medicare FFS, traditional Medicare Advantage plan, D-SNP Medicare Plan. (current FFS HCBS serves about 25,000 total).
PACE

One site in Ohio in Cleveland operated by McGregor since 2010. Currently serves 580 individuals. Had been a program in Cincinnati but they closed. Ohio now exploring PACE expansion. Legislation is anticipated for this fall.
What is PACE?

Program of All-Inclusive Care for the Elderly

An integrated system of care for the frail elderly that is:

• Community-based
• Comprehensive
• Capitated
• Coordinated
The PACE Model

Who Does It Serve?

- 55 years of age or older
- Living in a PACE service area
- Certified as needing nursing home care
- Able to live safely in the community with the services of the PACE program at the time of enrollment
Who Does PACE Serve?

95% Live in the community

Average age:
- 85% 65+
- 15% 55-64
- 10% 65+

69% Women
31% Men

NEED HELP WITH ACTIVITIES OF DAILY LIVING

Dressing: 1-2: 26%
Bathing: 3-4: 24%
Transferring: 5-6: 33%
Toileting: 5-6: 33%
Eating: 5-6: 33%
Walking: 5-6: 33%

Average number of ADLs with which participants need assistance
Who Does PACE Serve?

**TOP 5 CHRONIC CONDITIONS OF PACE PARTICIPANTS**

- ✔ Vascular Disease
- ✔ Major Depressive, Bipolar and Paranoid Disorders
- ✔ Diabetes with Chronic Complication
- ✔ Congestive Heart Failure
- ✔ Chronic Obstructive Pulmonary Disease

**5.8 Chronic Conditions**

**IN AN AVERAGE MONTH**

- ✔ 6 Prescriptions
- ✔ 7 Visits to PACE Center

46% Dementia
Status of PACE Development
(as of February 2022)

144 Sponsoring Organizations
272 PACE Centers
as of February 2022

30 states have PACE programs
National Census Growth
2011 – 2022

PACE ENROLLMENT 58,000

[Graph showing enrollment growth from 2011 to 2022]
The PACE Model
PACE Provides Transportation & Meals

![Image of PACE van with two people standing nearby]

- 16 Trips per month per participant
- PACE serves 21,918 meals a day
The PACE Model

PACE Provides PT & OT
Integrated Service Delivery and Team Managed Care

- An interdisciplinary team
- Team managed care vs. individual case manager
- Continuous process of assessment, treatment planning, service provision and monitoring
- Focus on primary, secondary, tertiary prevention
Capitated, Pooled Financing

- Medicare capitation rate adjusted for the frailty of the PACE enrollees
- Integration of Medicare, Medicaid and private pay payments
Source of Service Revenue

- Medicaid: 52.0%
- Medicare Parts A & B: 34.0%
- Medicare Part D: 14.0%
PACE is Experiencing Unprecedented Growth

Current PACE States - Projected, 23
New PACE States - Projected, 14
Current PACE States - Added, 11

Current and New PACE States are projected to add 48 new PACE Organizations
Pandemic Impact on Institutional Service Options

• 327 SNFs closed during the pandemic
• Another 400 expected to close in 2022 according to AHCA
  • April 22, 2022, McNight’s LTC News
• Occupancy declined 13.3% since February 2020, ending 2021 at 70.1%
  • NIC May, 2022 Newsletter
• Staffing challenges have limited nursing home capacity
• 90% of nursing home residents became infected with COVID during the pandemic
Consumer Opinion

• 62% of consumers over the age of 62 indicated their opinion of nursing homes had worsened during the pandemic

• Research by The Associated Press National Opinion Research Center shows that, more than a year into the pandemic, 88% of Americans say they would rather care for elderly relatives in their own home instead of moving them into a facility.
  • ABC News May 6, 2021
Bottled Up Ambition for System Reforms

• 1999 - Olmstead Decision mandate to have access to community-based services
• 2001 - New Freedom Initiative established to remove barriers to community living for people with disabilities
• 2005 - Deficit Reduction Act make several changes to enable and promote opportunities to receive care in the community
• 2010 – ACA established several initiatives to both integrate care and expand community-based options
• 2019 – 59% of Medicaid LTSS expenditures, compared to 20% in 1995
States Need to Rebuild Capacity and Were Provided Federal Incentives

• Recognizing diminished SNF capacity and closures, and to incentivize expanded community-based options:
  • American Rescue Plan Act of 2021 (ARPA) included a 10% enhanced Medicaid match for HCBS expenditures from April 2021 through March of 2022 (total = $12.7B)

• State SNF expenditures dropped 9.8% in 2020 compared to 2.2% average annual increases between 2013-2019 (Health Affairs, 12/16/20)
  • Reductions in 2020 (and likely beyond) State Medicaid SNF expenditures offer opportunities for reinvest in community-based service options
Factors Potentially Impacting PACE Moving Forward

- Consumer opinion – should we change our messaging?
- State HCBS expansions and relief funds – are we included in plans?
- Market competition – what’s the right balance for PACE sponsors and consumers?
- Staffing challenges – impact on growth during a time of unprecedented expansion?
- Operational flexibilities – can we retain some of our innovations?
- Capital markets – are they sufficient to support growth?
- Leadership – how to train and support new leaders?
- Linkages to other services and models – what about Greenhouses, senior housing and CCRCs?
- New state environments – how will expanding HCBS options impact PACE competition and rate setting?
- PACE audit protocol – Is it time to consider a new federal regulatory framework and audit?
PACE is Finally Getting the Attention it Deserves!

Meet the Underdog of Senior Care
The Program of All-Inclusive Care for the Elderly, funded by Medicare and Medicaid, has quietly succeeded in enabling some older Americans to age in place.
PACE Testimonial

Cassandra Jefferson
CAREGIVER
PACE in Ohio’s LTSS Landscape

• More older people with chronic disability than ever and will increase by 50%

• Ohio needs a long-term strategy for meeting these growing needs between now and 2040.

• That strategy needs an array of options—PACE programs are one component of this approach—designed to serve a high need, high cost population. Focus on preventative efforts.

• But with more than 50,000 Medicaid HCBS participants, PACE is one aspect of the larger strategy. PACE has to be targeted correctly.
Scripps Technical Assistance Work with ODA

• Develop demographic estimates for community viability of the PACE model.

• Identify community characteristics that would facilitate PACE success.

• Provide technical assistance on state role and strategy for development and ongoing management of PACE sites in Ohio.

• Provide resources about the Request for Proposals for PACE used in other states around the nation.

• Assist Ohio as it embarks on it’s efforts to expand PACE across the state.
Contact info

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• www.npaonline.org (PACE website)