PACE PROGRAM DEVELOPMENT CONSIDERATIONS:

Organizational and Market Self-Assessment for CHCs Considering PACE Sponsorship

PACE @CHCs

Program of All-Inclusive Care
for the Elderly at Community Health Centers

Introduction

PACE organizations thrive in markets with high demand for their services. This is largely a function of the total size of the population that the organization would serve, the availability of service alternatives and the desirability of those services. With sufficient demand, PACE programs that are well integrated into the community are in the best position to achieve high levels of enrollment.

The program's ability to successfully serve the population it enrolls will depend on its structure, the governance established for it, the financial capacity and scale of the sponsor organization and the team of key staff that will lead its development.

The toolkit contains the following sections and relevant key areas to assess:

- **Demand for Services**
- **Organizational Structure and Capacity**
- **Organizational Commitment**

These factors of success are presented in the attached self-assessment with specific questions a prospective CHC PACE organization should address in assessing its ability to initiate a PACE program. Strengths in some areas may compensate for weaknesses in one or more other areas. Consequently, as you complete the assessment, you will need to apply your own knowledge of the importance of these factors based on your specific situation.

At the end of this self-assessment there is space to rate your organization in each key area on a scale of one to five, with five being the most favorable. You can use the scores in each area to identify your organization's relative strengths and weaknesses. You also may wish to use your total score to assess your organization's overall readiness to initiate a PACE program.

Many organizations engage consultants with expertise in operating a PACE program and assessing the feasibility of a new program. These consultants can gather the needed information and assist in its interpretation. As part of the PACE@CHCs initiative, the Galway Group and Capital Link offer unique health center-specific assistance with feasibility analysis for PACE.

Please contact: Allison Coleman, CEO, Capital Link at acoleman@caplink.org, 617-988-2298, or Jack Cradock, Principal, The Galway Group at jcradock@thegalwaygroup.net, 617-719-8900. You can also visit Capital Link's website at http://caplink.org/services/plan/program-of-all-inclusive-care-for-the-elderly.

Demand for Services

Key Area: Market Size

This section and the following section ask for information about capacity and utilization for your geographic area's complementary services. We understand that this level of detailed data may not be easily available; however, we have included this section for two reasons: 1) because it is important to understand the other community options available for those who may be eligible and considering enrollment into a PACE program and 2) there may be both need and opportunity for contracting with complementary programs when you are considering PACE program development.

NPA Provider, Prospective Provider and Exploring PACE members can receive one demographic analysis for their service area from NPA at no cost. Contact NPA (www.npaonline.org/about-npa/membership-npa) to request a report or to obtain information on NPA membership. To learn more about NPA membership please see http://www.npaonline.org/about-npa/membership/exploring-pace-membership.

1.What is the market/service area the new PACE program will serve (defined by zip code or census tract)?

_____

2. For this area, what is the size of the population age 65+?[1]_____

3. For this area, what is the size of the population age 75+? _____

4. For this area, what is the number of people with a disability who are age 65+? _____

5. For this area, what is the number of people with a disability who are age 75+? _____

6. What percent of people age 65+ have a disability (#4 / #2 from above): _____

7. What percent of people age 75+ have a disability (#5 / #3 from above): _____

8. In this area, what is the size of the population age 65+ that has an income below the Medicaid financial eligibility level?

_____

9. Combining these characteristics, what is the total number of people age 65+ with an income below the Medicaid financial eligibility level and with disability in this market/service area (#8 * #6 from above)?[2]

_____

10. To achieve an enrollment of 200, what percentage of the total estimated number of people age 65+ with an income below the Medicaid financial eligibility level and with disability would the PACE program need to serve? (200/ _____ total potential population, #9 from above) = _____ %

11. What is the program's planned/proposed capacity (i.e., how many participants does the program plan to serve)?

_____

12. To achieve this capacity, what percentage of the total potential population would the program need to serve? (#11 _____ above / #9_____ from above) = _____ %

1. Although the eligibility criterion for PACE is age 55 and above, a large majority (on average 85%) of PACE participants are age 65 and above. Focusing on the 65+ population generates more conservative estimates of the size of the eligible population within a given service area. If your organization serves a significant number of individuals who are age 55 and over and meet the state's eligibility criteria for nursing home level of care, take this into account in developing your market size estimates.

2. Usually, a new PACE program will want to serve a market that can generate a minimum of 200 PACE participants; experience suggests that PACE programs can grow to serve 10%-15% of the 65+, frail, low-income population.

Demand for Services

Key Area: Availability of Service Alternatives

1. Related Publicly Funded Programs: What related publicly funded programs (i.e., Medicaid or state-only funded) are available to serve your target population in your target area? Describe eligibility for these programs (clinical and financial) as well as any regulated limitations on the number of people they serve.

a. Medicaid funding for programs targeting the PACE-eligible population, i.e., individuals 55 and over, both dual eligible and Medicaid only, nursing home level of care, residing in the community, e.g., Medicaid managed long term services and supports (MLTSS) plans, and state plan and waiver programs for home and community-based services (e.g., adult day care, home care, personal care, case management, assisted living):

_____

_____

_____

b. Financial eligibility for Medicaid-funded, community-based care for beneficiaries with LTSS needs:

_____

_____

_____

c. Clinical eligibility for Medicaid-funded, community-based care for beneficiaries with LTSS needs:

_____

_____

_____

d. Regulatory limitations on the size/growth of Medicaid-funded, community-based care for beneficiaries with LTSS needs:

_____

_____

_____

2. Medicaid Managed LTSS Plans: If applicable, describe the Medicaid MLTSS plans that serve your market.

_____

_____

_____

Demand for Services

3. Community-Based Providers: Describe the community-based health providers that serve your market (day care, personal care, home care). What is their current capacity (both number of people they serve and range of services they provide), costs to the consumer, quality/reputation, demand/enrollment? How has their enrollment changed over time (e.g., rapid growth, slow decline, flat)?

Provider Type	Range of Services Provided	Capacity (# of people they can serve)	Costs/Service Unit	Quality/ Reputation	Enrollment (current and trend)
Adult Day Care					
Personal Care Assistant (PCA)					
Home Care (both Home Health and Agency Personal Care)					
Assisted Living					
Other (e.g. Adult Foster Care, etc.)					

4. Nursing Facilities: Describe the nursing facilities that serve your market. What is their current capacity (both number of people they serve and range of services they provide), costs to the consumer, quality/reputation, demand/enrollment? How has their enrollment changed over time (e.g., rapid growth, slow decline, flat)?

Provider Type	Range of Services Provided	Capacity (# of people they can serve)	Costs/Service Unit	Quality/ Reputation	Enrollment (current and trend)
Nursing Facilities					

Organizational Structure and Capacity

Key Area: Leadership and Key Staff

In large organizations, PACE programs succeed when placed in strong relationships with key administrative staff within the organization. Having direct links to key decision makers within the organization strengthens the program's ability to respond quickly to issues that occur during start-up phases of program development.

1. Within the CHC, whether alone or in partnership with another organization, who will sustain the overall development of the program? _____

2. Is there a current clinical leader (i.e., either nurse (NP or RN) or physician) who can provide leadership support for the program? If not, does the organization have the capacity to bring such a resource into the organization? _____

3. If a PACE program is developed, who would serve on the leadership team and where will the team be reporting within your organizational structure? _____

Key Area: Experience and Infrastructure

To administer a PACE program, certain key infrastructure components are necessary, including the ability to process bills, access to timely information on service utilization and clinical information, and a formal quality assurance and performance improvement program.

1. In which of the following does the organization have experience either directly or in partnership?
   - ☐ Hospital/Institutional rounding and 24/7 on call coverage for its patients
   - ☐ Direct provision of institutional/nursing home long term care
   - ☐ Transportation
   - ☐ Providing community-based care, such as homemaker, nurse aide, personal care, home health care, etc. (specify: _____)
   - ☐ Senior housing
   - ☐ Serving dual-eligible (Medicaid/Medicare), frail populations
   - ☐ Use of interdisciplinary teams
   - ☐ Managing risk, such as participation in managed care plans where the CHC is at financial risk for an enrolled population, etc. (specify:_____)
   - ☐ Developing contracted service networks, such as contracting for hospital, nursing home, home health and personal care services

2. Does your organization have an EMR, IT and/or accounting system that supports billing and service utilization reporting? Yes____ No____ Describe:_____

3. Does your organization have experience with having a formal quality assurance and improvement plan? Yes____ No____ Describe:_____

   Has your organization worked with state Medicaid in fulfilling formal quality initiatives? Yes ____ No ____ Describe:_____

   Has your organization worked with CMS in fulfilling formal quality initiatives? Yes ____ No ____ Describe:_____

4. Does your organization provide pharmacy services? Yes____ No____ Describe:_____

   Does your organization participate in the 340b program? Yes____ No____ Describe:_____

   Does your organization have experience delivering Medicare Part D services and/or participating in the Medicare Part D program? Yes ____ No ____ Describe:_____

5. Does your organization have the ability to process and pay claims? Yes____ No____ Describe:_____

Organizational Structure and Capacity

Key Area: Relationship to the Community

1. Does the organization have a history of serving the target population (55+, frail, elderly, primarily dual-eligible) resulting in good will toward its services (describe)?

_____

_____

_____

_____

2. Describe the relationship your organization has with proposed internal and external referral sources (e.g., Area Agency on Aging, service providers, case management services) to the sponsoring organization for PACE, community-based providers and institutional providers. How will these relationships impact enrollment in PACE?

Referral Source	Relationship to PACE Sponsor	Relationship to Existing Community-Based Providers	Relationship to Existing Institutional Providers	Expected Impact on PACE Enrollment

Linking subcontracted providers with the PACE service delivery system is a critical part of building a level of acceptance for the program. If existing community providers share in providing services, participate on advisory boards or committees and establish a financial relationship with the program, they create a groundswell of community acceptance for the program.

3. Describe what relationships the PACE program will form with the health-related organizations in the community to be served (e.g., contracting for services, development of referral networks, partnerships, other affiliations).

_____

Key Area: Partnership with State

1. What is the history of your organization's relationship with your state's publicly financed health programs (describe)?

_____

2. What is your organization's historical relationship with licensing and certification programs (describe)?

_____

3. What is your state's commitment to home and community-based services generally and PACE specifically (include related legislation, policy statements, budgets)?

_____

4. What is the potential for state funds to be allocated to PACE (consider state budgets, other related (documents)?

_____

5. Is PACE included as part of the state plan?

_____

Organizational Commitment

Key Area: Strategic Fit

1. Has the organization defined how PACE fits into its strategic long range planning?

Yes___ No____ Summarize strategic plan's relevance to PACE: _____

_____

2. Does PACE serve a target population (i.e., 55+, frail, primarily dual-eligible) that currently is being served or will it identify and create a new market segment for the organization?

Current population____New population ____

3. Is the organization committed to providing a full range of integrated services or is the organization's focus on specializing in a particular health service/setting?

_____

Key Area: Priorities and Mission

1. Why is your CHC interested in sponsoring a PACE program?

_____

_____

2. What are the organization's competing priorities, what plans are in place to integrate PACE within those priorities and what are the criteria for evaluating competing demands?

_____

_____

3. Can a level of autonomy in both developing services and subcontracting for services be defined for the PACE program (describe)?[3]

_____

_____

4. How can community representation in the governance of the program be established? How will this function interface with the CHC community board?[4]

_____

_____

3. Programs must be given the authority to negotiate contracts and services at the best price and the best quality, even if it means going outside of the organizational sponsor's service delivery system to achieve this.

4. It is essential that the program's operation be visible and accountable to members of the local community and subject to continuing public scrutiny.

Organizational Commitment

Key Area: Operational Scale, Financial Capacity, Resources and Timelines

1. Provide the following data for the three previous fiscal years and the current year:

	FY_____	FY_____	FY_____	YTD (X Months)
# Total Patients				
# Patients 65+				
# Sites				
Total Assets				
Total Liabilities				
Total Revenues				
Operating Margin[5]				
Days Cash on Hand[6]				
Leverage Ratio[7]				

2. Has the organization devoted resources sufficient to effectively develop a plan for the implementation of a PACE program?

_____

3. Have you identified a site for the PACE center? If so:
   a. What is the address:_____
   b. Do you have site control?_____
   c. Estimated project budget, if known: _____

4. What sources of capital are available (for both working capital and for the PACE center)? How will these be accessed?

_____

_____

5. What timeframe is expected and/or possible (create a broad timeline)?

_____

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5. Operating Margin = (Total Operating Revenues – Total Operating Expenses) / Total Operating Revenues
6. Days Cash on Hand = (Cash + Investments) / ((Total Operating Expenses – Depreciation) / 360). For YTD calculation replace 360 with (# of months completed * 30)
7. Leverage Ratio = Total Liabilities / Total Net Assets

Self-Rating

Rate your organization's strength with regard to each of the key areas on a scale of one to five, with five being the most favorable.

						Your Rating:
Key Area: Market Size	1	2	3	4	5	
Key Area: Availability of Service Alternatives	1	2	3	4	5	
Key Area: Leadership and Key Staff	1	2	3	4	5	
Key Area: Experience and Infrastructure	1	2	3	4	5	
Key Area: Relationship to the Community	1	2	3	4	5	
Key Area: Partnership with State	1	2	3	4	5	
Key Area: Strategic Fit	1	2	3	4	5	
Key Area: Priorities and Mission	1	2	3	4	5	
Key Area: Operational Scale, Financial Capacity, Resources and Timeline	1	2	3	4	5	

Total Score (maximum of 45 possible): _____

Highest Scoring Key Area(s):

1._____

2._____

3._____

Lowest Scoring Key Area(s):

1._____

2._____

3._____

Next Steps

1. Discuss the results of the self-assessment with your internal PACE development team.

2. To the extent you require assistance with and/or feedback on the domains discussed above, or if you wish to proceed to develop PACE at your health center, please contact acoleman@caplink.org or jcradock@thegalwaygroup.net to discuss your PACE development needs.

PACE@CHCs is a unique collaborative program offering trainings, resources, and assistance to help health centers develop a better understanding of the PACE model. The FQHC tradition of understanding the communities they serve, innovating service delivery, and collaborating with community partners provides a strong foundation for adding PACE programs to serve the growing 55+ population.