PACE Program Development Considerations for Area Agencies on Aging: Organizational and Market Self-Assessment for PACE

This assessment tool is designed to help guide your AAA through the process of determining if becoming a PACE site is right for your organization. As a springboard for conversation across all levels of organizations readying themselves for this type of commitment, your organization will benefit most by completing this assessment as a leadership team, rather than just by one person alone.

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 AAA 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.

These factors of success are presented in this self-assessment with specific questions a prospective AAA PACE site should address in assessing its ability to initiate a PACE program.

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.

Key Area: Priorities and Mission
In this section you will explore how sponsoring a PACE program connects with your mission and strategic priorities as a AAA. It is important to note for this section that PACE programs must be given the authority to negotiate contracts and services at the best price and quality, even if it means going outside of the organizational sponsor's service delivery system to achieve this. It is also essential that the program's operation be visible and accountable to members of the local community.

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

2. What are your organization's competing priorities? What plans do you have to integrate PACE within those priorities?

3. Would your agency have autonomy in both developing services AND subcontracting for services for the PACE program?

   a. Autonomy in developing services: Yes or No
   b. Autonomy in subcontracting for services: Yes or No

4. How will community and consumer input be included in the governance of the program to be established? How will this function interface with your existing community advisory structures?

Key Area: Strategic Fit
In this section you will explore how sponsoring a PACE Program connects with your long-range strategy as a AAA.

1. Has your organization defined how PACE fits into its strategic long-range planning? Check one:
   - o yes
   - o no

If Yes, how?
If No, what would you need to modify so that PACE would be relevant?

2. Would your PACE program serve a target population (i.e., 55+, frail, primarily dual-eligible) that currently is being served by your AAA or will it identify and create a new market segment for the organization? Check one:
   - o Current population
   - o New population

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

Key Area: Operational Scale, Financial Capacity, Resources and Timelines
In this section you will explore the resources required to launch a PACE program. You'll need to consider current service levels and overall financial capacity. Additionally, you'll need to consider new expenses related to development of the PACE site.

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

	FY__	FY__	FY__	YTD (X months)
# Total Unduplicated Clients Served				
# Unduplicated Clients Served 65+				
# Sites				
Total Assets				
Total Liabilities				
Total Revenues				
Operating Margin[1]				
Days Cash on Hand[2]				
Leverage Ratio[3]				

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

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2. Does your organization have dedicated resources (cash and others) to effectively **develop a feasibility assessment and business plan** for the implementation of a PACE program?

5. Have you identified a site for your PACE center? If so:
   a. What is the address: _____
   b. Do you have site control? _____
   c. Have you determined an estimated project budget? If yes, what is the estimated amount: _____

6. What sources of capital are available for this effort? How will these be accessed?

7. What timeframe is expected and/or possible to:

   a. Complete Feasibility Assessment
   b. Develop Business Plan
   c. Complete your new PACE Program application
   d. Start operating your program (typically 1-2 years from completion of your Program application)

Organizational Structure and Capacity
Key Area: Leadership and Key Staff

In this section you will explore the potential leadership and staffing of the development of your PACE program. It is important to note, 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. Would your AAA run the PACE program on its own, or partner with another organization?

2. Within your AAA (or potential partner organization), is there a staff member who would be responsible for the overall development of the program?

3. Is there an existing clinical leader (i.e., either nurse (NP, PA or RN) or physician) who can provide leadership support for the program? Or will you hire for this position?

4. If your organization develops a PACE program, who would serve on the leadership team and where would the team report within your organizational structure?

Key Area: Experience and Infrastructure

In this section you will look at your current infrastructure. It is important to note that 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 your organization have experience?
   - Community-based care – indicate if your experience is as a direct provider of care and/or providing care through a contract:

Service Type	Experience Providing Directly	Experience Providing through a Contract
Adult Day Care		
Advanced Care Planning		
Care Transitions: Hospital (or other short-term stay facility) to home		
Depression Screening or other mental health services		
Chronic Care Management		
Family Caregiver Support/Respite Services		
Health Risk Assessments		
Home Health Services (requires a medical professional-RN, MD, licensed therapist, etc.)		
Home-Based Palliative Care		
Meals: Congregate		
Meals: Home Delivered		
Medication adherence/reconciliation		
Nutrition Services (other than meals)		
Personal Care (in-home non-medical support services)		
Service Coordination		
Telehealth (other than PERS)		
Transportation (non-emergent, medical-related)		
Transportation (non-medical)		
Other services you may want to provide under PACE:		

   - Serving dual-eligible (Medicaid/Medicare), frail populations
   - Use of interdisciplinary teams

- Managing risk, such as participation in managed care plans where your AAA 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 (specify)

2. Does your organization have the following:
    - Electronic Health Record/Electronic Medical Record system
    - Accounting system that supports billing
    - IT system with service utilization reporting

3. Does your organization have experience with having a formal quality assurance and improvement plan?
    - yes (include description)
    - no

4. Has your organization worked with state Medicaid or CMS in fulfilling formal quality initiatives, such as work with your state's QIN-QIO?
    - yes (describe)
    - No

5. Does your organization have the ability to process and pay claims?

Key Area: Relationship to the Community

In this section you will explore how your AAA is situated in the community. Think about your current reputation and all of your potential referral sources as well as potential subcontractors. 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 financial relationships with the program, they create a groundswell of community acceptance for the program, and can be important referral sources for your PACE program.

1. Describe the proposed service area's perception of your organization's history of serving the target population (55+, frail, elderly, primarily dual-eligible)? As a AAA you have a long history of serving this population - how is that viewed by the public, especially potential partners and consumers?

2. **Referral Sources:** Describe the relationship of the proposed internal and external referral sources (e.g., other services provided by your AAA, external 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 AAA or potential partner	Relationship to Existing Community-Based Providers	Relationship to Existing Institutional Providers	Expected Impact on PACE Enrollment
Ex. I&R	*AAA run program*	*Our I&R service makes referrals to community-based providers (i.e. adult day care)*	*Our I&R service makes referrals to LTC facilities, including SNFs and ALFs*	*Our I&R service may identify prospective PACE participants*

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

Key Area: Partnership with State
In this section you will explore your relationship with state entities. Things to think about here include: How is your relationship with the state unit on aging? Good relationship? Any delivery issues or red flags? What about with your state Medicaid unit or department of health? Do you have any history as a Medicaid provider/billing or other services?

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

2. Describe your organization's historical relationship with state licensing and/or certification programs (such as licensed adult day program or other similarly licensed service)?

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?

Key Area: Market Size/ Demand for Services

In this section you want to think about the geography you can logistically serve – here you don't want to think too small, but it must be an area you will be able to serve successfully. One rule of thumb is that you won't want to have to transport an older adult more than 45 minutes to the PACE site. However, there are exceptions to that rule at times, especially for rural sites.

Usually, a new PACE program will want to serve at least ~130 enrollees to break even and more optimally will want to serve a market that can generate a minimum of 200. Some rural programs may want to consider starting at 100-125.

Experience suggests that PACE programs can grow to serve 10%-15% of the 55+, frail, low-income population in its target area.

Note: **NPA is assisting AAAs interested in exploring PACE development and may be able to provide you with a demographic analysis for your service area. To request this analysis, please contact Tyler Coble, at tylerc@npaonline.org.**

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

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

3. In this area, what is the estimated size of the population with a disability age 55+ that has an income below the Medicaid financial eligibility level?

   _____

4. To achieve an enrollment of 130, 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? (130 /_____ total potential population, #9 from above) = _____%

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

6. To achieve this capacity, what percentage of the total potential population would the program need to serve? (_____ #5 above /_____ #3 from above) = _____%

Key Area: Availability of Service Alternatives

In this section you will perform an environmental scan of the services that exist in the current market in your area. What are the current service options for the potential service population? Is there need in this market for a PACE program? Which organizations might be potential referral sources for your PACE program?

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.

Use this chart to list out 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):

Program	Clinical Eligibility	Financial Eligibility	Regulatory Limitations on size/growth

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

_____

_____

_____

When looking at other providers in the community you'll want to consider both competition and potential referral sources. You will go into more detail in your feasibility plan, however at this stage you do want to explore some of the biggest or most prominent providers in your proposed service area. We suggest exploring at least three entities under each category. While you may not have easy access to all of the data points listed below, do the best that you can to see what you can find at this time.

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 of Provider	Enrollment (current and trend)
Adult Day Care					
Personal Care Assistance (PCA)					
Home Care (both Home Health and Agency Personal Care)					

Assisted Living					
Other (e.g. Adult Foster Care, etc.)					

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

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.

Key Area	Score 1-5
Priorities and Mission	
Strategic Fit	
Resources and Timeline	
Leadership and Key Staff	
Experience and Infrastructure	
Relationship to the Community	
Partnership with State	
Market Size	
Availability of Service Alternatives	
Total (out of 45)	

Highest Scoring Key Area(s):
1. _____
2. _____
3. _____

Lowest Scoring Key Area(s):
1. _____
2. _____

3. _____

Next Steps

Congratulations on completing your organizational self-assessment. There are a few potential next steps. We suggest you start by contacting the National PACE Association (at 703-535-1565) to discuss your self-assessment and options for how your AAA might move forward to support access to PACE services in your community

Finally, after completing the organizational self-assessment, 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. For more information about consulting organizations available to help you, contact the National PACE Association. For more information visit NPA's website listing of PACE Technical Assistance Centers.