

Testimony of William Fiocchetta
SB 882 AAC Adding the PACE Program to the Medicaid State Plan
February 26, 2013
Aging Committee
Connecticut General Assembly

Good morning, Senator Ayala, Representative Serra and distinguished members of the Aging Committee. My name is William Fiocchetta, President and Chief Executive Officer of Mercy Community Health, Inc. of West Hartford, CT. Mercy Community Health is a not for-profit provider of a continuum of health care and retirement services for the elderly. Founded by the Sisters of Mercy in 1885 and located on the corner of Albany Avenue and Steele Road, our campus is home to Saint Mary Home, a 256-bed skilled nursing facility offering short-term post-acute care, long term skilled nursing care, an Adult Day Center and a 97-apartment residential care facility, and The McAuley, offering 228 apartments for independent and assisted living. All tolled, we provide care and services to approximately 650 individuals and their families each and every day.

I speak before you today because of our support for the development of community-based alternatives to high cost institutional care, particularly the alternative which is embodied in Senate Bill 882 – that being, PACE, a Program for All-Inclusive Care for the Elderly.

In its simplest description, a PACE is a community-centered provider of comprehensive and coordinated health care and long term support for persons who are certified to need nursing home care and who would be able to remain at home with appropriate community supports; participants are typically seniors with chronic conditions or in need of assistance with activities of daily living. The vast majority of participants are eligible for both Medicare and Medicaid. The provider coordinates and integrates an inter-disciplinary team of health care professionals and services and is 100% accountable for outcomes and for all expenses incurred, including the cost of hospitalizations and nursing home stays. Services emanate from a PACE Center where participants may come one, two, three times a week or more, to be seen by physicians, dentists, podiatrists, nurses, social workers, dietitians, therapists and, very importantly, to socialize with others. Transportation is provided to and from the Center as well as to any other appointments the individual requires. Home care services are also a critical element within the array of PACE services.

First established on the west coast in 1983, PACE attained permanent Medicare status and was authorized as a Medicaid state option in 1997. That same year, Connecticut passed Public Act 97-2 establishing the basis for a pilot PACE program. For reasons unclear, no pilot, nor any development of PACE, ever took place in this state. Today, there are over 90 PACE programs in over 30 states.

As you hear and learn more about PACE, you will see that the time is right for Connecticut to finally see PACE develop within our communities – for at least three reasons: 1. The triple aim of health care reform embodied in the Affordable Care Act (better individual quality outcomes, improved population health and lower health care cost) is an apt summary of the PACE model; 2. The current budgetary challenges of ever-increasing Medicaid expenditures; 3. The state's clear commitment to re-balance the

mix of community-based vs. institutional care options as contained in the Long Term Care Plan 2013 – three compelling reasons for us to find alternatives to the status quo and to do so thoughtfully, but quickly.

More specific to Mercy Community Health's motivation to develop PACE, our mission and our core values compel us to provide person-centered care in the right place and at the right time – in today's evolving culture and stressed economy, right place and right time, more often than not, means at-home with family and friends and before chronic conditions severely limit an individual's ability to make choices and to remain connected to that which matters most in life. We also have the human resource of compassionate and skilled health care professionals who can transfer their talents to the community-based setting in pursuit of these holistic goals. And, given the opportunity, we intend to commit the technical and capital investment to be a successful PACE provider. The capital investment of \$3-5 million for site acquisition and working capital would come from our own sources and would not be sought from state funds. With a development timeline for PACE being approximately 18-24 months – a first PACE program in Connecticut could be operational in 2015.

Mercy Community Health is part of a large not-for-profit health care system, Catholic Health East (CHE) – a system of acute care hospitals, continuing care communities, home health agencies and PACE centers throughout the Northeast, the Mid-Atlantic and the South. Today, CHE is one of the largest providers of PACE in the country – 11 in operation and 5 more in development. Among these PACE programs, two were the first in their respective states – Alabama and Delaware. We hope to add Connecticut to this list.

Thank you for taking the time and interest to consider this bill and I urge your support for its adoption as basis for an important and needed option for seniors here in Connecticut.

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