



Testimony for House Finance Subcommittee on Health and Human Services

Thursday, March 23, 2023
Tangi McCoy, President/CEO
McGregor PACE

Good morning, Chair Carruthers, Ranking Member Liston, and members of the Ohio House Finance Subcommittee on Health and Human Services. My name is Tangi McCoy, and I am the President/CEO of McGregor PACE, Ohio's only current Program for All-Inclusive Care for the Elderly (PACE).

I'm a Licensed Nursing Home Administrator and has worked in long term care for 25 years. I started at McGregor as the Chief Operating Officer for their skilled nursing facility before transitioning to PACE in my current role.

Background on McGregor PACE

The Program for All-Inclusive Care for the Elderly provides comprehensive medical and social services to certain frail older adults living in the community. Most PACE participants are dually eligible for both Medicare and Medicaid, and all are certified by the state as requiring a nursing home level of care. McGregor, located in Cuyahoga County, is host to Ohio's only current PACE program. McGregor first began serving older adults nearly 150 years ago, and eventually developed into an organization that today offers independent living, assisted living, skilled nursing care, short-term rehabilitation, hospice, and PACE care.

PACE expansion (134th General Assembly)

Before discussing the details of what we are seeking in House Bill 33, I want to take a moment to express gratitude on behalf of McGregor to both the legislature and the Administration for successfully expanding PACE during the 134th General Assembly using an amendment to House Bill 45 during the lame duck session. Thanks to your efforts, Ohio will expand the program to Franklin, Hamilton, Montgomery, Lorain (where McGregor hopes to expand), Lucas, and Summit Counties through a rigorous RFP and selection process this year, designed to find highly qualified entities to provide PACE services in these new service areas.

Rebasing and assisted living liabilities

While it is certainly the desire of current and prospective PACE providers to maintain the cost savings of PACE care to the State of Ohio, and in fact it is federally required that the program continues to offer a cost savings when compared to what would otherwise be paid via Medicaid, PACE rates should move upward alongside pending rate increases for other senior care and managed care options, such as the

MyCare managed care program and home- and community- based services rates and waivers. As PACE is responsible for providing all needed health care services through its fully at-risk care model, if the cost of reimbursement for health services increases, PACE is still responsible for providing care at its current rate.

Much like other provider types and insurers, PACE has also been impacted by the COVID-19 pandemic and inflationary pressures within the economy. PACE was not included in the rate increases in the executive budget proposal, as their rates are handled through an actuarial process at ODM. Ohio should engage in PACE rate rebasing annually to ensure the program is being reimbursed appropriately.

There is a federal requirement through the Centers for Medicare & Medicaid Services (CMS) that requires this process happen annually, however, in the past it has sometimes taken multiple years for PACE capitation rates to increase to appropriate levels. Before receiving a rate increase in 2021, McGregor PACE had not received a rate increase for the cost of services since 2015.

Annual PACE rebasing would ensure McGregor PACE and new PACE sites designated in the expansion laid out in HB 45 (134th General Assembly) will have the security of knowing that capitation will adapt as the cost of care changes over time.

Additionally, McGregor PACE has experienced issues regarding Assisted Living (AL) patient liability since 2018. This is an issue for McGregor PACE currently but could affect new PACE sites designated in the expansion passed in HB 45 (134th General Assembly) in the future.

The issue with Assisted Living patient liability in regard to PACE is as follows:

1. If an older adult is living in the community, the current limit of their monthly income that a Medicaid participant can retain towards the costs for living expenses is \$1,783 per month.
2. The current amount ODA allows when calculating budget on assisted living in PACE is \$914 per month, which is \$869 lower per month than the current community patient resources amount to pay for living expenses.

PACE provides the following services, not considered under the current system, outside of AL services to participants: transportation, dental, eye care, care coordination, medication review, social services, behavioral health, recreational therapy, and restorative therapy services.

Under the Medicaid AL waiver, these services would be provided by Medicaid outside of the monthly payment to the AL. These services are not provided under the AL waiver program, which in this case PACE is being compared to under the current treatment.

Increasing the current amount ODA allows for assisted living patient resources in the PACE program would align payment for PACE with other community based living options under the Medicaid program.

Dual assessments

McGregor PACE has also experienced a challenge since 2014 in which it must complete dual Level of Care (LOC) assessments for potential PACE participants, which make it more challenging for families and potential participants to enroll in PACE. Having two initial LOC assessments means that participants and families must find time for two separate assessments, which can be challenging. As a result, potential participants often decide not to continue with enrollment in PACE because the process is too repetitive

and/or time consuming. McGregor PACE previously had until the 20th of each month to enroll new participants in PACE for the following month. After changes enacted by ODA in 2018, McGregor PACE now only has until the 10th of each month as a result of the local Area Agency on Aging requiring time to schedule and complete a second assessment. This waiting period sometimes drives potential PACE participants away from the program, and we are committed to working with ODA to fix this process and make it easier for both McGregor PACE and new PACE sites in the future.

Healthy Aging Grants

Lastly, the Governor's budget proposal includes \$40 million in one-time Healthy Aging Grants over the biennium using State and Local Fiscal Recovery Funds from the US Treasury. Funds would be distributed to all 88 Ohio counties to support older Ohioans who want to stay in their homes as they age but may lack the choice. These investments are meant to support cost-effective home-based care options such as PACE.

I thank the members of this Subcommittee for your time today and would welcome any questions you may have.