

Good morning my name is Kenneth Becker and I'm Vice President for Advocacy, Government Relations, and Development for Catholic Health East (CHE), the parent organization of Mercy Community Health.

I would like to thank you for the opportunity to testify before the Committee on Aging in support of SB-882. I will also be submitting written testimony which will include additional background on the Program of All-Inclusive Care for the Elderly (PACE).

CHE, headquartered in Newtown Square, Pa., owns and operates 11 PACE programs in six states, serving more than 1,400 individuals. Currently the largest operator of PACE programs in the United States, CHE hopes to expand to operate 16 PACE centers in eight states within the next few years.

Since well before the Affordable Care Act (ACA) was legislated, CHE has been enthusiastic about PACE because it serves the poor — one of CHE's core values — through a cohesive program that is financially sustainable. PACE is one of the many ways CHE serves the communities in which its facilities are located.

In 1996, Eddy SeniorCare, Albany, N.Y., (now part of St. Peter's Health Partners) opened one of the first PACE programs in the nation. Mercy Health System of Southeastern Pennsylvania opened its first PACE program, known as Mercy LIFE (Living Independently For Elders), in 1998; this program expanded to three locations over the ensuing years. Currently, they serve approximately 450 participants at the three PACE centers. Both Eddy and Mercy initiated PACE when it was in a demonstration program status. Shortly thereafter, PACE became a federal program funded by Medicare and available across the country.

It wasn't until 2009 that three additional PACE programs were opened by CHE affiliates in New York and New Jersey: Catholic Health System, Buffalo, N.Y.; Lourdes Health System, Camden, N.J.; and St. Francis Medical Center, Trenton, N.J. The New Jersey-based programs reached capacity within two years, and are both engaged in identifying other locations for expansion. Since 2010, four additional PACE programs opened at CHE facilities in North Carolina, Alabama, Delaware and Pennsylvania. Four additional programs are anticipated to open over the next 18 months.

As you are all aware, integrated care, care transitions, care coordination, prevention of hospital readmissions, rebalancing Medicaid long term care spending — are some of the critical goals that have emerged in recent debates at the state and federal levels as a way to control healthcare spending and improve clinical outcomes. All populations can certainly benefit from system improvements focused on these concepts, the dual eligible population --- those who receive both Medicare and Medicaid — generally use a disproportionate amount of health care resources compared to the non-dual eligible Medicaid population and are more susceptible to fragmented care delivery which leads to excessive costs and unintended problematic outcomes. In fact, CMS created the Medicare-Medicaid Coordination Office precisely because this is the case, and is encouraging states to implement strategies to address this, including development of PACE as a proven model of integrated care for the most fragile.

PACE is an innovative, fully-integrated provider of care for the frailest and most costly members of our society, allowing program participants to stay in their homes and communities, and out of nursing homes. Led by a comprehensive interdisciplinary care team, PACE bundles Medicare and Medicaid payments to provide the full range of health care services a person needs for a fixed rate. Often called the gold standard for older adults care, PACE's focus on prevention and wellness has resulted in health improvements and cost savings. The fact is that PACE is fully accountable to patients, families and the Government for the cost and quality of care. The results are better health outcomes with increased value and savings.

CHE believes that the PACE model is inherently what each state is trying to attain. It is a full-risk model that allows common sense to marry with clinical expertise to provide care for those who are the frailest and poorest among us. PACE accepts 100% responsibility for the cost and quality of care across all providers and settings. Focusing on preserving wellness and promoting quality, PACE participants experience lower rates of hospital utilization and nursing home dependence. Unlike some managed care plans, PACE organizations cannot shift the responsibility for providing care or incurring cost to other providers or payers, and is prohibited from responding to payment reductions by altering program benefits or imposing premiums, deductibles or co-pays.

CHE believes that PACE growth and expansion throughout the country has the real potential to both address cost concerns and improve patient outcomes for the frailest elderly. I am pleased to recommend support for SB-882 which would add the PACE program to Connecticut's Medicaid State Plan.