



STRATEGY 18

Increase Access to the Program of All-Inclusive Care for the Elderly (PACE)

- a. NC Medicaid should help to increase access to the Program for All-Inclusive Care for the Elderly (PACE) through improved eligibility and enrollment processes.
- b. The General Assembly should help to increase access to the PACE by fulfilling the recommendation of the Governor’s Advisory Council on Aging to expand program availability throughout the state, including providing additional resources to the Division of Health Benefits for program administration.

Recommendation of the Governor’s Advisory Council on Aging

Continue the phased expansion of the PACE (Program of All-Inclusive Care for the Elderly) managed care model statewide and provide additional resources to support the administration of the PACE program by the North Carolina Division of Health Benefits.

Desired Result – Expand access to PACE for older adults in need of services throughout the state.

Why does the task force recommend this strategy? – The PACE model has shown that PACE participants reported better self-rated health status, fewer unmet needs, and lower likelihood of depression. Many areas of North Carolina are not currently served by a PACE provider, making it impossible for many eligible older adults to receive services. This is particularly true in rural areas of the state.

enrollees’ income. In North Carolina, 90% of PACE participants are dually eligible for Medicare and Medicaid and 9% are eligible for Medicaid only.¹¹

Currently, PACE is provided to Medicaid beneficiaries if that state chooses to provide PACE as a Medicaid benefit. Older adults who do not qualify for Medicaid must pay a monthly premium; however, there are no deductibles for prescription drugs, services, or approved care.

Federal and State Initiatives to Expand PACE

The PACE Expanded Act was introduced to Congress in 2022 to recommend ways to expand existing PACE programs and to allow for the establishment of new ones.¹⁴ One recommendation would enable PACE enrollment at any time; right now, PACE programs can only enroll beneficiaries on the first of the month. Opening enrollment all month long would shorten the waiting time before enrollment. The Act also recommends streamlining applications and approvals;

CMS only accepts applications once a quarter for new PACE programs and for existing programs looking to expand into a new service area.

In North Carolina, NC Medicaid (Division of Health Benefits) helps to provide access to physical and behavioral health care and services. NC Medicaid must also approve the service area defined for each PACE organization. Since PACE organizations are the sole providers of these these Medicare and Medicaid-related services, there is a decrease in administrative burden for PACE clinicians and participants; however, application, administrative, regulatory, and start-up funding issues create the burdens and affect the viability of PACE programs.¹⁵ Delays are also caused by the fact that PACE programs must be fully operational,

including a care team, while waiting for state and CMS approval, which can take up to a year. The PACE Expanded Act recommends reducing the approval time to expedite this process.

How would this impact the health of older adults?



PACE programs require a focus on falls prevention, which can help to reduce preventable injuries.



Transportation assistance to and from medical appointments is provided through PACE programs.



Nutritional counseling and healthy meal delivery are resources provided by PACE programs.



PACE programs have adult day health care programs, allowing for social interactions to prevent isolation and loneliness.

FIGURE 6. PACE Organizations in NC Service Areas



Source: NC PACE Association. <https://www.ncpace.org/PACE-Programs-in-NC>

Context – PACE is an innovative, community-based managed care program for older adults with complex medical needs. People eligible for PACE must be:

- Aged 55 or over
- Certified to need nursing home care
- Living in a PACE service area
- Able to live safely in the community with PACE support at the time of enrollment.¹¹

The program provides a range of integrated preventive, acute, and long-term-care services to assist older adults with aging in place. There are currently 11 PACE organizations operating in 12 different areas around North Carolina with a total of 2,100 individuals served.¹² PACE centers provide services including transportation, meals served at home, dentistry, primary care, and behavioral health.¹³ PACE provides team-managed care through a continuous process of assessment, treatment planning, and service provision. Payment is capitated, with Medicare or Medicaid contributing a fixed, monthly capitation payment depending on the