

Programs of All-Inclusive Care for the Elderly (PACE)

PACE Benefits

- Participants spend fewer days in hospitals and nursing homes
- Participants have lower mortality rates
- PACE may reduce health care costs
- Participants and staff are more satisfied
- PACE is a recognized provider under Medicare and Medicaid

What is PACE?

Many older persons with chronic illness prefer to spend their last years at home. However research has shown that this is too often not the case.¹ Instead, many frail elderly end up in nursing homes because they are unable to care for themselves or are unable to coordinate the services and payers needed for them to stay at home. Programs of All-Inclusive Care for the Elderly (PACE) address this issue by providing access and coordination for all needed medical and supportive services.

The centerpiece of PACE is a special type of daycare center, where older adults receive primary health care, rehabilitative therapies, meals, social work, and other services. As needed, PACE also arranges for hospital care, medications, medical specialist care, home care, and nursing home care. The goal, however, is to maintain participants at home. There are currently 35 PACE programs in 20 states that operate approximately 80 centers.² In addition, several states are in the initial stages of either investigating or creating PACE programs.

Who is Eligible to Enroll in PACE?

PACE is exclusively for persons 55 years of age or older who live in a defined catchment area and are certified as eligible for nursing home care. Because of these requirements, PACE enrollees closely resemble typical nursing home patients. The average PACE enrollee is elderly, has 8 separate medical conditions, and is unable to perform three activities of daily living.³ Additionally, almost half of PACE participants have some degree of dementia. The chart at the right displays descriptive data from one study of PACE programs.⁴

PACE Participant Characteristics⁴

	Percent (%)
Diagnoses:	
Moderate or severe dementia	41
Cerebrovascular disease	38
Diabetes	32
Chronic lung disease	21
Need assistance with:	
Dressing	81
Toileting	63
Walking	57
Feeding	43
Incontinent	42

Financing PACE

Funds to establish a PACE program are generally provided by a combination of private contributions, grants, and collaborations with local healthcare organizations. Once operational, PACE centers receive monthly capitated payments from Medicare, Medicaid, and, in fewer instances, individuals. Most participants are dually certified by Medicare and Medicaid, and the PACE program receives a single monthly fee for each enrollee. The capitated reimbursement structure of PACE provides an incentive to support activities and programs that keep participants healthy.⁵

Research has shown that PACE Improves Outcomes

- PACE participants are more likely to maintain their physical function.⁶
- PACE participants have lower rates of nursing home admission, and spend fewer days in hospitals and nursing homes.⁷
- PACE enrollees are over three times as likely to have advance directives as the general population.⁸
- In the first 12 months after enrollment, mortality is decreased by 32%.⁶
- Overall, PACE participants have lower mortality rates, compared to similar nursing home patients.⁶
- PACE participants at the end of life are able to die at home more than twice as often as others nationally.⁸

Patient and Family Satisfaction with PACE is Very High

- PACE participants are more likely to report satisfaction and a higher quality of life than comparable persons in other programs.⁹
- PACE sites experience low participant disenrollment rates, which is a key indicator of satisfaction.^{5, 8}
- Staff satisfaction is higher in PACE centers, compared to nursing homes, and staff turnover is lower.

PACE Information

- **National PACE Association**
Tel. (703) 535-1522
www.npaonline.org
- **John A. Hartford Foundation**
Tel. (212) 832-7788
www.jhartfound.org
- **Centers for Medicare and Medicaid Services**
www.cms.hhs.gov

PACE may Reduce Health Care Costs

- Compared with a comparable non-PACE population, Medicare costs are 16-38% lower and Medicaid costs are 5-15% lower.¹⁰
- One study found that PACE participants incurred somewhat higher costs than similar elderly receiving home and community-based care; however, PACE participant outcomes were better.⁶
- PACE can lower health care costs because participants have:⁵
 - Fewer hospital visits (1.2/enrollee/year) - about half of the average Medicare enrollee
 - Hospitalizations that are 1/3 shorter than those of other Medicare enrollees
 - Much less use of nursing homes and assisted living, even though all PACE participants are certified for nursing home care

PACE and the Future of Aging Services

Because it is so successful at maintaining frail elderly people in their homes, instead of in nursing homes, PACE may be a prototype for the future of long-term care in America. Many questions remain, however, about such issues as whom to target, how best to organize services, how to serve racial/ethnic minorities and rural elderly, and whether PACE can be extended to non-Medicaid populations. Thus, PACE programs should also serve as laboratories for innovation and exploration of the best methods of providing quality, cost-effective care for older persons today and in the future.

Literature cited

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