

House Health & Human Services Committee

Representative Dan Hawkins, Chairman

Testimony by Karren Weichert, CEO

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Mr. Chairman and Committee Members

My name is Karren Weichert, and I represent the Midland Care PACE Program. I am asking for your support of Senate Bill 142.

Currently serving 10 counties in eastern Kansas (Shawnee, Douglas, Jackson, Jefferson, Pottawattamie, Osage, Wabaunsee, Lyon, Marshall, Nemaha), our program was established in 2007 as the 37th PACE program in the United States and today there are over 100 programs throughout the country. Midland Care PACE has grown to today's census level serving 167 frail elderly and physically disabled.

Our mission at Midland Care is ***to provide innovative healthcare solutions to meet individual needs***. The PACE program through its supportive wrap round service continuum allows frail, nursing home eligible individuals to remain in their homes. PACE participants become partners with their interdisciplinary team in an agreed upon plan of care that meets their individual goals and helps support health, wellness and independence.

National Model of Care

Approved as a permanent part of the Medicare system in 1997, PACE is an innovative national model that enables individuals who are 55 and older to live independently in the community with supportive services as an alternative to institutional care. More and more individuals and caregivers are seeking alternatives to traditional nursing home environments. The desire to be in one's own home for as long as possible is a desire that most of us share. PACE is a

system that allows for that alternative as recognized by our Kansas legislature in 2001 when they approved the addition of PACE as an option in the Medicaid state plan. Through coordinated, interdisciplinary teams, comprised of physicians, nurse practitioners, nurses, social workers, dieticians, therapists, aides and van drivers the PACE program is responsible to provide everything that Medicare and/or Medicaid would traditionally cover.

For individuals enrolled in the PACE program, care increases as care needs increase. The PACE team will coordinate the participant's care and follow them through acute care, rehab services and if needed, long-term care while also being financially responsible. PACE brings today's fragmented healthcare financing and delivery systems together to serve the unique needs of each individual in a way that makes sense to seniors with chronic care needs, their caregivers, healthcare providers and policy makers. The PACE program receives a capitated Medicaid/Medicare payment to manage the costs of healthcare services and is at full risk for all healthcare services a senior may need.

At the heart of the PACE delivery model is a required PACE Center. At the Center, participants see the primary care physician, receive physical and/or occupational therapy, visit with a counselor or social worker, participate in activities of socialization, receive personal care services like showers and assistance with personal grooming, and have a balanced meal. The cost to establish a center is between \$3 and \$10 million. It is a significant capital investment on the part of the provider for a program of care in which they assume all the financial risk for the delivery of care. This model requires a strong financial base to develop and sustain, and has historically been provided by not-for-profit organizations committed to improving the health and well-being of frail seniors balanced with sound fiscal management of available resources.

As a Medicare/Medicaid program, PACE sites are highly regulated. Every site prior to opening must have a site readiness review. This is conducted by the state in order to assure both the State and CMS that the site has adequate space and elements to meet regulations, that policies and procedures are in place, that

contracts are in place for a full network of providers accessible to the participants, and that hired staff are competent to deliver care.

After opening and for the next three years of operation, PACE sites are surveyed by a team consisting of surveyors from the Kansas Department of Aging and Disability Services, Kansas Department of Health and Environment and from the CMS Regional Office in Kansas City. These surveys are conducted annually and consist of a series of regulatory elements that auditors examine for compliance.

Clinical PACE elements surveyed include,

- participant health and safety,
- properly defined and utilized spaces including the clinic, rehabilitation area, and day center to assure compliance with Life Safety Codes,
- review of medical charts,
- onsite visits in all areas of the Center and participants homes,
- assessment of transportation services,
- clinical training competency of staff, and
- review of personnel files.

They also review participant grievances, service appeals and marketing practices.

Operational elements include,

- marketing practices,
- participant enrollment,
- privacy and confidentiality,
- compliance plans, and
- claims and payment especially related to Part D management and fraud waste and abuse.

Under current state statutes, PACE programs in Kansas are required to be licensed as adult day programs. That means every Center established has to be licensed and meet all adult day regulations, as well as, PACE regulations. This licensure brings with it another set of policies and documentation requirements that add to the administrative burden of an already highly regulated program.

The Midland Care PACE program which has operated since 2007 has over the past seven years averaged 85 participants. During those seven years we have had 20 surveys - all of them involving the state administering agency and six involving Centers for Medicare/Medicaid. These were regularly scheduled and required surveys under current statutes. We are currently at a census of 164 and will receive three surveys this year – three involving state personnel and one involving state and CMS personnel.

Besides the administrative burden of excessive surveys as a licensed adult day program, there is the requirement that landlords who lease to PACE programs be co-holders of licenses extending liability for ADC operations to them. My colleague will be addressing this further, but suffice it to say as we look to expand the PACE option into rural areas or even additional urban sites, this requirement is a hindrance to growth and puts both the PACE program participants and at some level even the state at risk.

Thank you for your consideration of Senate Bill 142. If approved, this change will reduce administrative burden for the PACE programs as well as the state in terms of additional required surveys.

If there are any questions today or in the future you need addressed as you consider your support, I can be reached at 785-430-2314 or kweichert@midlandcc.org.