

Date of Hearing: April 6, 2021

ASSEMBLY COMMITTEE ON AGING AND LONG-TERM CARE

Adrin Nazarian, Chair

AB 540 (Petrie-Norris) – As Introduced February 10, 2021

SUBJECT: Program of All-Inclusive Care for the Elderly

SUMMARY: Program for All-Inclusive Care for the Elderly (PACE). Specifically, **this bill:**

- 1) Would Exempt a beneficiary who is enrolled in a PACE organization with a contract with the Department of Health Care Services (DHCS) from mandatory or passive enrollment in a Medi-Cal managed care plan
- 2) Would require, in areas where a PACE plan is available, that the PACE plan be presented as an enrollment option in the same manner as other managed care plan options.
- 3) Would require DHCS to establish an auto-referral system to refer to PACE organizations beneficiaries who appear to be eligible for PACE, based on various criteria, including residence, as specified.
- 4) Would require in areas where a PACE plan is available, that PACE is identified and presented as a Medicare plan option.

EXISTING LAW:

- 1) Establishes the PACE program, which provides specified services for older individuals at a PACE center, defined, in part, as a facility that includes a primary care clinic, so that they may continue living in the community. Federal law authorizes states to implement the PACE program as a Medicaid state option.
- 2) Establishes the PACE program, to provide community-based, risk-based, and capitated long-term care services as optional services under the state's Medi-Cal State Plan,
- 3) Authorizes DHCS to enter into contracts with various entities for the purpose of implementing the PACE program and fully implementing the single-state agency responsibilities assumed by DHCS in those contracts

FISCAL EFFECT: This bill has not yet been analyzed by a fiscal committee.

COMMENTS:

Author's Statement: According to the author, "PACE allows older adults to remain in their home and near their loved ones, while still guaranteeing their well-being and safety as they age. This bill will help more seniors remain in their homes and communities by improving beneficiary awareness of and access to PACE. AB 540 is a commonsense measure that ensures seniors have access to all their options, including PACE, when choosing a plan that is best for them."

BACKGROUND

The PACE program is designed to provide care for California's frail seniors and allow them to remain living in their communities rather than in institutions. The PACE programs coordinate and deliver preventive, primary, acute and long-term care services to older adults who would otherwise be in nursing homes.

The PACE program is unique in that it is the only provider-based model of care where a single entity is entirely responsible for the delivery, outcomes and cost of care. Eligible beneficiaries receive all of the services and care through the PACE organization, while continuing to reside in their home or community. Participants are age 55 or older, certified by the state to qualify for nursing home care, able to be cared for safely in their community, and live in the PACE service area.

Currently, there are 65 PACE sites across California, serving nearly 12,000 frail seniors.

During the COVID-19 health emergency PACE organizations have modified the ways in which they deliver care to their participants in order to keep their participants safe. The PACE organizations have successfully responded to the COVID-19 health emergency by implementing rigorous infection control measures and quickly transitioning from providing center focused care to home based care. These modifications have been done with the approval of DHCS and CMS.

Research shows that PACE achieves significant reductions in hospital use, significant improvements in health status and quality of life, and significant delays in the onset of extended nursing home stays, and very high rates of beneficiary and family satisfaction. The PACE program is estimated to save California over \$69 million in 2020 for the beneficiaries it serves, compared to what it would cost for them outside of PACE.

Even though PACE is a model of care for frail seniors, many beneficiaries are unaware of PACE and how it may benefit them. The bulk of enrollment occurs through individual referrals from community sources including hospital discharge planning, senior housing, Area Agencies on Aging and other sources. As a result, many seniors with higher needs could benefit from direct state engagement and referrals for PACE services.

In January of this year, the Governor released his Master Plan for Aging (MPA). One of the five bold goals of the MPA includes "Health Reimagined" and weaves innovation and partnerships with health care and community-based solutions throughout. In Strategy A: "Bridging Health Care to Home" Initiatives 33-43 are focused on bridging health, health care and programs like PACE. However, it could be argued that the PACE model can be linked throughout the Master Plan in all of the goals:

- Goal One: Housing for All Ages and Stages
- Goal Two: Health Reimagined
- Goal Three: Inclusion and Equity, Not Isolation
- Goal Four: Caregiving That Works
- Goal Five: Affording Aging

Argument in Support: A letter from CalPACE states, “AB 540 would improve beneficiary awareness and access to PACE by requiring (1) PACE to be offered as a Medi-Cal plan choice, (2) PACE to be identified as a Medicare plan choice and included in all enrollment materials and information, (3) the Department of Health Care Services to establish an auto-referral process to referral beneficiaries to PACE, (4) assessment processes to include criteria to identify and provide for referral to PACE, and (5) continuity of enrollment by exempting Medi-Cal beneficiaries who enrolled in PACE from mandatory or passive enrollment Medi-Cal managed care.”

Argument in Opposition: None.

REGISTERED SUPPORT / OPPOSITION:

Support

CalPACE (Sponsor)
AARP
Alta Med
Alzheimer's Greater Los Angeles
Alzheimer's Orange County
Alzheimer's San Diego
California Alliance for Retired Americans
California Association of Public Authorities for IHSS
California Commission on Aging
Center for Elders Independence
Golden Valley Health Centers
InnovAge
Innovative Integrated Health
LeadingAGE California
On Lok
San Ysidro Health
Welbehealth
Western Center on Law & Poverty

Opposition

None on file.

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