



Date: January 19, 2012

To: The Honorable Vicki Schmidt, Chair
Public Health and Welfare Committee
Members, Public Health and Welfare Committee

From: Justin Loewen, CEO
Via Christi HOPE, Inc.

Re: Via Christi HOPE and PACE

I appreciate the opportunity to tell you about Via Christi HOPE why we take our role as advocates so seriously. Via Christi HOPE was the first PACE (Program of All-Inclusive Care for the Elderly) program in Kansas. Since opening the program in the fall of 2002, the Wichita PACE program has served over 550 adults in Sedgwick County and currently has an enrollment of 212.

Via Christi HOPE is a program that is attractive to seniors and has great potential for savings to the Kansas Medicaid program at a time when caseloads are increasing and our population is aging. The PACE philosophy is to keep older adults at home with supportive medical care, homemaker and nursing services and coordinated physician interventions for as long as it is medically safe. PACE is an *alternative* to traditional long-term care placement and operates as a capitated, managed care model for preventive, acute and long-term care services.

Via Christi HOPE is a fully capitated program receiving a single monthly payment from Medicare, Medicaid and in some cases, private pay (for those enrollees not eligible for Medicaid). PACE assumes all costs included in the program. This combination of funding sources creates a funding pool for these services:

- ✓ Primary Care
- ✓ Physician Services
- ✓ Pharmacy
- ✓ Laboratory & X-Ray
- ✓ Long-Term Care – Nursing Facility or Assisted Living
- ✓ Acute Care – Inpatient & Outpatient
- ✓ Durable Medical Equipment
- ✓ Transportation

In addition, we provide over 4,000 hours of home care services each month to promote independence and safety as individuals remain in their home. Under the capitated payment methodology, the state incurs no additional costs as the needs of our participants increase. Moreover, Medicaid costs are between 5% and 25% lower in relation to a comparable non-PACE population. Further, Medicaid saves approximately \$1,000 per month for every enrollee that would otherwise be cared for in a nursing facility.

While PACE is a managed care program, our payment methodology aligns the incentives of the enrollee and the program. Via Christi HOPE assumes full financial risk for participants' care without limits on the amount, duration, or scope of services. Our organization is at risk for and accountable for the quality

and quantity of all services provided. This is to say, our success as a program is dependent on our ability to anticipate, identify and meet the unique needs of our enrollees while promoting safety and independence in their home.

A report compiled by the Program on Aging, Disability, and Long-Term Care, Cecil G. Sheps Center for Health Services Research at the University of North Carolina at Chapel Hill concluded that PACE improves outcomes for older adults:

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

PACE is an innovative, community-based model of care that supports the State's KanCare initiative by providing a long-term solution to Medicaid funding challenges for those ages 55 and older. As KanCare is implemented, we believe a state-wide PACE option will provide proven, quality services to high risk Medicaid and Dual Eligible seniors across the state. I urge you to support open access to PACE within the KanCare initiative as an option for seniors to receive improved care and outcomes while continuing to provide saving to the state.

Thank you for allowing me to submit written testimony. You can contact me with any questions you may have concerning PACE and PACE growth.

Justin Loewen, CEO

Justin.loewen@viachristi.org

316-946-5264