

On August 2, the Programs for All-Inclusive Care for the Elderly (PACE) [final rule](#) went into effect as one of several Medicare programs for aging seniors that employs a bundled payment structure to improve outcomes.

The ruling is long-awaited as the PACE proposed rule was first issued by the Centers for Medicare & Medicaid Services (CMS) in August 2016 and the final rule recently published on June 3, 2019.

PACE is a cost-effective, “high-touch” approach to keeping older adults over the age of 55 with chronic conditions safely in their homes via Medicare or Medicaid funding while providing “seamless, customized care to meet individual patients’ needs,” as stated in the [CMS press release](#).

Currently, PACE organizations are the government or non-profit entities charged with delivering “comprehensive care and services via an Interdisciplinary Team (IDT),” as described by CMS. Qualifying seniors are assessed as needing a nursing home-level of care, as defined by their state of residence.

PACE organizations (which in some states are called Living Independence for the Elderly or LIFE Organizations) are government or non-profit entities that have contracts with community specialists and providers to deliver a comprehensive care plan through a smaller Interdisciplinary team (IDT). [Services covered by PACE](#) include transportation, social services, dentistry, nutritional counseling, occupational therapy and more. These services are the same as those covered by Medicare or Medicaid but can include those that are not covered but are recommended by your health care team.

Qualifying participant seniors are served by PACE programs in 31 states and PACE’s programs — 122 in total so far — operate much like adult day health centers.

The revisions outlined in the final rule mark the first major updates to PACE since 2006.

### **Key provisions of the final rule for participants and providers**

The revisions described in the final rule strengthen protections for participants from abuse and neglect. These updated protections require greater organizational accountability and transparency, while new language enforces standards around the hiring and vetting of care providers. PACE programs must also comply with Medicare Part D prescription drug program requirements under the new provisions.

### **What do these updates mean for PACE providers?**

Based on feedback received to the proposed rule, CMS provided an update in June to allow “certain non-physician primary care providers to provide some services in the place of primary care physicians.” PACE IDTs are responsible for providing coordinated care to enrollees, and this change signals greater efficiency for PACE organizations to meet community-based older adults’ unique and complex needs — and improve population health outcomes.

According to CMS, the update also translates into regulatory relief for PACE organizations, as it seeks to “remove redundancies and outdated information and codify existing practices.”

PACE has received support from multiple entities, including the National PACE Association. Robert Greenwood, vice president of public affairs at the National PACE Association, told Home Health Care News that the update to the program can potentially lead to a boost for in-home provider contractors.

“I do think this is an opportunity for [in-home providers contracting with PACE organizations] to increase,” Robert Greenwood, vice president of public affairs at the [National PACE Association](#), told [Home Health Care News](#). “As PACE programs grow faster and reach out into more communities, it will be unlikely that they’ll be able to just hire their own in-home staff to meet those needs. It will make more sense for them to contract in-home providers rather than develop this within their staffing structure.”

## **The impact on population health**

[From when we last checked in with the PACE programs](#), the PACE approach continues to be one of several Medicare programs for the elderly that is becoming more common under bundled payment long-term care initiatives.

According to Dr. Robert Palmer, director of the Geriatrics and Gerontology Center at Eastern Virginia Medical School, the new era of bundled payments, collaboration, and programs like PACE, “[reduce] cost, caregiver strain, delirium, [save] money and [improve] quality of care.” With more than 45,000 seniors currently enrolled in PACE (participation has increased by over 120 percent since 2011), this update to an informed, innovative approach is a population health outcome that’s worth investing in.

As an innovative care model that integrates and coordinates care across all settings for qualified seniors, PACE creates an opportunity for high quality outcomes, reduced hospital admissions and an increase in the patient experience. With value-based care as its pillar,

PACE will help hospitals and post-acute care providers a better chance to see where they can improve while also reducing costs overall thanks to these substantial changes made by CMS.