

April 30, 2023

To: Conferees of SF2934: Human Services Finance Omnibus Bill

CC: Representative Liz Reyer, Senator Kelly Morrison

RE: Support for PACE

Dear Chair Hoffman, Chair Noor and Committee Conferees:

We write to share our enthusiastic support for the development of Programs of All-Inclusive Care for the Elderly (PACE) in Minnesota. This includes development of a Medicaid rate study in both the House and Senate positions of the omnibus bill.

We want to thank you for bringing language into conference committee which:

- Funds the federally required actuarial study and rate setting methodology necessary to study the value PACE will bring to the long-term care system in Minnesota and for the eventual implementation of PACE.
- Provides progress updates to the committees of jurisdiction during the current biennium.

Our organizations are committed to providing safe, quality care which enhances the experience of aging for our seniors. To that end, we believe now is the time for Minnesota to take the next steps to study and fully implement the Program of All Inclusive Care for the Elderly (PACE) as a model of care for delivering services to frail seniors.

PACE is a nationally recognized and supported community-based model of interdisciplinary care for frail older adults authorized by the federal Balanced Budget Act of 1997 (BBA). The BBA established the PACE model of care as a permanent entity within the Medicare program and enables States to provide PACE services as a State plan option to Medicaid beneficiaries at risk for institutional placement. This capitated model of care fully integrates all Medicare and Medicaid services and all medically necessary services. Participation in PACE allows eligible consumers to receive a comprehensive service package that enables them to continue living at home in their community while receiving services rather than needing to move to a nursing home. Participants must be at least 55 years old, live in the community in the PACE site service area, and be certified by the State as eligible for nursing home level of care to be eligible. Importantly, if PACE participants do require care and services in long-term care facilities, the participant can choose to continue to remain enrolled in the PACE program to receive the facility for as long as they choose to do so. According to the National PACE Association, 97% of PACE participants choose to remain in PACE for the remainder of their lives.

We are hopeful that the results of the study will lead to Minnesota joining 32 other states plus DC that currently have active PACE programs (launched and operating). With PACE, older adults have an interdisciplinary team of health care professionals working with them to make sure they successfully remain living in the community with the vital recreational, social, medical, mental health, nutritional and spiritual services they need. The wrap-around services seniors receive through PACE have allowed the more than 55,000 nursing home eligible older adults currently enrolled nationwide to thrive in their community of choice.

We acknowledge it will be important to evaluate rates to determine the viability and sustainability of PACE programs in Minnesota and recognize there will be a competitive RFP process following rate

setting to select PACE providers., In the meantime, we have joined together to support the legislation to evaluate PACE as an option for Minnesotans and look forward to the eventual implementation of this model of care.

We look forward to working with you on this and other permanent solutions to ensure seniors have access to the quality services they deserve.

Sincerely,

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