



## Program of All-Inclusive Care for the Elderly (PACE): A Primer

### What Is PACE?

The Program of All-Inclusive Care for the Elderly (PACE) is an innovative care model focused on the keeping those 55 and older in their homes and communities for as long as possible by offering a comprehensive set of medical, behavioral health, social, and wellness services. In Massachusetts, PACE programs are sponsored by local organizations across the state.

### Who Is Eligible for PACE?

To be eligible for PACE, individuals must be 55 or older and certified by the state as being nursing-home eligible. PACE participants must also live in the service area of one of the state's eight PACE organizations. Individuals between the ages of 55-64 must also be certified under federal Social Security Act standards as disabled in order to qualify for PACE. To be a PACE participant individuals do not have to meet MassHealth eligibility guidelines, but for those who are MassHealth eligible the state may pay the MassHealth premium for PACE.

### How Does PACE Work?

PACE organizations accept full responsibility for PACE participants, both as the providers and managers of participants' care and also as the entities bearing full risk for the costs of that care. The PACE model consists of several core components. First, participants are cared for by an "interdisciplinary team" or IDT. This team consists of health care and social service professionals who meet jointly daily to evaluate all elements of patients' care. The IDT develops a comprehensive individualized care plan that is reviewed with the participant and family as appropriate. The plan includes everything the participant needs to keep them well, including medical, social, and home-based services. Finally, all PACE organizations operate a "PACE Center" for PACE participants. The PACE center is a unique facility that features a full medical suite, robust support services, a rehabilitation gym, recreational activities, and meals- all facilitated by full-time staff.

### How Is PACE Financed?

PACE is dually funded through full-risk capitation by Medicaid and Medicare meaning the upfront premium costs are shared by the state and federal governments. PACE organizations pay for all needed services, including hospitalizations and nursing home care. Costs that exceed the premium are born by the PACE organizations. PACE participants who are not MassHealth eligible but are Medicare eligible also contribute to the costs of care through direct premium payments that cover the MassHealth portion of the PACE premium.

### What Are the Demonstrated Benefits to the PACE Model?

PACE has been well-documented to improve both the quality and length of life for participants as well as to produce cost-savings by reducing the utilization of high-cost nursing home care and actively managing patients' chronic illness. One recent study found that as compared to other programs, PACE reduced hospitalizations by up to 43%. Another Massachusetts-specific study found that PACE notably decreased nursing home utilization.