Senior Care Options
Program of All Inclusive Care for the Elderly (PACE)

Coordinated Care + Financial Risk
Financial Alignment Models: PACE, SCO (and One Care)

POLICY CONTEXT
Public Stakeholder Session: Creating a Sustainable MassHealth Program

Executive Office of Health and Human Services
April 2015
Goal: every MassHealth member has a provider who is accountable for overall health, quality, and cost of care
   Providers rewarded for improving effectiveness of care
   Incentives to invest in care coordination
   Data transparency

Some things to balance:
   Not a one-size-fits-all model
   At the same time, approaches must scale across MassHealth

To be successful, we will need a cohesive strategy that we commit to and design/roll out at scale (vs. uncertainty of many unrelated pilots and efforts)

We will also need to sequence initiatives
Framework for payment reform:

For much of the population: **ACO and PCMH model**, depending on level of scale and sophistication of the accountable provider

For those with significant mental health and substance use: **health homes and accountable care models for a BH provider**

For those who use LTSS or need other support to live independently: **integrated care models** (including scaling innovative approaches like One Care)

In addition, **bundled payments** for certain high spend areas (for example, surgical procedures, acute exacerbations of COPD)

We look forward to working through proposed design dimensions with stakeholders

ACO: Accountable Care Organization; PCMH: Patient Centered Medical Home, which will build on PCPR
Goal: every LTSS member has an entity accountable for coordinating overall care and outcomes/ cost, based on level of need and direction from the individual

Principles
- Increased access to and integration of LTSS care
- Community first
- Person-centered planning along with improved coordination of care
- Financial sustainability and cost-effectiveness

Potential strategies
- Expand integrated care model (like One Care, PACE, and SCO)
- Promote integration of LTSS care into new payment models (ACOs, episodes of care) where appropriate

Topics for further discussion
- Best approach for scaling One Care, PACE, and SCO
- Role of episodes of care or ACO models encompassing LTSS
- Types of supporting data and infrastructure required
- Approaches to assessing the level of care needed for each member
Program Models and Payment
Coming to Scale

PACE AND SCO
Quick Look: SCO

4 licensed insurance companies,
1 insurance-like entity
(unlicensed)
Quick Look: PACE

8 PACE Organizations in Massachusetts:
3 CHCs, 1 independent w/CHC partner, 1 adult day health operator, 2 hospital systems, 1 insurance company
Quick Look: Regulatory Authority

SCO
- **Was** a financial alignment demo (like One Care)
- **Is** a Medicare Special Needs Plan (no longer a demo)
- Medicare Part D
- MassHealth

PACE
- Medicare Provider Type operating under 3-way agreement (CMS, State/MassHealth, PACE Provider)
- Medicare Part D
Quick Look: Enrollment

**SCO**
- 65+
- Voluntary enrollment
- Duals, MH only, Frail Waiver (300% poverty + nursing home certifiable)
- No clinical screening required (except frail waiver) – 40% of population is not nursing home certifiable
- 37,204 enrolled ~ 40% of eligible population per MH

**PACE**
- 55+ (overlaps One Care)
- Voluntary enrollment
- Duals, MH only, Frail Waiver, Self Pay
- Clinical screening required for all enrollees – must be nursing home certifiable
- 3417 enrolled
Quick Look: Benefits

**SCO**
- All Medicare, including pharmacy without co-pay
- All MassHealth
- Other benefits per Plan approval

**PACE**
- All Medicare including pharmacy without co-pay (except private pay co-pay)
- All MassHealth
- Other benefits per Interdisciplinary Team
Quick Look: Financing

**SCO**

- Medicare (Parts A/B, D) Risk Adjustment: Region, Institutional Status, Gender, Diagnosis/HCC
- MassHealth: Regional, Rate Cells (Community Well, Dementia/CMI, Community Nursing Home Certifiable, Transition, Institutional)
- Primary Care/HC partners can operate at no risk, shared risk and/or shared savings for all or some services

**PACE**

- Medicare (Parts A/B, D) Risk Adjustment: Region, Medicaid Status, Institutional Status, Gender, Diagnosis/HCC
- MassHealth: Single Class Rate
- PACE Organizations are 100% at financial risk for all services
Quick Look: Operations

**SCO**
- 24/7 responsibility
- Clinical Care Coordination by SCO Case Manager
- Long-Term Services and Support (LTSS) Care Coordination by Area Services on Aging Program (ASAP) contractor
- Primary Care, contracted
- Other Medical and LTSS Services, contracted

**PACE**
- 24/7 responsibility
- Interdisciplinary Team housed at PACE Center provides and/or coordinates all clinical and LTSS services
- PACE Center includes: ambulatory clinic, rehab gym, activities center
- IDT includes (by regulation): MD, RN, MSW, PT, OT, RD, Therapeutic Recreation, health aides, van drivers
Example of SCO Delegated Model

- HC provides primary care
- HC is delegated by SCO for care coordination across settings
- HC Care Coordinator works in team model with Primary Care and LTSS Coordinator
- May include 24/7 responsibility for medical oversight in all settings
- HC must comply with Medicare and MassHealth contract requirements as defined in SCO contract
- HC is generally in financial risk arrangement with SCO
Example of SCO Delegated Model

- HC provides primary care
- SCO provides care coordinator – coordinates with Primary Care and LTSS Coordinator
- HC/PCMH may contract for limited care coordination role
- SCO usually provides 24/7 coverage
- SCO manages compliance requirements
- HC/PCMH may contract for shared savings
PACE Today

- PACE regulation specifies model, including PACE Center, members of Interdisciplinary Team, financial risk arrangements, solvency requirements….

- Health Centers may participate in PACE by
  - Becoming a PACE Organization
  - Partnering with a PACE Organization
    - Create a local PACE Center
    - Implement a community physician model
Thoughts on Scalability and Health Centers

- By design, SCO is large, scalable, and depends on partnerships with Primary Care Providers.
- PACE is small, local by design so for PACE coming to scale means statewide coverage.
- Because of the expense of starting and operating PACE Organizations, partnership models may need to become more prevalent.
- Tomorrow’s options could be different…. Operational flexibility, demos to test PACE model with new populations…. 