

PACE Workgroup Report

(FY2017 Appropriation Act - Public Act 268 of 2016)

April 1, 2017

Sec. 1874. (1) The department shall ensure, in counties where program of all-inclusive care for the elderly or PACE services are available, that the program of all-inclusive care for the elderly (PACE) is included as an option in all options counseling and enrollment brokering for aging services and managed care programs, including, but not limited to, Area Agencies on Aging, centers for independent living, and the MiChoice home and community-based waiver. Such options counseling must include approved marketing and discussion materials.

(2) The department shall establish a workgroup that consists of the independent waiver agents, the medical services administration, and PACE providers, to address PACE program issues as identified within the state contract with PACE providers. The workgroup shall, at a minimum, address the following concerns:

- (a) Timely eligibility processing.
- (b) Barriers to new enrollment.
- (c) Future expansion criteria.

(3) The department shall report by April 1 of the current fiscal year to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the state budget office on the findings of the workgroup.



Michigan Department of
Health & Human Services

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Program of All Inclusive Care for the Elderly Workgroup Report

The workgroup, as described in Section 1874(2), has been established and continues to meet on a regular basis. The progress made by the workgroup is highlighted below.

The matter of including Program of All Inclusive Care for the Elderly (PACE) in options counseling provided to people seeking long term care services has been addressed, but not totally resolved by the workgroup. The goal is to ensure that people are informed about PACE as an option and to make sure that the Program is presented accurately. One proposed approach is to engage with the Michigan Medicare and Medicaid Assistance Program (MMAP) to promote PACE. MMAP, Inc. works through Area Agencies on Aging (AAAs) to provide health benefit information and counseling to older adults and individuals with disabilities so that they can make informed health benefit decisions. It has also been recommended that Integrated Care Organizations (ICOs) include PACE as an option when discussing services options with potential enrollees. ICOs are the management entities responsible for providing coverage for people enrolled in Michigan's Integrated Care Demonstration Program for people who are dually eligible for Medicare and Medicaid. It was noted that while ICOs cannot refer someone directly to PACE, this can be accomplished through the MMAP described above. One final recommendation to date is that PACE organizations work directly with AAAs to help promote PACE. Additional discussion is likely to occur regarding this matter in future meetings of the PACE workgroup.

The following specific issues have been and are being addressed in accordance with the subsection (2):

- a) **Timely eligibility processing:** PACE representatives are requesting that enrollment be allowed beyond the 24th day of each month, a date which was established to allow sufficient time for state staff to process enrollments. The state has agreed to allow enrollments up to three business days before the end of the month on an exception basis in order to accommodate situations such as when someone faces imminent admission to a nursing facility. PACE organizations in turn have agreed to spread enrollments over the course of the entire month rather than submitting groups of new enrollments for processing at the end of the month. The state has agreed to implement this new process effective in April of 2017, though the workgroup needs to work on a clear definition on "exception" for late enrollees. The state has noted that implementation of systems changes in January of 2018 will impact the enrollment process that will potentially improve how enrollments into PACE are handled, but may require changes to the process that has been agreed to. Finally, PACE representatives also are asking for "mid-month" enrollment, which means enrolling someone at any time during the month. Because PACE is a capitated program, the state is not supporting this recommendation and will continue to limit enrollment to the beginning of the month. Some states do allow mid-month enrollment, but the process is extremely burdensome to manage.
- b) **Barriers to new enrollment:** This item relates to allowing PACE organizations to exceed the monthly cap of ten new enrollments during any given month and how much the state would allow individual PACE programs to expand throughout the course of the budget year. Budget staff have been participating in these meetings, and the workgroup has been working through ideas about how to allow additional flexibility without compromising budgetary constraints. The

group has agreed that the end goals are both to live within the aggregate budget for the program and to comply with state and federal program requirements such as adequate facilities and staff to accommodate more enrollees while allowing more flexibility regarding growth within individual PACE agencies during the year. Protocols and procedures will need to be worked out to accommodate any agreed upon change.

- c) ***Future expansion criteria:*** PACE representatives are looking towards filling gaps in areas where the program is currently not available but where there are sufficient potentially covered lives to support viable expansion. They are proposing to the workgroup that the state consider issuing a Request for Proposal to accomplish this. The issue of a budget process that does not align well with PACE development should be addressed. Organizations need to make program investments in advance of the budget year without any official guarantee that funds will be appropriated. Another point of concern is whether the state should allow more than one PACE organization to operate in any given region (competition). These matters warrant future discussion by the workgroup.