

# 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

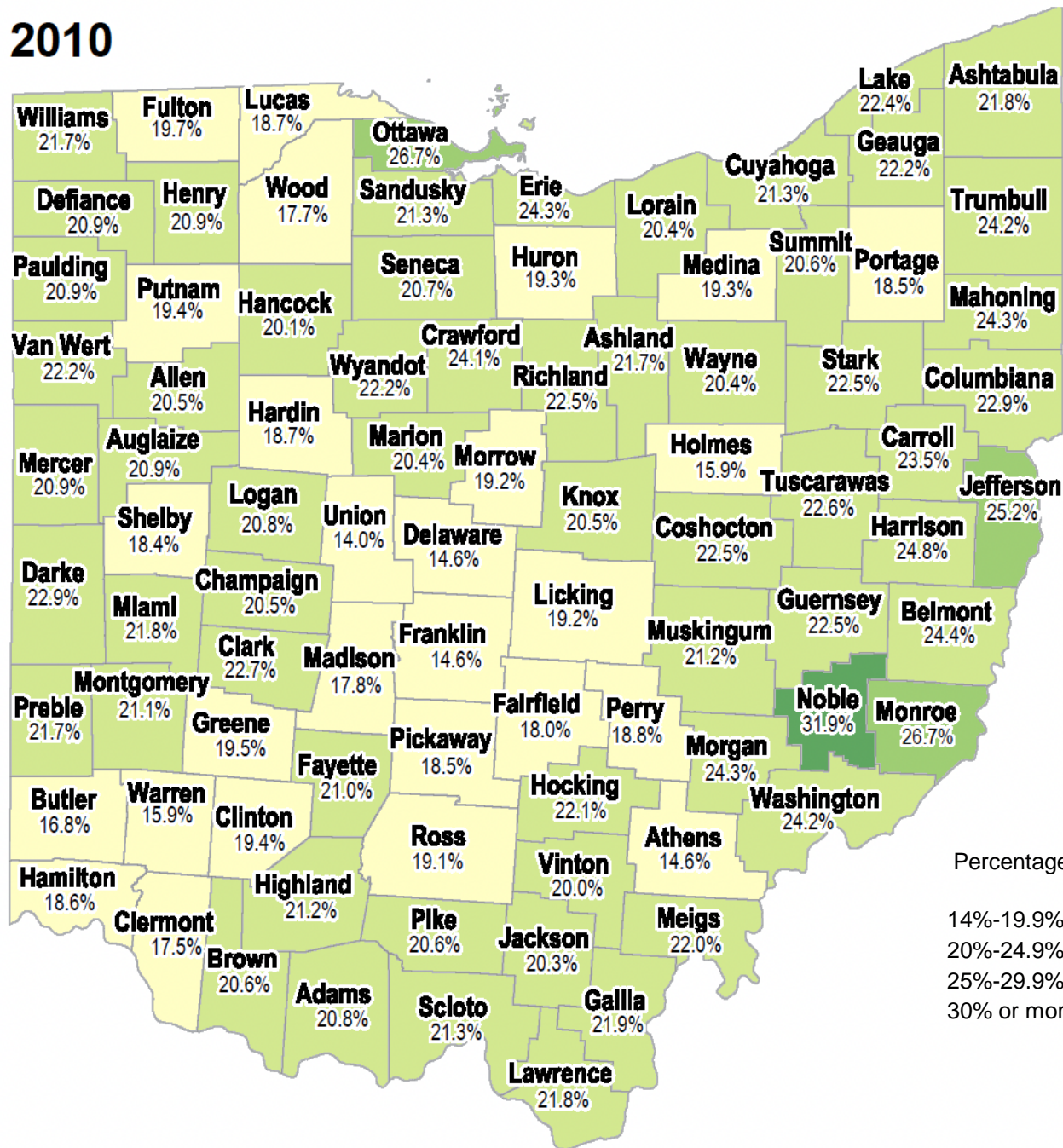
*We are aging!*

- 16.5% of US is age 65 and older. By 2040, 22%
- Ohio 6<sup>th</sup> 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**

## Ohio's Aging Population (2020-2040)

	2020 <sup>1</sup> Number	2030 <sup>2</sup> Number	2040 <sup>2</sup> Number	2020 <sup>1</sup> Percent of Population	2030 <sup>2</sup> Percent of Population	2040 <sup>2</sup> Percent of Population	2020- 2030 Percent change	2020- 2040 Percent Change
<b>All population</b>	11,693,217	11,615,120	11,680,180	100.0	100.0	100.0	-0.7	-0.1
<b>60 and over</b>	2,894,207	3,050,200	2,924,320	24.8	26.3	25.0	5.4	1.0
<b>65 and over</b>	2,097,638	2,381,610	2,323,420	17.9	20.5	19.9	13.5	10.8
<b>80 and over</b>	500,856	596,880	754,000	4.3	5.1	6.5	19.2	50.5
<b>85 and over</b>	255,610	290,970	388,900	2.2	2.5	3.3	13.8	52.1

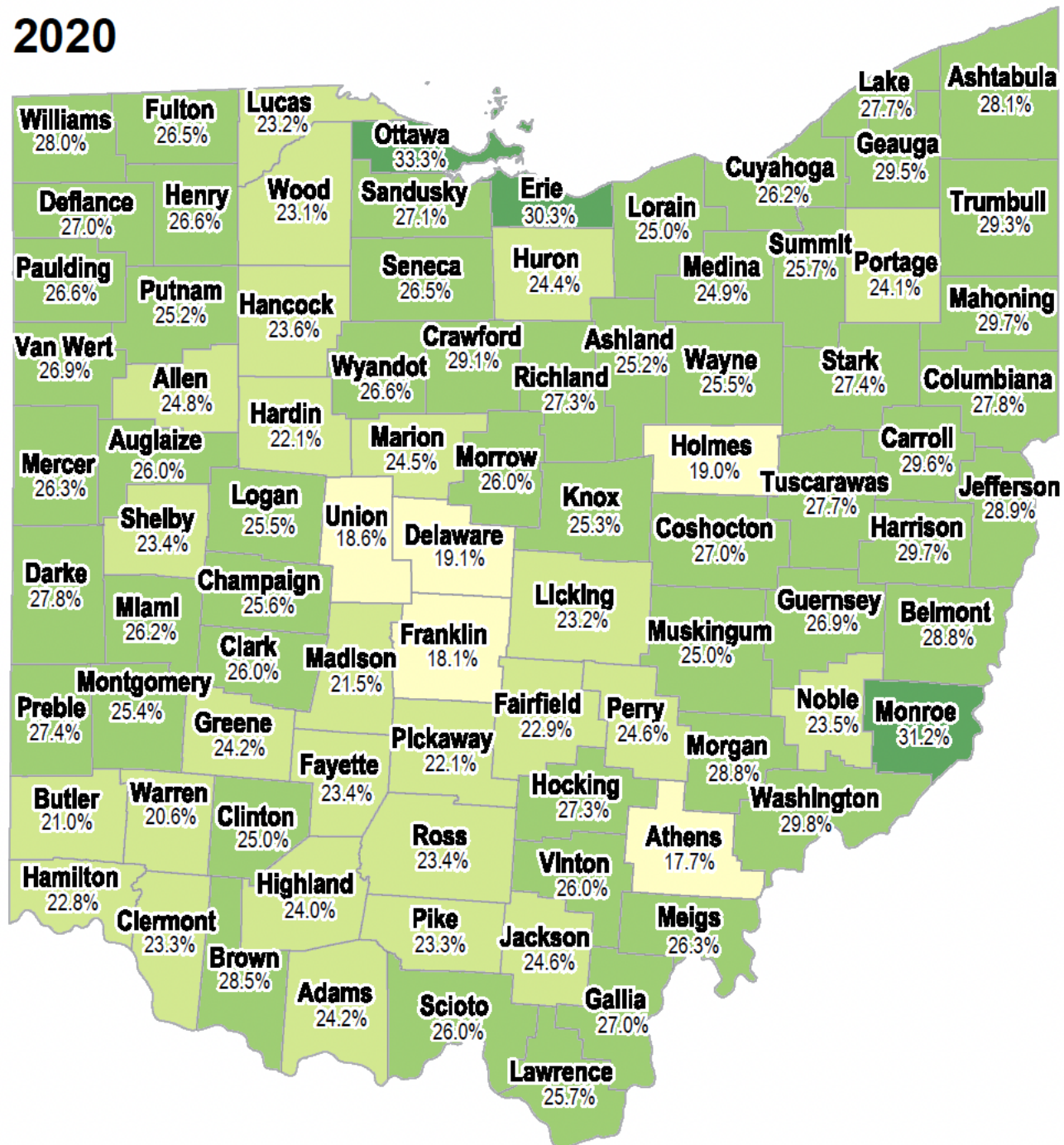
# 2010



Percentage of population 60+

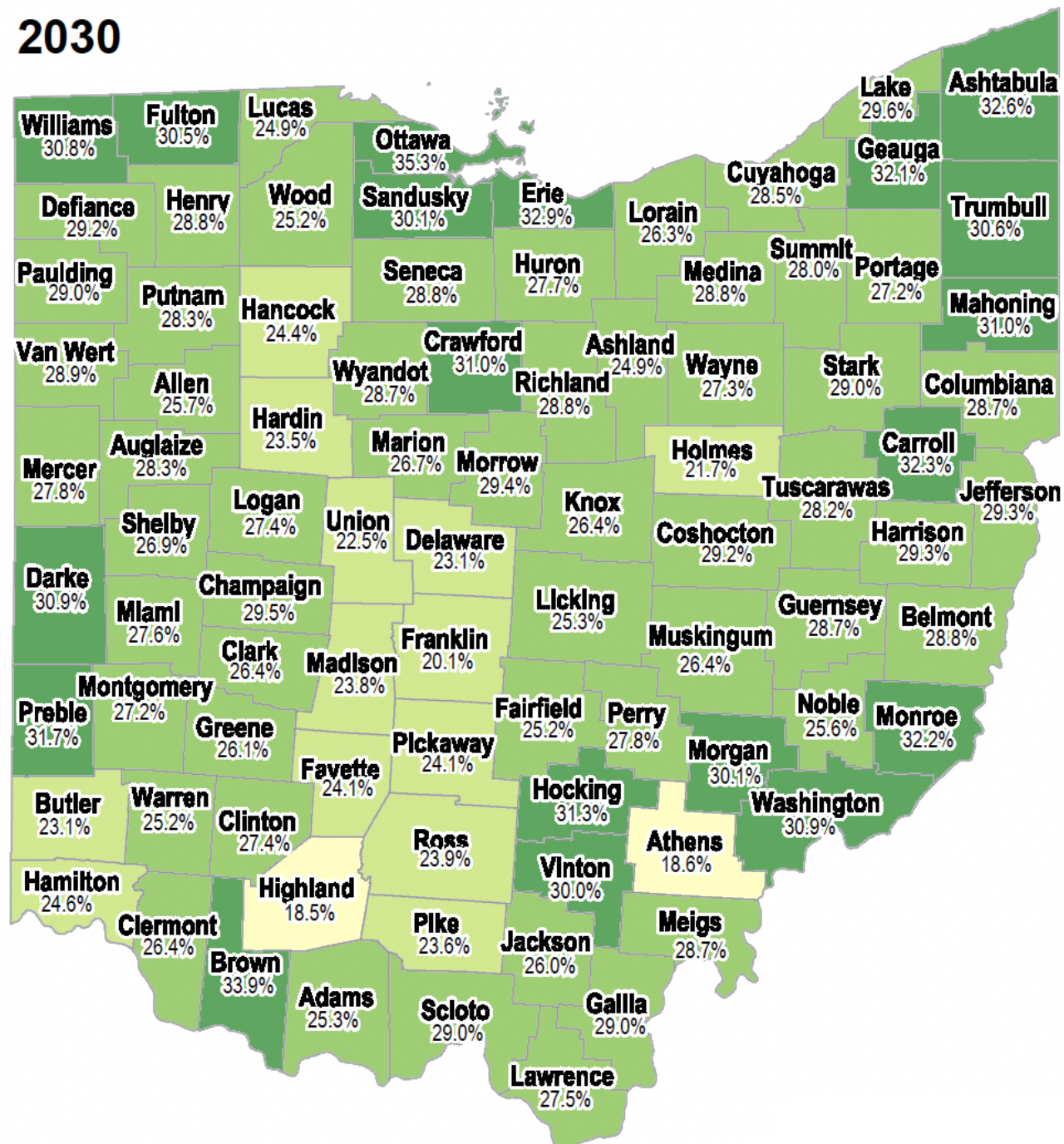
14%-19.9% yellow  
 20%-24.9% very light green  
 25%-29.9% light green  
 30% or more dark green

2020

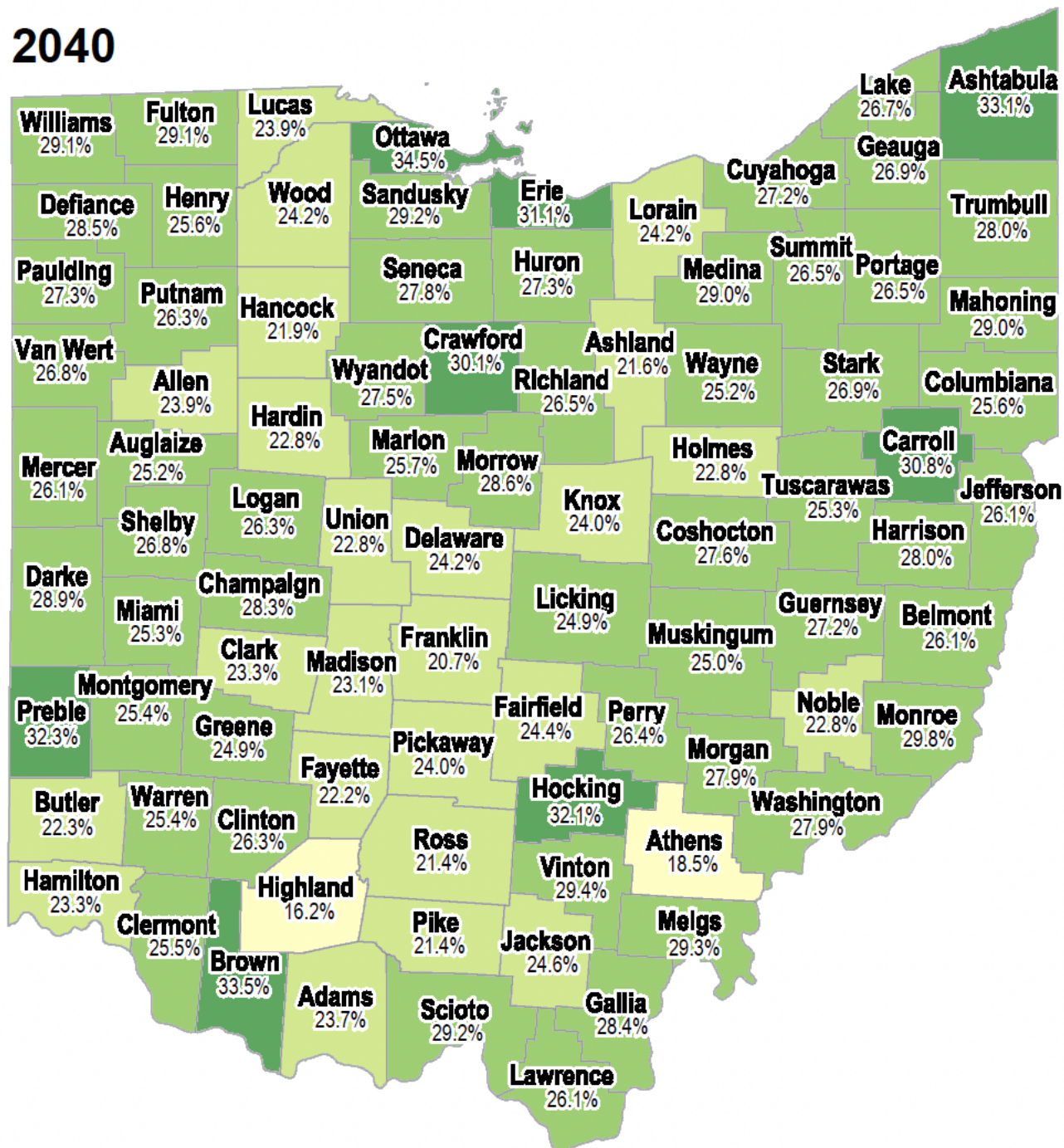




2030



2040

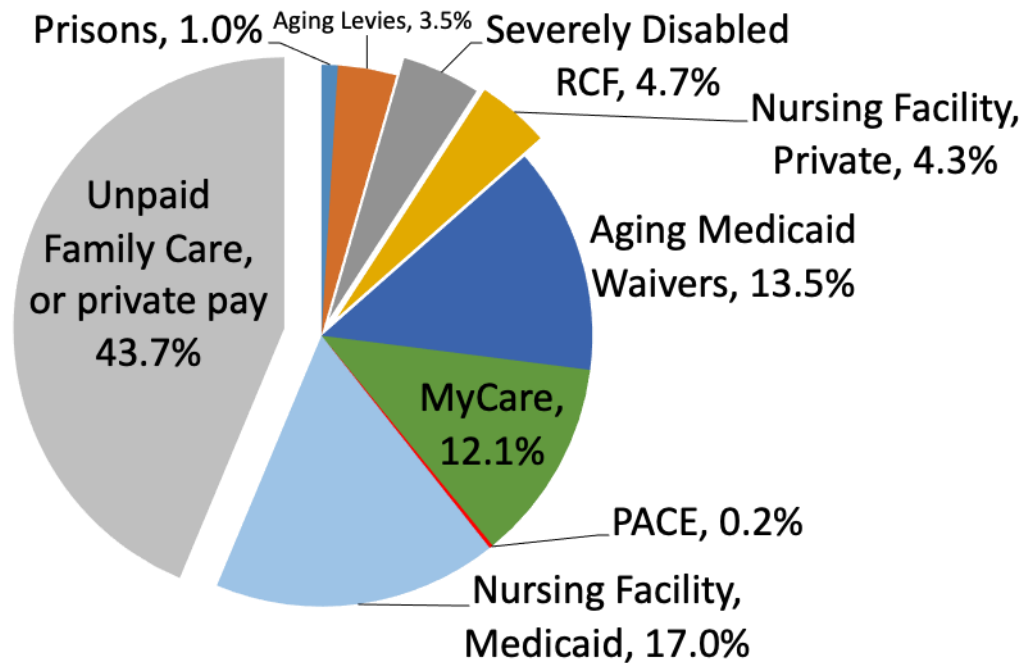


# An Aging America: Are You Aging?

- 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



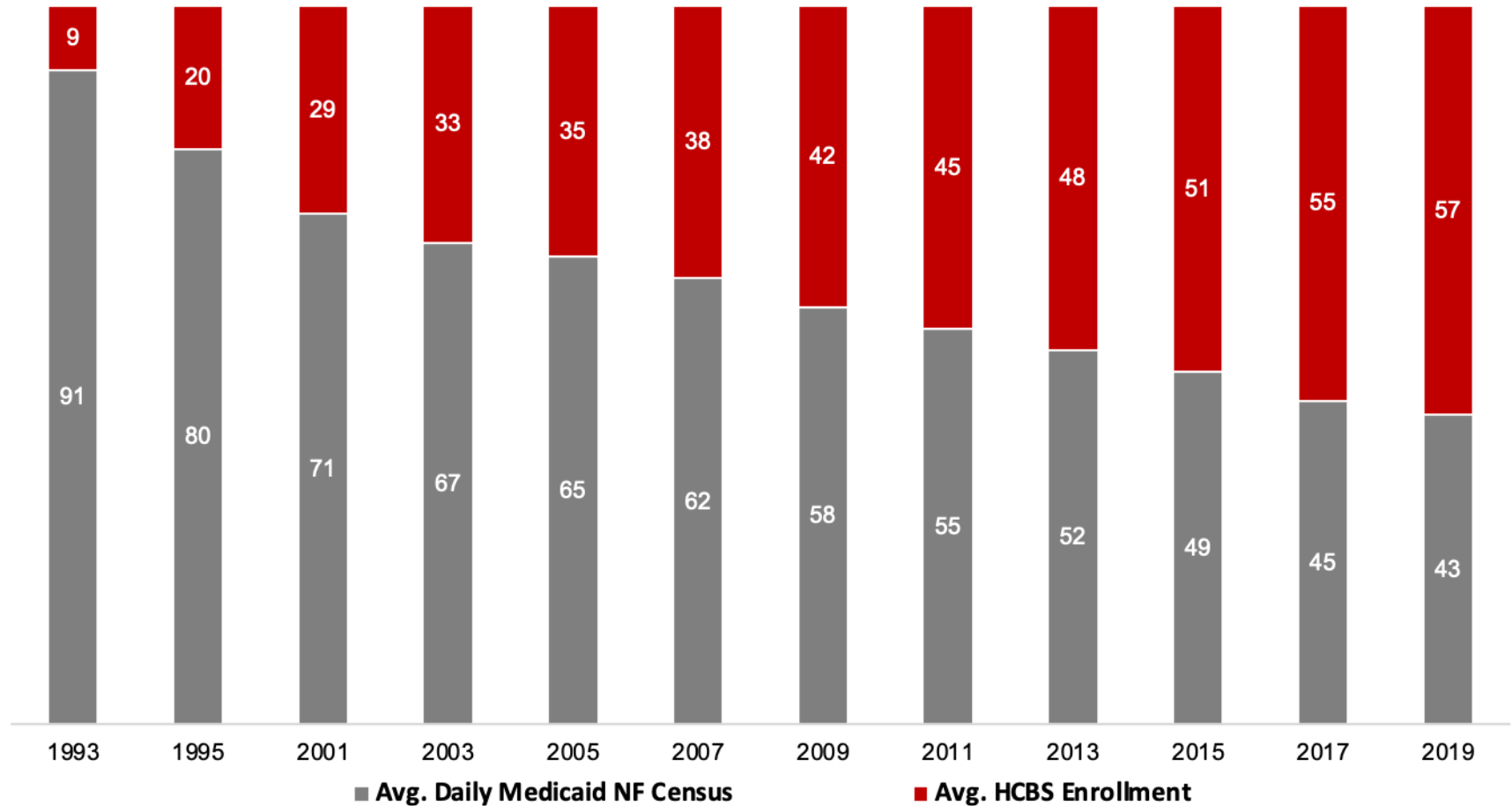
## Proportion of Ohio's Population Age 60 and Older with Severe Disability by Care Setting, 2019 (N=175,000)



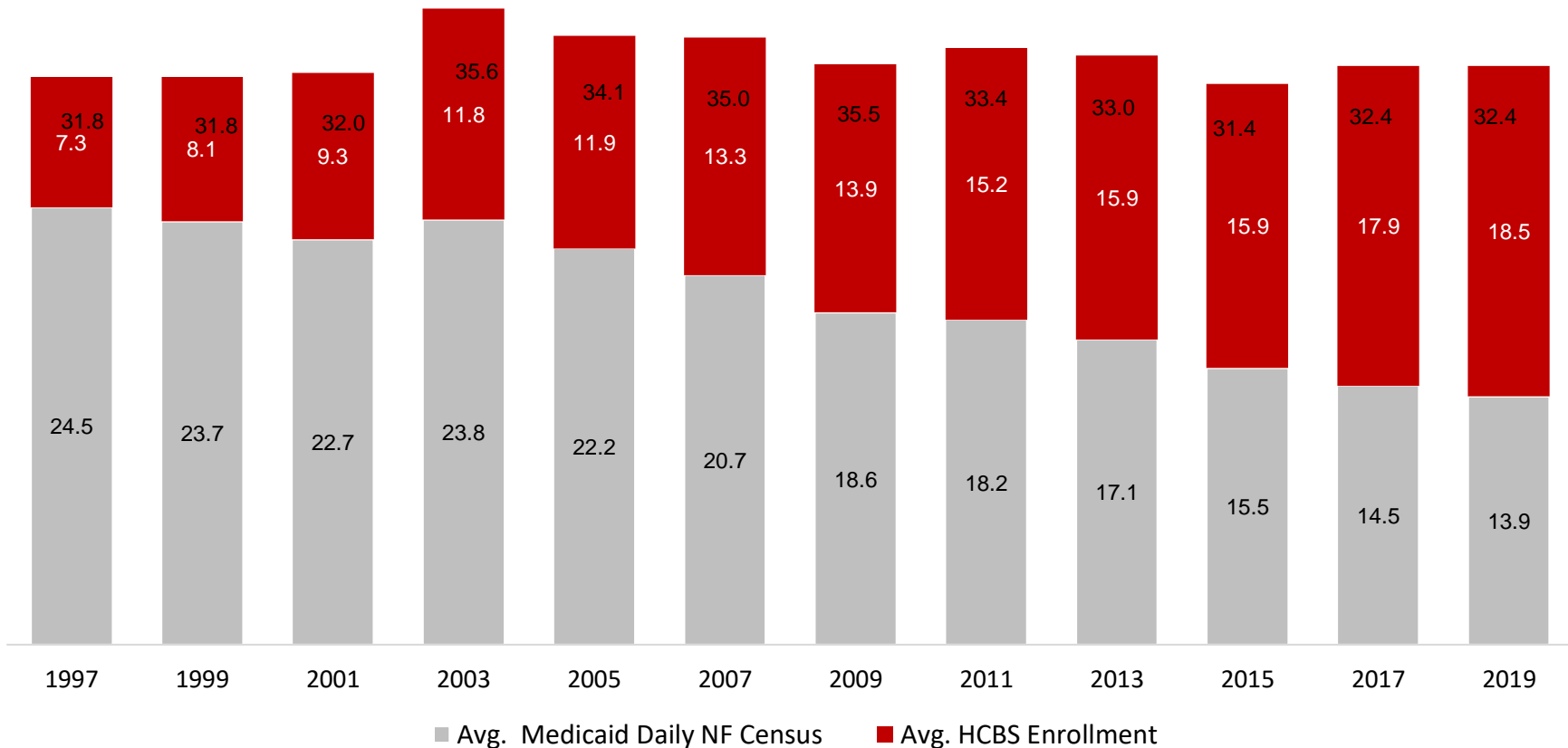
# Take-Aways

- 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**



**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**



## Ohio' Current Approach to Long-Term Services

- The good news is that Ohio is recognized for making substantial improvements in its LTSS system.
- Ranked 47<sup>th</sup> two decades ago and in 2020 ranked 19<sup>th</sup>. 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

Opt-in and Opt-out MyCare Enrollment Total and by Plan,  
(November 2021)

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

# Opt-in and Opt-out Breakdown

MyCare Opt-in and Opt-out Enrollment by Age and Race (October and November 2021)				
<b>Breakdown by Age (October 2021)</b>	<b>Opt-in</b>	<b>%</b>	<b>Opt-out</b>	<b>%</b>
Over 65	39,017	54.4	32,757	45.6
45-64	25,924	57.3	19,344	42.7
Under 45	15,118	71.4	6,051	28.6
<b>Breakdown by Race/Ethnicity (October 2021)</b>				
White	46,472	61.7	28,831	38.3
BIPOC	28,831	55.3	23,333	44.7
Total Enrollees	75,303	59.1	52,164	40.9
<b>Breakdown by Type of Member (November 2021)</b>				
Community Well	56,416	61	36,061	39
LTSS waiver only	17,605	54.9	14,442	44.1
LTSS long-stay nursing facility	9,673	49	10,065	51
Total Enrollees	83,694	58.1	60,568	41.9

## **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.

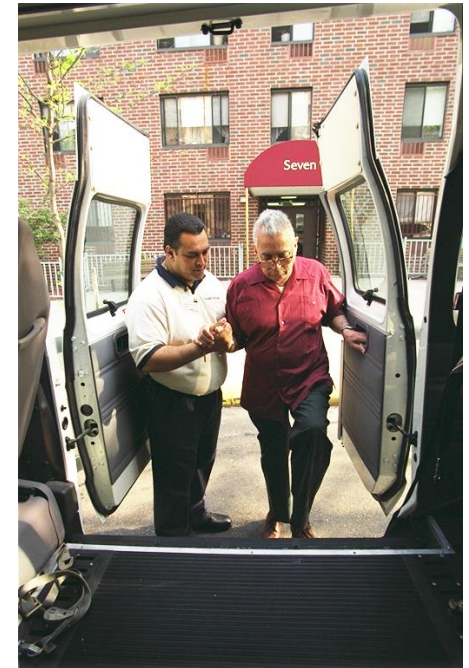


# What is PACE?

## *Program of **All-Inclusive** **Care** for the **Elderly***

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

- Community-based
- Comprehensive
- Capitated
- Coordinated



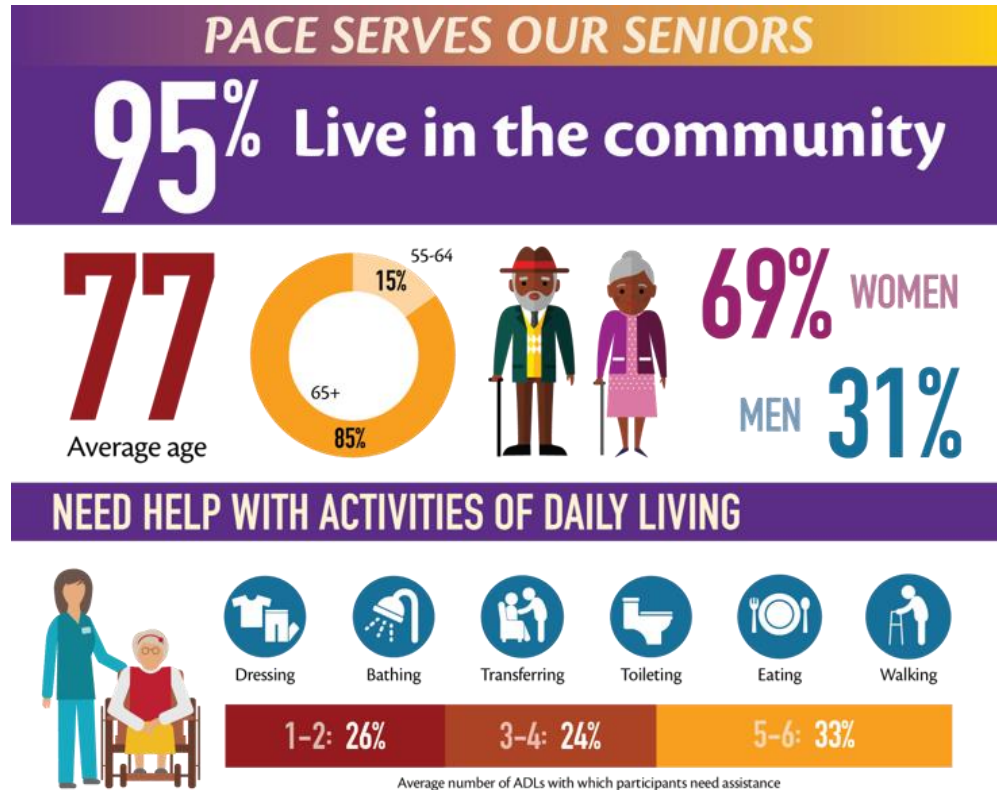
## The PACE Model

# 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?



# 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

### IN AN AVERAGE MONTH

- 6 Prescriptions
- 7 Visits to PACE Center

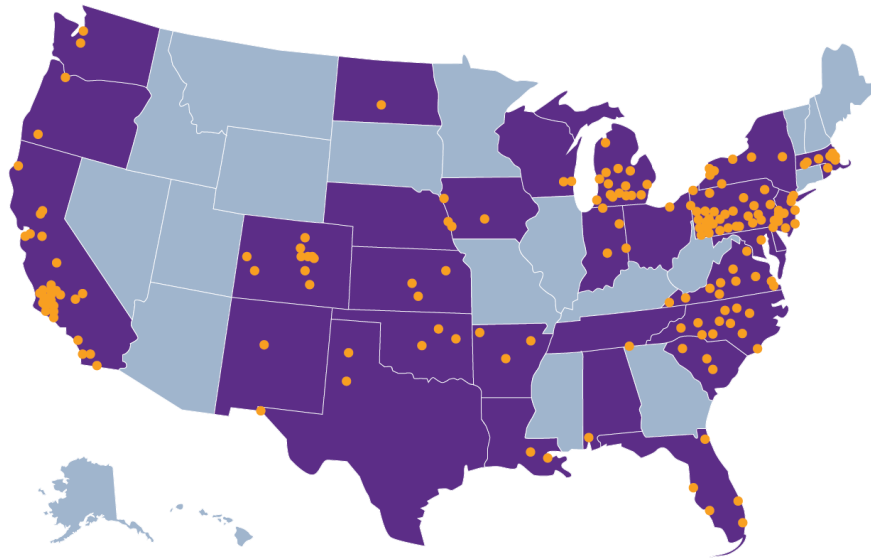
5.8 Chronic Conditions



46% Dementia

# Status of PACE Development

(as of February 2022)



30 states have PACE programs

**144** Sponsoring  
Organizations

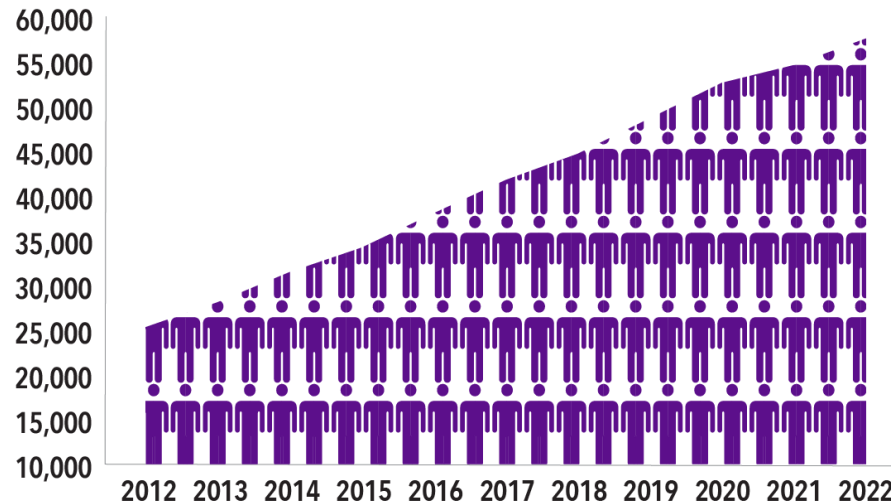
**272** PACE Centers  
as of February 2022



# National Census Growth

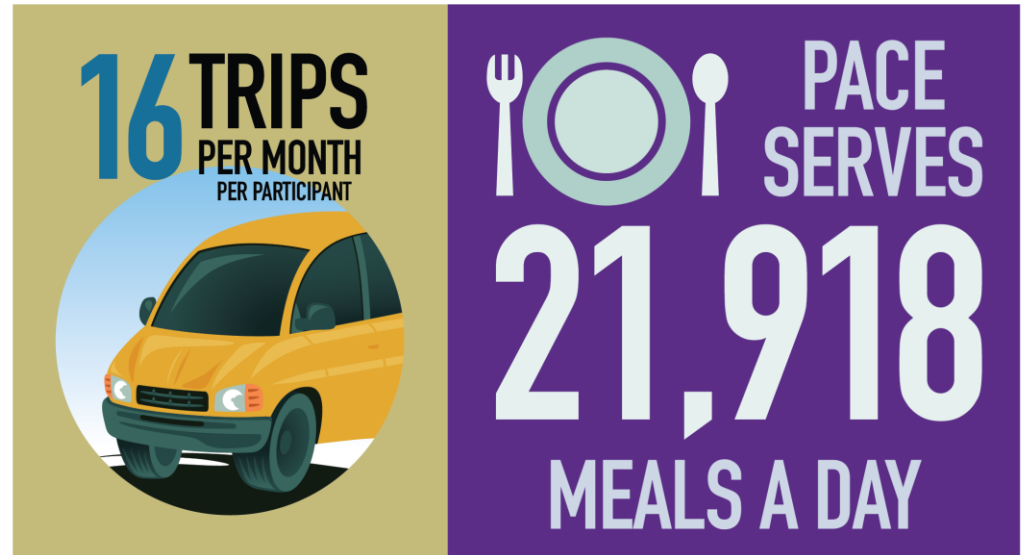
2011 – 2022

**PACE ENROLLMENT 58,000**



The PACE Model

# PACE Provides Transportation & Meals



The PACE Model

# PACE Provides PT & OT



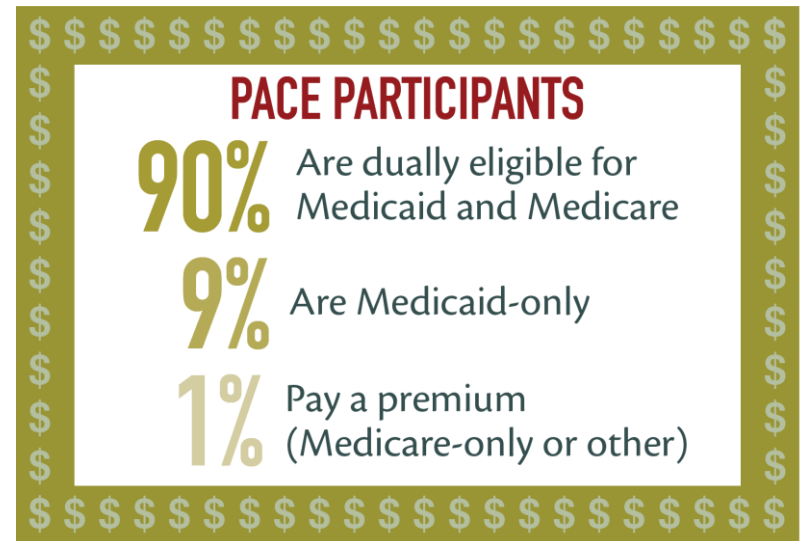
# Integrated Service Delivery and Team Managed Care

- 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



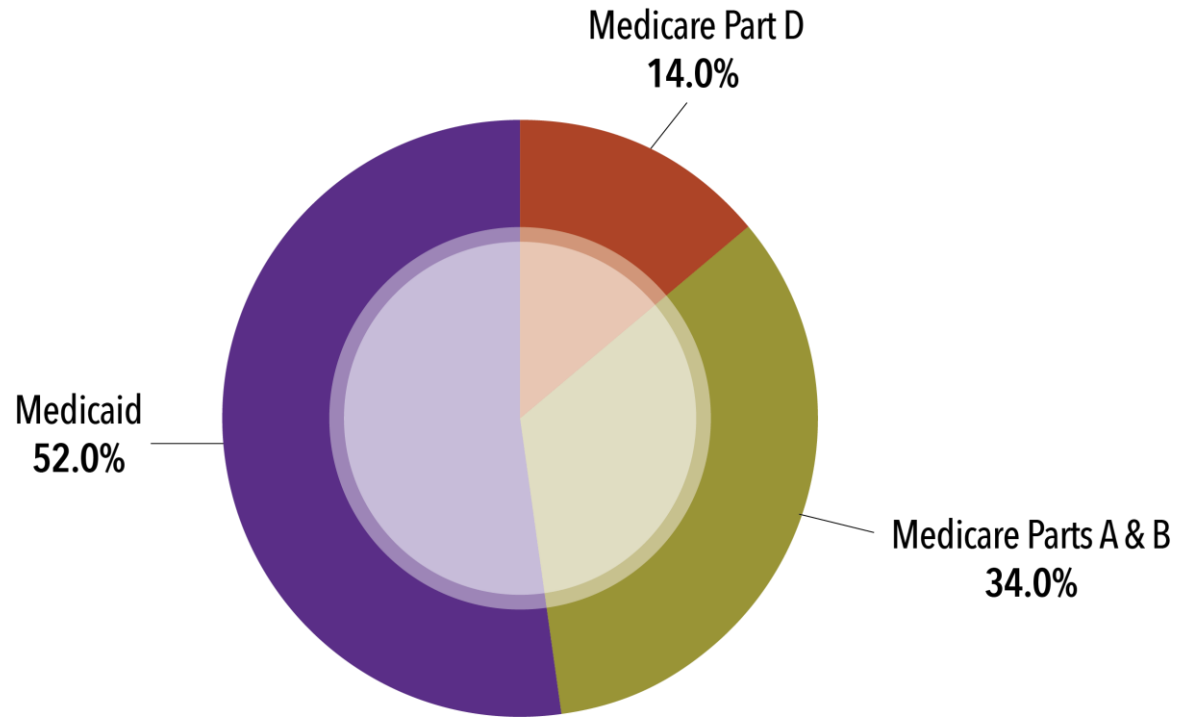
# Capitated, Pooled Financing

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

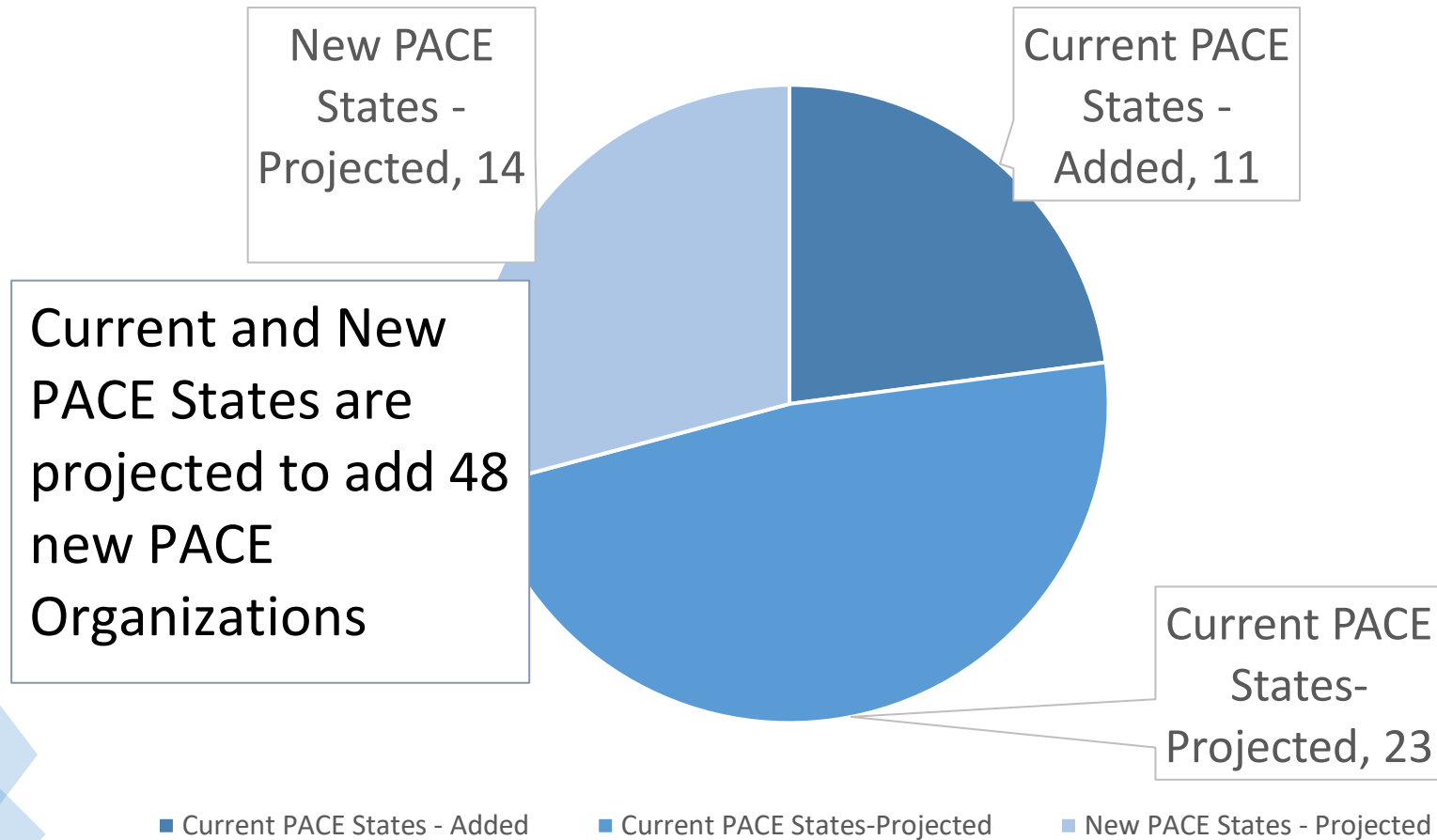




# Source of Service Revenue



# PACE is Experiencing Unprecedented Growth



# 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
  - Statista - <https://www.statista.com/statistics/1139773/changing-perceptions-of-us-nursing-home-during-pandemic-by-age/>
- 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!

☰ 🔍 HEALTH

The New York Times

PLAY THE CROSSWORD

Account ▾

## *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.

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# PACE Testimonial



# 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](http://www.npaonline.org) (PACE website)