Lawmakers Push CMS to Modernize Program for Frail Seniors

By Rachel Roubein

Sept. 4, 2018 – Republicans and Democrats in Congress are pressing CMS to finalize an Obama-era proposal they say could keep more seniors out of nursing homes when their health worsens. At issue is the Program of All-Inclusive Care for the Elderly (PACE). The effort to coordinate care for frail seniors has won bipartisan praise in the face of projections showing that by 2030 one in five U.S. residents will have hit retirement age.

But proponents say PACE can't be expanded to bigger populations because its rules haven't been revised since 2006. "We've found that there are more efficient ways to do the PACE program that allow us to grow faster, provide better care, and do things more efficiently," said Robert Greenwood, senior vice president of Public Affairs at the National PACE Association (NPA).

A total of 255 PACE centers in 31 states provide social and medical services to seniors, according to NPA. More than 45,000 seniors are enrolled in the program, which Anne Montgomery, a deputy director at the consultancy Altarum, called "one of the leading models of medical and long-term care for an elderly population that needs both."

The Obama administration proposed a set of changes in August 2016 that would let program administrators customize an enrollee's care team, provide more services in community settings outside of PACE centers, and make it easier for community providers to participate. The proposal has sat parked at CMS ever since. Bipartisan bills introduced in the House (HR 6561) and Senate (S 3338) this summer would require the agency to finalize new rules by Dec. 31. The House Ways and Means Committee planned to mark up the House bill on Sept. 5.

"The PACE program is long overdue for an update, and this bipartisan, commonsense legislation will ensure improvements are made quickly so more seniors can live at home longer," said Rep. Jackie Walorski (R-IN), the lead sponsor of the House bill.

The program's roots can be traced to the early 1970s, when a public health dentist and a social worker founded one of the nation's first adult day care centers. Instead of living in a nursing home, seniors from a few neighborhoods in San Francisco went to the center during the day, ate hot meals, received medical and social support services, then went home at night. The center, called On Lok (Cantonese for "peaceful, happy home"), participated in a government-funded demonstration project in 1979. Other organizations began replicating the model, and in 1997
Congress established PACE for Medicare and Medicaid recipients. PACE organizations can apply for federal waivers to customize their programs.

The Obama-era proposal, if finalized, "would allow other flexibilities that currently are not available and keep PACE smaller than it needs to be and harder to implement then it should be," Montgomery said.

Lawmakers, including the chair and ranking members of House Energy and Commerce and Ways and Means, have prodded CMS to finalize the regulation.

In a December letter obtained by POLITICO, CMS administrator Seema Verma wrote to lawmakers that the PACE program is a "high priority" for the agency and that "CMS is working toward finalization of this rule, taking into account comments submitted by stakeholders in response to the proposed rule."

In a statement the agency declined to comment on its timeline and reiterated that it is reviewing public comments.

With just weeks left in session, it's unclear whether the bills imposing a deadline for action can catch a ride on must-pass legislation.

Findings from a 2015 ASPE report analyzing data in eight states showed that the PACE program delivers "strongly favorable results from the enrollees' perspective," such as leading to a longer life and less institutionalization. It wasn't shown to reduce Medicare costs though.

But experts question if the program can expand to support a rapidly aging population, even with the added flexibility.

"The main lingering question about PACE that has not really been answered is the extent to which it is scaleable because it is many very small programs that are each tailored by design to the people in that program," said Gretchen Jacobson, associate director of the Program on Medicare Policy at Kaiser Family Foundation.

Such concerns can be addressed, said Greenwood. "You're not going to be able to enroll 10,000 people in one day and provide adequate care that's going to keep them safe in the community. What we have to do is continue developing PACE centers and interdisciplinary teams."

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