

Testimony
Department of Human Services
Human Services Committee
Program of All-Inclusive Care for the Elderly
August 12, 2020

Chairman Rohr and members of the interim Human Services Committee, I am Krista Fremming, Assistant Director of the Medical Services Division for the Department of Human Services (DHS). I appear before you to provide an overview of the Program of All-Inclusive Care for the Elderly (PACE).

PACE is a capitated benefit program that provides a comprehensive service delivery system. This delivery system includes all needed preventive, primary, acute, and long-term care services so that individuals can continue to live at home. PACE services include all Medicaid and Medicare services. PACE is comprised of an interdisciplinary team consisting of a wide range of medical personnel and other professionals, which assesses participants' needs, develops care plans and delivers all services in an integrated, total care package. The service delivery settings include the home, adult day center, and inpatient facilities. The PACE program is voluntary, and participants may disenroll at any time.

The current vendor operating the PACE program is Northland PACE Senior Care Services. Currently, DHS pays Northland PACE between \$4,784 and \$5,683 per member, per month, depending on the participant's age group and urban/rural location. PACE began operations in Bismarck and Dickinson in September 2008. They opened a site in Minot in July 2015 and have an application in with CMS to open an additional site in Fargo by the end of this year or the beginning of 2021. As of July 1, 2020, PACE enrollment was as follows: Bismarck – 107 participants; Dickinson – 36 participants; and Minot – 35 participants, for a total of 178. Currently, the average age of participants is 77.3 years old. Between July 2019 and June 2020, there were

31 enrollments and 46 disenrollments. The disenrollments included 22 participant deaths, 21 voluntary disenrollments and three involuntary disenrollments.

To be eligible for PACE, participants must be age 55 years or older, meet the State's criteria for nursing home level of care, live in a PACE service area, and be able to reside safely at home with the services provided by PACE. PACE providers assume full financial risk for participants' care without limits on amount, duration, or scope of services.

The Medical Services Division fulfills state-level responsibilities for operating the PACE program. These responsibilities include providing nursing facility level of care screenings, assistance with PACE site audits (in conjunction with the Centers for Medicare and Medicaid Services (CMS)), and review of enrollments, disenrollments, appeals and grievances.

CMS requires that certain data elements be captured and reported on a quarterly basis. These elements include immunizations, grievances and appeals, admission and re-admission rates, and falls. Because PACE provides a range of integrated services, federal regulations are such that ensure safe and quality care to the frail elderly. PACE has requirements pertaining to organizational structure and other areas such as the Quality Assurance Process Improvement Program.

Northland PACE utilizes a variety of marketing efforts which include their Web site. They also continue with newspaper and radio advertisements, social media engagement, informational meetings, and agency and community involvement.

While a PACE program could be allowed to operate in any location, being able to offer the comprehensive service delivery system may be challenging

from both a service availability and cost perspective. PACE is required to provide all services offered through both Medicare and Medicaid, including transportation, and is also required to have a congregate type of gathering location. This comprehensive requirement necessitates having enough participants to make the financing viable.

Impacts of COVID-19 on PACE

Since the start of the COVID-19 pandemic, Northland PACE has worked closely with the Department of Health and diligently followed recommended guidelines for safety precautions while providing medical services to the PACE participants. Since March 2020, there has been a major focus on isolation for the purpose of participant and staff safety, so Northland PACE provided only medically necessary services in the participant's home. Day Center attendance was cut back to those who had health concerns that required going into the day center. COVID screening of all staff and participants are conducted prior to entering the day center.

When isolation recommendations were published, Northland PACE began to make daily calls to participants to complete a COVID-19 screening. These calls continue and serve to monitor physical and psychosocial needs as well as also provide participants with any immediate PACE updates they needed to know.

As the Department of Health isolation restrictions relaxed a bit, Northland PACE resumed all cares for the participants but they continue to provide the vast majority of cares in the participants homes and they expect to continue this until the number of COVID-19 cases are on the decline in ND. This has been the trend of PACE organizations nationwide. Meals and therapies that had been provided in the day center previously are now being provided in the participant's homes.

PACE is required to conduct annual and 6-month assessments of all participants. Northland PACE was quick to follow the guidance provided by CMS regarding the approval of remote technology for assessments and began using this option for assessments when appropriate. Northland PACE technology is a secure platform using both audio and video options. This platform has been used for remote visits and assessments of PACE participants that reside in the skilled nursing facilities. Currently PACE provides nearly all assessments in-person and they have not missed any required assessments due to their ability to conduct assessments remotely when necessary.

Northland PACE has seen a decrease in expenditures during the COVID period. They had total expenses of \$12.1 million between July 2019 and March 2020 and between April and June 2020, they added about \$3.7 million in expenses – averaging about \$1.3 million in expenses pre-COVID and about \$1.2 million during COVID. Northland PACE received \$18,706,205 in capitation payments and their total expenses were \$15,812,463 during fiscal year 2020.

The Medical Services Division receives financial statements from Northland PACE on a regular basis and these statements are used in part by our external actuary to set the rates paid for each participant. We will continue to monitor the financials and adjust rates accordingly.

In summary, PACE is one of many home and community based service options provided to Medicaid members in North Dakota. The Northland PACE program has provided services to over 507 participants (Medicare, Medicaid and dual-eligible) since its inception, and the Department is committed to working with them to ensure this option continues to be available to eligible North Dakotans.

I would be happy to any questions.