



National
PACE
Association

Aging in America: How Programs of All-Inclusive Care for the Elderly (PACE) Can Contribute to Healthier Seniors

Thanks to a variety of factors including medical advances and nutrition and wellness programs, Americans today are living longer, healthier lives. Yet with increased life expectancy comes the need for greater resources to ensure quality care for aging Americans. According to the U.S. Census Bureau, current government projections estimate that by the year 2030, more than 71 million Americans, or one in six, will be aged 65 or older, resulting in a projected 25% increase in U.S. health care spending.

Not surprisingly, aging adults face myriad challenges unique to their demographic. Yet, too often seniors and their families fail to prepare for future needs and the possibility that long-term care may be needed. As a result, when the time comes, many opt for care that requires a loved one to leave their home and enter an institution, an emotionally wrenching decision that can have lasting physical, cognitive and social effects ¹. For example, from a physical health perspective, aging seniors are likely to experience an increased incidence of chronic illness and degenerative diseases. According to a report, entitled *The State of Aging and Health in America 2007*, 80% of older Americans are currently living with a chronic disease, such as high blood pressure, heart disease, diabetes and cancer. Additionally, seniors often face a decline in cognitive and physical function, and many are coping with depression and feelings of loneliness as the result of physical limitations that prevent active social engagement with family and friends. A March 2009 brief from the Centers for Disease Control and Prevention (CDC) found that men aged 85 years or older have the highest suicide rate of any age group. Clearly, addressing the many challenges facing older adults is critical to healthy aging and improving their quality of life.

Programs of All-Inclusive Care for the Elderly, or PACE®, offer an innovative model of care with coordinated medical and rehabilitative services in an integrated system that allows aging seniors to remain in their own homes, maintain independence and lead healthier more fulfilling lives. PACE programs improve upon the care individuals often receive in the traditional fee-for-service system by emphasizing timely preventive, primary and community-based care over avoidable high-cost specialty and institutional care. Specifically designed to help frail elderly seniors maximize their functional capacity, PACE organizations provide the majority of health care to participants through an integrated network of professionals including physicians, nurses, therapists, social workers, health care aides, and more. PACE is focused on treating the whole

person, not just their combination of medical conditions. That is why PACE programs have social workers who are experts in listening and helping seniors and their families better understand the aging process.

PACE organizations provide care and services in the home, the community, and the PACE center. They have contracts with many specialists and other providers in the community to make sure that participants get the care they need, even providing all medically-necessary transportation to the PACE center for activities, medical appointments or other appointments in the community. Many PACE participants get most of their care from staff employed by the PACE organization in PACE centers, which meet State and Federal safety requirements and include adult day programs, medical clinics, activities, and occupational and physical therapy facilities. Through PACE programs, aging seniors receive individualized care delivered in a setting that revolves around each person's unique medical and social needs, resulting in far more favorable outcomes compared to traditional care options.

The PACE model has a proven track record in preserving wellness, supporting healthy outcomes and promoting quality care. PACE achieves high quality, cost-effective results because incentives are aligned among patients, providers and payers. For example, PACE participants utilize, on average, fewer than three days of hospital care annually. Further evidence of PACE's success is detailed in an interim 2009 report to Congress from the U.S. Department of Health and Human Services, which conducted a study of the quality and cost of providing PACE program services. The study found that PACE generates better outcomes. Specifically, the study found higher quality of care and better outcomes among PACE enrollees than the comparison group; PACE enrollees reported better self-rated health status, better preventive care, fewer unmet needs, less pain, less likelihood of depression and better management of health care. PACE enrollees also reported high satisfaction with their quality of life and the quality of care they received.

In addition to providing care that offers excellent outcomes for seniors, PACE's integrated and capitated financing mechanism reduces the cost of care compared to that of a nursing home by ten to twenty percent. PACE programs are health care providers, not insurers. While the programs utilize a combination of Medicare and Medicaid funds to pay for services, the heart of a PACE program is a unique care delivery model that requires patient assessment, care management, and input integrated with a team of doctors, nurses, therapists, and other providers. Together they continuously oversee participants' needs and update care plans as necessary. PACE programs' integrated financing from Medicare and Medicaid support improvements in frail seniors' health by facilitating the delivery of all health and long term care services, with an emphasis on preventive care, wellness and social programs. This PACE emphasis reduces the need for acute care, and contributes to more efficient use of resources, in turn reducing nursing home costs, a major driver of Medicaid spending.

¹ *2006 Fact Sheet – Caregiver Health: A Population at Risk*; Family Caregiver Alliance/National Center on Caregiving; http://www.caregiver.org/caregiver/jsp/content_node.jsp?nodeid=1822

² *Review and analysis of caregiver burden and nursing home placement; The multiple problems and variables affecting the caregiving relationships require multiple approaches and interventions*; *Geriatric Nursing*, 1997, Volume 18, Issue 3, Pages 121-126, M. Chenier