On Lok Lifeways

Program of All-inclusive Care for the Elderly (PACE): A Community Based Approach to Integrating Care for Older Persons with Complex Needs

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Overview

- History of On Lok
- What is PACE?
- Quality Oversight
- Financing PACE
- Policy
- PACE*Partners*: Technical Assistance
- Q&A

Who is On Lok?

- **Original Vision:**
  - Help the low-income seniors in Chinatown/North Beach area of San Francisco stay in their own homes with health and social services needed to maintain independence
  - National prototype for the Program of All-inclusive Care for the Elderly (PACE) model of care
- **Our Name:** 安樂居 (On Lok)

安(On)：安心，平安 (peace in heart, peaceful) 樂(Lok)：快樂 (happy) 居：地方，家 (place, home)
安樂居：平安、快樂的地方 (A peaceful and happy place)

- **Structure Today:**
  - On Lok Lifeways, our PACE program, serves over 1,100 frail seniors in San Francisco, Southern Alameda and Santa Clara Counties
  - Owns and operates three housing facilities and a comprehensive traditional senior services center

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On Lok History

- Served Chinatown/North Beach neighborhoods from 1973 to 1995 with four PACE centers
- Expanded PACE throughout San Francisco in 1996 with sub-contract with Institute on Aging (IOA) and acquisition of 30th Street Senior Services
- Expanded to Fremont in 2002, using community physicians
- Became a permanent PACE provider under Medicare and Medicaid in 2003
- Expanded to San Jose to serve Santa Clara County in 2009
- Formed partnership with Volunteers of America to purchase PACE Vermont in 2010
- Began serving veterans in PACE as part of National VA pilot program in 2010
- Expanding a second PACE center in Fremont, February 2012, in partnership with Eden Housing

History of On Lok and PACE

1960s: Community Awareness

1973: 1st ADH Center

1980: Medical & hospital care; On Lok House

1983: Federal/State Waiver Demo

1986: Replication begins

1994: NPA formed

1997: BBA makes PACE permanent provider

2003: PACE Medi-Cal benefit

2008: 5 PACE in CA

2010: 74 PACE in 31 states

1960 1965 1970 1975 1980 1985 1990 1995 2000 2005 2010

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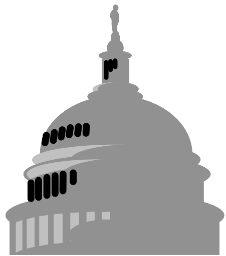
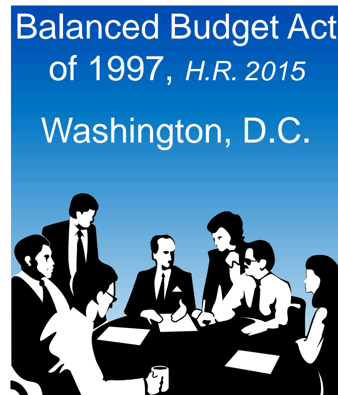
History of the PACE Model

Legislation Authorizing PACE Demonstration	First Demonstration Sites Operational	Congress Authorizes Permanent Provider Status	Publication of Interim Final PACE Regulation	First Program Achieves Permanent PACE Provider Status
				
1986	**1990**	**1997**	(Nov) **1999**	(Nov) **2001**

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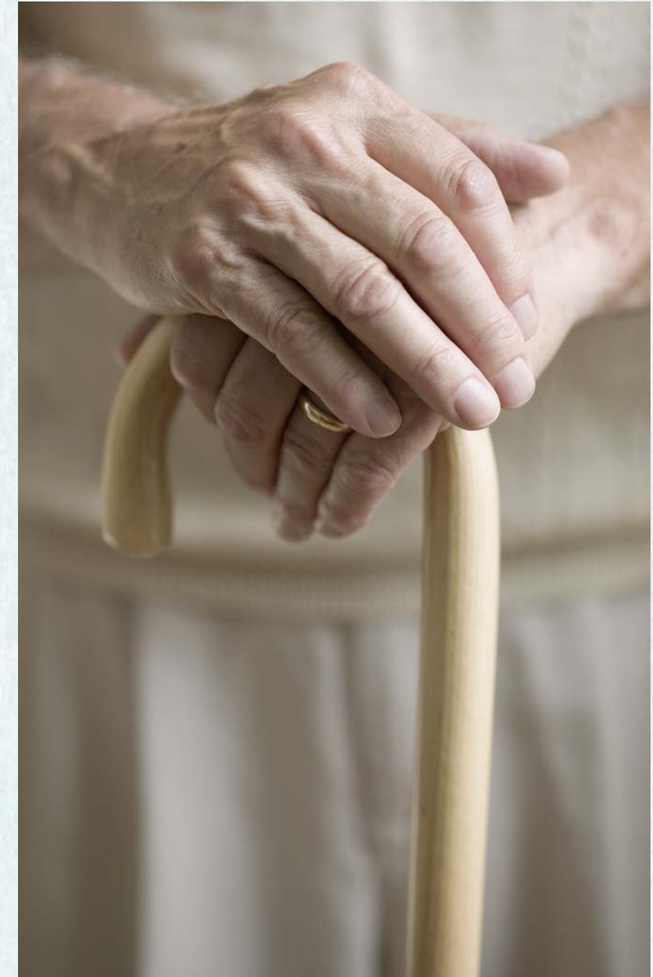
What is PACE?
Program of All-inclusive Care for the Elderly

- Comprehensive services for the frail elderly:
  - Preventive care
  - Primary care
  - Medications
  - Acute care
  - Long-term care, including nursing facility when needed
  - Transportation
  - Meals
  - Medical specialists
  - Dental & Vision
  - Emergency care
  - Behavioral and mental health
- Capitation funding (per member per month):
  - Combines Medicare, Medicaid, private
  - Program has full financial risk (without carve-outs)
- Alignment of care needs and financial interests:
  - Monitors elders closely – takes action early to restore health, control cost

Who benefits from PACE?

- **Frail older people** who want to live in the community
- **Family members** caring for an elder
- **Providers** who want to deliver seamless, high quality care
- **Senior housing facilities** where elders age in place
- **Policy makers** seeking to save tax-payer money and deliver effective care



Who does PACE serve?

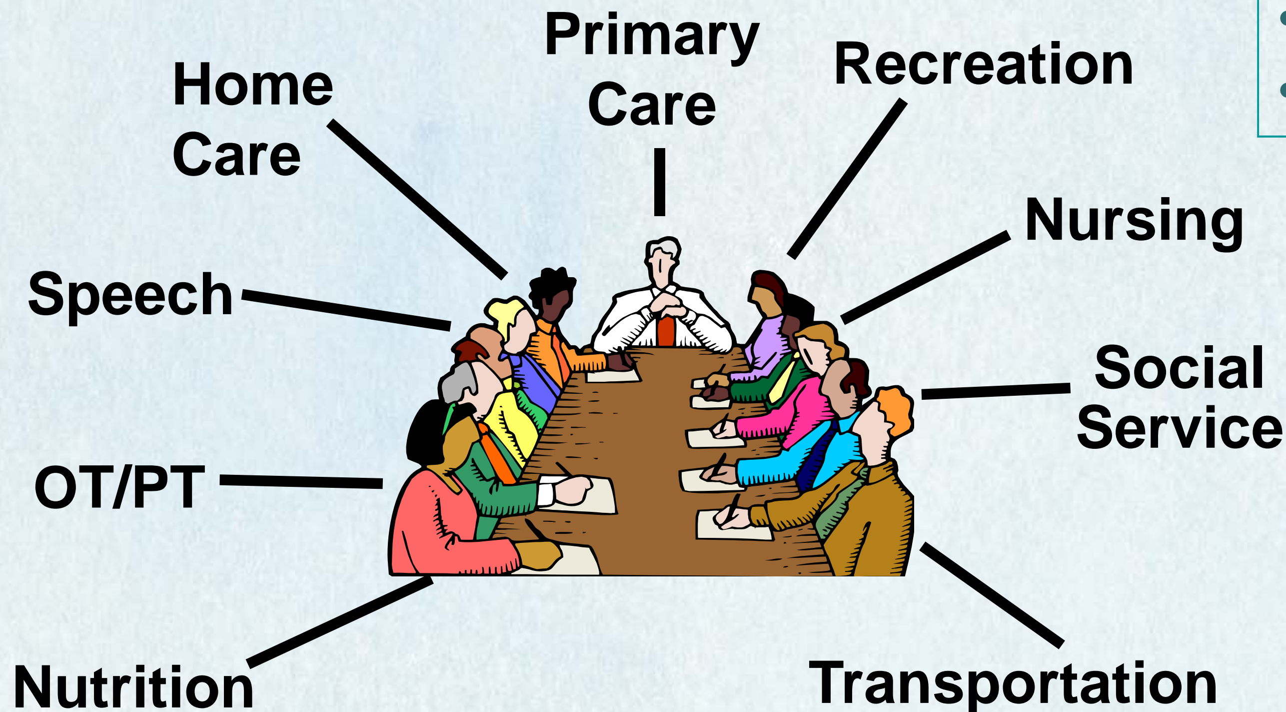
- Eligibility:
  - 55 years or older
  - Resident of PACE service area
  - State-certified to need nursing home level care
  - Can live safely in community

How does PACE work?

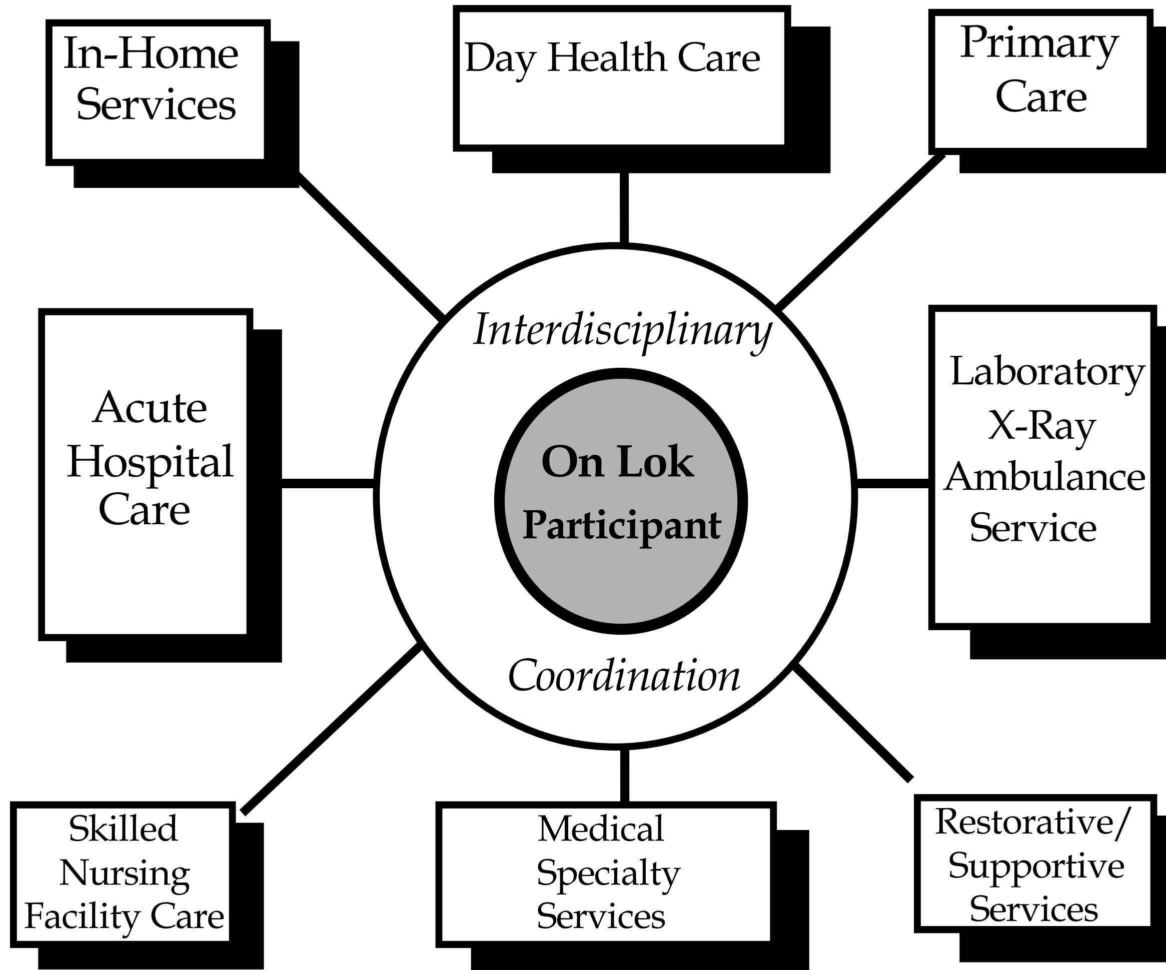
Interdisciplinary teams assess need, deliver & manage care across settings:

Settings

- PACE Center
- Home
- Acute Hospital
- Nursing Home



PACE Comprehensive Services



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How is PACE Care Delivered?

- The center of care delivery is the interdisciplinary team (IDT)
- Care plans are created ***with*** (not just *for*) the individual and family and includes social, cultural, functional aspects of care – in addition to the medical needs
- Most of the services are coordinated through the PACE center – thus social is integrated directly with medical care

Care Management

- Interdisciplinary Team (IDT) Care Planning
  - Daily IDT meetings to review and discuss care needs and changes in status
  - Treatments
  - Evaluations
- Frequent Monitoring
  - Average contact with each participant is 2.2 days/week
  - Quarterly assessments
- Collaborative Care Planning with Participants and Family Members
  - Insures and improves quality of care
  - Maintains participant autonomy
- ICCIS & PACELink (electronic medical record)
  - Enables communication of treatment plan, changing conditions and tracking service utilization

Medical Management

- The goal is to maximize medical management in the outpatient setting and integrate social and functional support needs with IDT
- Primary care team on-site: MD, NP, RN
- Full-service clinic for urgent care and management of chronic conditions
  - IV and Respiratory therapy
  - Wound care management
  - Frequent visits for management of chronic disease such as CHF, diabetes, chronic lung disease
- Effective management of end-of-life care
  - Require discussion of advance healthcare directives within 6 months of enrollment
  - Goal is to provide care of terminal illness in home instead of acute hospital
- 24-hour call system with on-call physicians and nurses linking to IDT

Value of IDT Approach

- Different approach of each discipline
  - Medical “rules-out” (disease)
  - Social Work “rules-In” (possibilities)
- Assessments done by each discipline give richer view of participant’s situation
- Team thoroughly explores the participant’s goals, conditions, quality of life and risk factors
- Outcome: IDT allocates services based on participant’s needs and the organization’s resources
- Result: best possible individualized care plan
- Improved: Risk Management

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all-inclusive care for seniors

On Lok's PACE Participant Profile

- Profile of typical participant
  - Female; average age of 83
  - 16 medical conditions
  - Dependent in 3.7 ADLs (bathing, dressing, etc.)
  - Dependent in 6.7 out of 7 IADLs (medication management, money management, etc.)
  - Has some degree of cognitive impairment (59%)
  - Dually-eligible for Medicare & Medi-Cal (95%)
  - Enrolled in program last 5-6 years of life
- Serves culturally and linguistically diverse population
  - 62% Asian/Pacific Islander, 20% Caucasian, 12% Hispanic, 5% African American

On Lok Lifeways: PACE Operations

- The Provider Operations include:
  - 9 PACE centers and 10 Interdisciplinary Teams
  - Home care services, transportation, dietary services
  - Primary care providers (physicians and nurse practitioners)
  - Complete network of contract inpatient and specialty providers: hospitals, nursing homes, specialty care, lab, x-ray, pharmacy, etc.

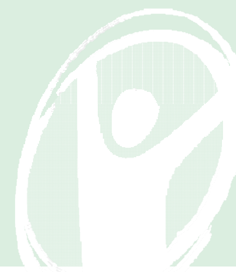
- The Health Plan Operations include:
  - Marketing
  - Membership enrollment/disenrollment
  - Network management/contract services
  - Quality assurance
  - Electronic medical records (PACELink)
  - Claims processing

On Lok's Enhanced Program Services

- Mental/Behavioral Health Program
  - Hired an internal mental/behavioral health team (Psychologist, LCSW, MFT) and contract with other providers (Psychologists, Psychiatrists)
  - Developed practice guidelines, staff training materials, referral protocol
  - 17 percent of participant population utilizing services
- Dementia Training
  - General overview
  - How to provide personal care
  - How to manage wander risk behavior
  - How to manage sexual behavior
- Chaplaincy Program
  - Offer on-site chaplain to act as spiritual resource/support to participants, caregivers, families, staff

Utilization Management & Quality Assurance

Quality Oversight



- Quality Assurance and Improvement Committee (QAIC)
  - Meets quarterly
  - Community physicians and On Lok medical staff and IDT members
  - Reports to Board
  - Focus is to look at key clinical areas and measure outcomes
- Development of treatment guidelines that are designed to meet the unique needs of this population
- Comprehensive Quality Plan is approved by Board
- QAIC also reviews grievances, oversees credentialing and manages all unusual occurrences and Level II reporting.

Outcome Measures

- Inpatient Days
- Readmission Rates
- ER Utilization
- Acute hospital Utilization
- SNF Utilization
- Falls
- Skin Ulcers
- Advance Directives & POLST

Inpatient Days in Last Year of Life

Comparison With Managed Care

Inpatient Days in Last Year of Life

Average days / decedent

14
12
10
8
6
4
2
0

1999-2001: Kaiser 9.2 days, IPA 11.4 days

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2008 2009 2010

Fonkych K, O'Leary JF, Melnick GA, and Keeler EB. Medicare HMO Impact on Utilization at the End of Life. Amer. J. Managed Care. 14(8): 505-512, 2008

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On Lok Performance
Comparison with External Benchmarks
Dartmouth Atlas of Health Care, www.dartmouthatlas.org

	Used Hospital in last 6 months (%)	Hospital admits/ 1000 decedents	Avg. Number of hospital days in last 6 months	% Died in Hospital	ALOS if died in hospital *
On Lok 2010 - 2011	54.4	789	4.4	25.7	5.7
+/- CA benchmark (Dartmouth)	- 23%	-43%	-58%	-13%	+122%
+/- US benchmark (Dartmouth)	-24%	-44%	-60%	-4.8%	+122%
Dartmouth Atlas CA 2007	70.6	1379	10.6	29.7	2.57
Dartmouth Atlas US 2007	71.2	1421	10.9	27.0	2.13

* Shorter length of stay is a proxy for possible inappropriate transfers in the last 48-72 hours of life, but it could also mean that there was an acute catastrophic illness resulting in death within 72 hours of admission.

Trends in 30 Day Readmission Rates

On Lok 2006 - 2010

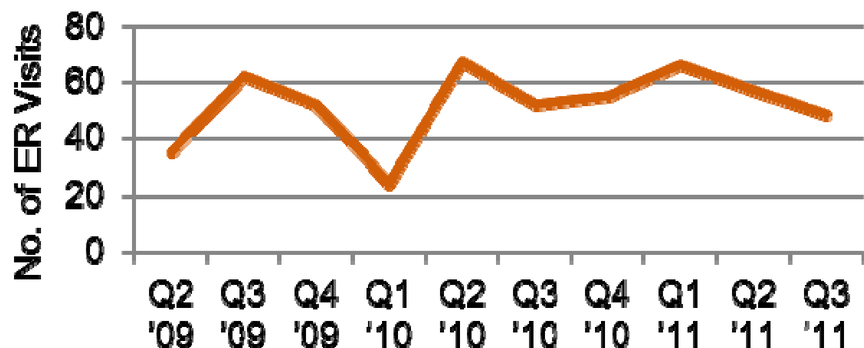
Percent of All Admissions

25.0
20.0
15.0
10.0
5.0
0.0

2006	2007	2008	2009	2010	Jan-June 2011
15.6	15.1	9.3	11.2	12.6	11.2

Jencks SF, Williams MV and Coleman EA. Re-Hospitalizations among Patients in the Medicare Fee-for-Service Program. NEJM. 360(14): 1418-1428, 2009. 19.6% of all patients were re-admitted within 30 days of discharge. **California** ranked in the 2nd highest tier with **19.2 – 20.1%** of patients readmitted within 30 days.

ER Utilization
Quarterly Trends 2010-2011
Q3 2011 Results



- 48 ER visits overall in Q3 2011 (16% decline from Q2)
- 60% decline in ER visits for Coronet (Fillmore)
- 56% decline in ER visits for San Jose
- ER visits doubled for 30th St
- Montgomery center closed in Q3, and participants were re-assigned to Powell, Jade and Rose centers

25
20
15
10
5
0
Powell
Jade
Rose
30th
Fremont
Mission
San Jose
Coronet
Geary

Q1 2010 Q2 2010 Q3 2010 Q4 2010 Q1 2011 Q2 2011 Q3 2011

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Acute Hospital Utilization Trends

Admission Rates By Center

Q3 2011: Improvements for Coronet and Powell but increases for 30th, Mission and San Jose

Montgomery center closed in Q3

Acute Hospital Utilization Trends

By Center: Bed days /1000/yr

Q3 2011: Improvements for Coronet and Powell
Mission had one outlier case (40 days in acute psychiatric hospital)

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On Lok PACE Outcomes Summary

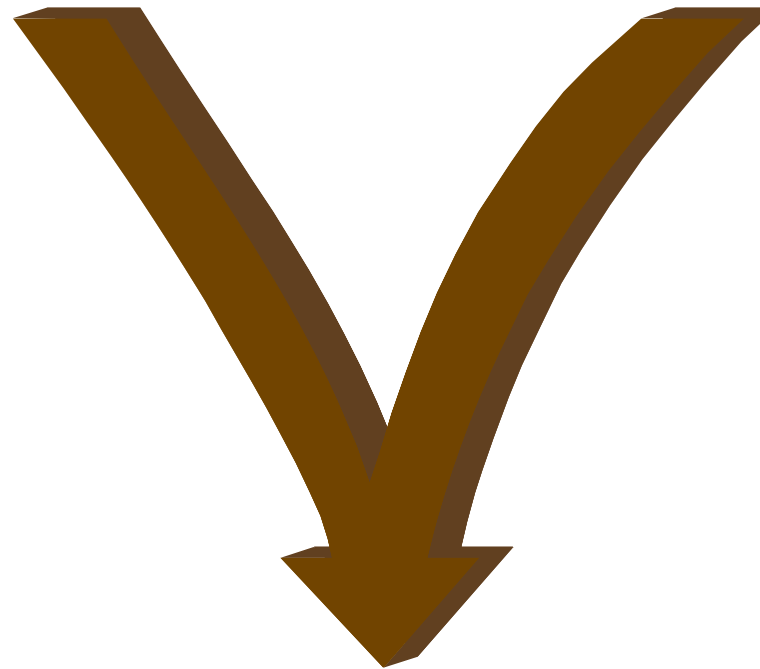
- **Medical Home:** 100% of participants have a medical home with a primary care physician and interdisciplinary team responsible for coordinating and providing direct care.
- **Lower inpatient utilization**: Acute care utilization is comparable to the Medicare population even though PACE enrolls an exclusively frail population.
- **Better follow-up after acute care stay:** Readmission rate to acute hospital within 30 days of discharge is half the Medicare average.
- **End of Life Care:** Vast majority of participants remain enrolled through end of life care: 96%
- **High Rates of Community Residence:** 93% reside in the community rather than a nursing home.
- **High Consumer Satisfaction:** In 2008, 95% of participants interviewed reported that they were very satisfied with the program and 95% reported that would refer a close friend to the program.

Financing

Integrating Finance

MEDICARE

- **Medicare Part A/B**
- **Medicare Part D**



MEDICAID

and/or PRIVATE PAY

MONTHLY CAPITATION

PACE Rate-Setting Method

- **Medicare**
  - Federal health insurance for 65+
  - Parts A (hospital)/Part B (medical): Risk-adjusted for each enrollee by demographic and diagnostic characteristics, plus frailty adjustor
  - Part D (prescription drugs): Bid premium, risk-adjusted for each enrollee; year-end reconciliation with risk-sharing
- **Medi-Cal (California Medicaid)**
  - State health program for those on low/limited incomes (jointly funded by state and federal governments)
  - 90% of fee-for-service cost equivalent for comparable long-term care population

On Lok's PACE Participant Profile

Medi-Cal Only
3%

Medicare Only
1%

Medi-Medi
96%

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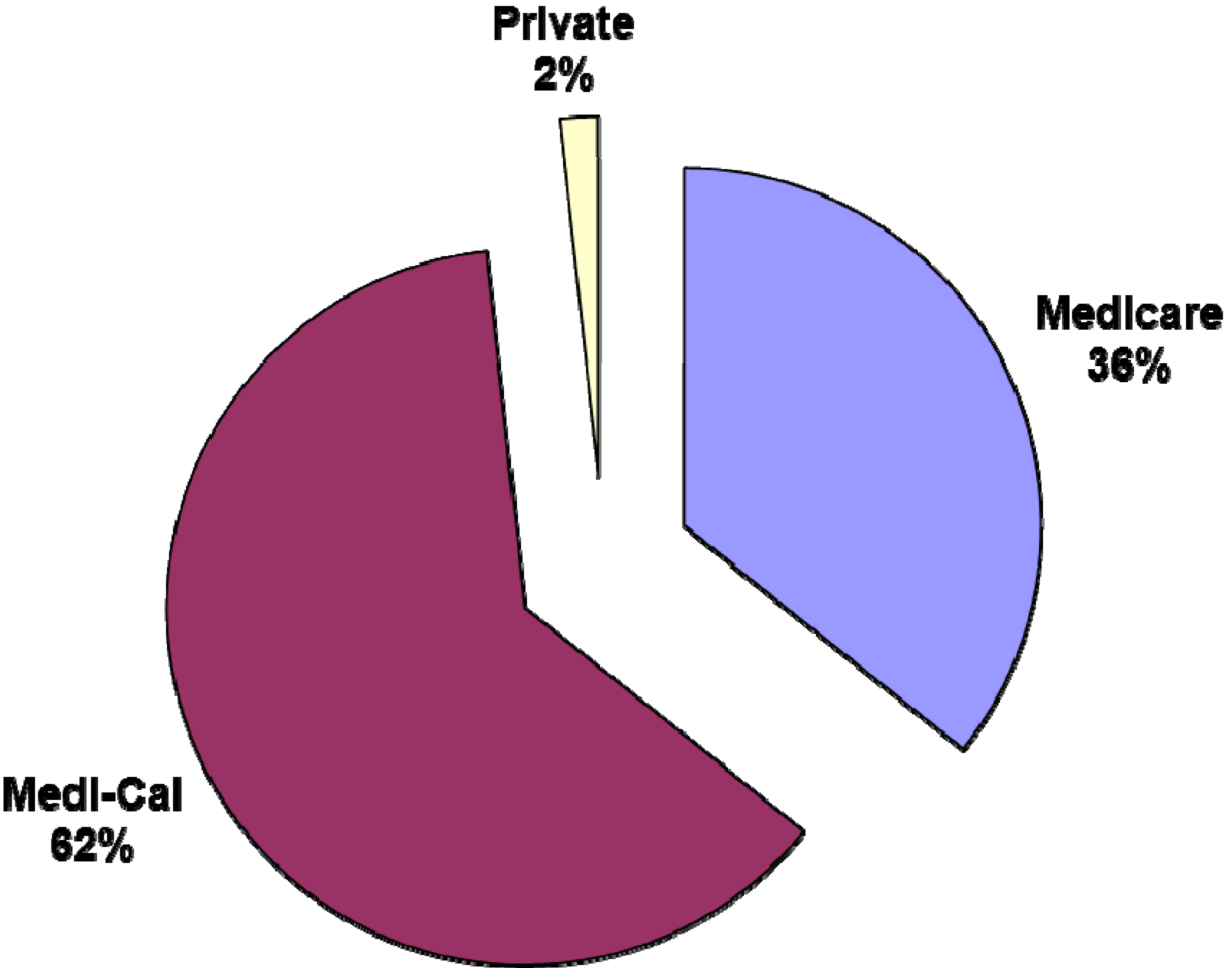
On Lok PACE Sources of Revenues



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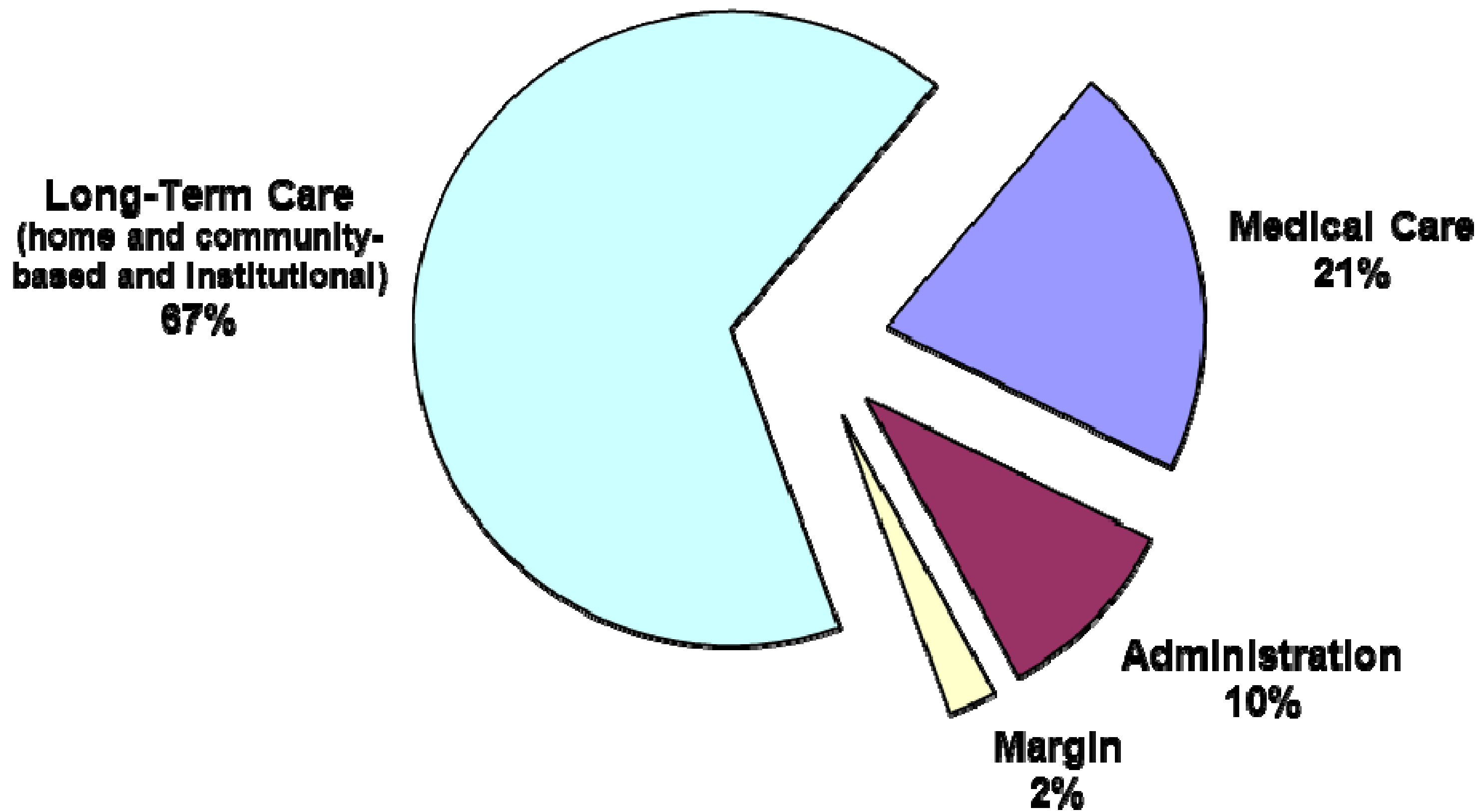
How On Lok PACE Dollars are Spent



Note: Percentages represent proportion of total service revenues for FY09-10 ($84.7M)
Medical Loss Ratio = 88%

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Distribution of Service Expenses

Home Care
26%

Custodial SNF
7%

Transportation
6%

Medical
24%

PACE Center
(Clinic/ADHC)
37%

Primary Care
5%

Hospitalization
6%

Drugs
5%

Other
(SNF, lab, x-ray, ER, etc.)
8%

Note percentages represent proportion of total service expenses for FY09-10 ($74.4M)

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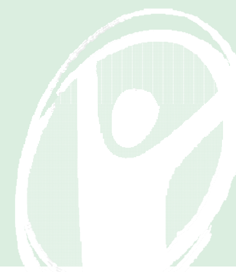
Federal and State Policy Issues

Program Description: Regulatory Framework



CMS PACE Regulation

Knox-Keene HMO Regulation

Medi-Cal Regulation/ DHCS Contract

On Lok

9 - ADHC	DPH Regulation for Licensure
9 - Clinics	DPH Regulation for Licensure
1- Home Health*	DPH Regulation for Licensure
2 - Dietary	SF Health Dept Regulation

CMS = Centers for Medicare and Medicaid Services
DHCS = California Department of Health Care Services
DPH = California Department of Public Health
* Licensed, but not Medicare certified as a Home Health Agency.

Federal Policy Environment in PACE

- National Trends for PACE
  - Tremendous Growth in recent years
    - 50% of all PACE organizations have are less than 5 years old
  - PACE innovations in rural areas, VA, etc.
  - NPA and CMS working to support PACE quality and performance
- Medicare Payment Methodology and Reporting
- PACE Demonstration Proposal
  - Modifying the current PACE Model
  - Expanding PACE to new populations
    - Disabled individuals under the age of 55 years
    - Individuals with multiple and complex chronic diseases
    - Nursing home residents transitioning back to community

PACE Consistent with Health Reform Goals

- Person-centered care based on shared decision-making and values-based choices for people with chronic diseases and long-term needs.
- True “medical home” that is available to the senior and their family/caregivers – 24 hours/day, 7 days/week.
- Direct coordination of information, planning and communication regarding transitions of care – that includes all providers AND includes the person and their family caregiver support.
- True integration of all health care services over time and across delivery settings through an interdisciplinary team.
- Provider accountability for quality and quantity of all services provided.
- Payment method with incentives for providing the right care, at the right time, in the right place.

On Lok PACE*partners*

- History
  - Original TAC spawning first generation of PACE replication sites in 1980’s
  - “Each one, teach one” philosophy encouraged new TAC’s at the same time
  - PACE*partners* today
- Goals
  - Inspire PACE growth nationally and internationally
  - Encourage PACE best practices

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On Lok PACE*partners*

- PACE*partners* Offerings*:*
  - **Prospective PACE** – helping clients thoroughly understand the PACE model and objectively assess the strategic and financial feasibility of developing PACE for your organization – crucial steps before deciding to go forward with the PACE provider application.
  - **Pursuing PACE** – preparing the PACE provider application, developing the facility, systems and services, obtaining key licenses and launching enrollment.
  - **Operational PACE** – providing technical assistance interventions and support for fully developed and mature programs.

Jade Center
Lion Dance

Montgomery Center
Intergenerational Program

Fremont Center
Recreation with the Sisters

30th Street Center Mural

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Q & A and Wrap Up