

Representative Mohamud Noor  
Minnesota House of Representatives  
Human Services Policy Committee

March 21, 2023

**Re: House File #1596**  
**Establishing a funding mechanism for the PACE program; appropriating money.**

Dear Representative Noor and Committee Members,

On behalf of Volunteers of America National Services (VOANS) and Volunteers of America Minnesota/Wisconsin, we are writing to express our gratitude for your consideration to bring Programs of All-inclusive Care for the Elderly (PACE) to Minnesota. We believe you will find the program would bring tremendous benefits to the frailest and most vulnerable Minnesotan seniors.

As you may know, PACE is a comprehensive and integrated system of care for older adults who are eligible for nursing home care but wish to remain in their own homes and communities of choice. PACE provides a full and comprehensive range of medical and social services, including primary care; specialist services; prescription drugs; physical and occupational therapies; and transportation. PACE also offers meals, social activities, and other supports that combine to help vulnerable seniors stay engaged and active in their communities.

There are many reasons why PACE would be beneficial to Minnesota seniors. Here are just a few:

1. **Better health outcomes:** PACE has been shown to improve health outcomes and quality of life for participants. PACE provides a comprehensive array of services, including medical care, social services, and behavioral health services, which are tailored to the individual needs of each participant. This approach can help prevent hospitalizations and nursing home placements, while also allowing seniors to age in place in their own communities.
2. **Cost savings:** PACE can be cost-effective for both the state and federal government. Studies have suggested that PACE can generate cost savings compared to traditional fee-for-service Medicare and Medicaid programs, by reducing hospitalizations and nursing home admissions. In addition, PACE has been shown to provide high-quality care at a lower cost compared to other Medicare Advantage plans, Nursing Homes and waivers.
3. **Higher satisfaction with care:** PACE provides person-centered care that meets the individual needs and preferences of older adults. Studies have shown that PACE participants and their family caregivers report higher satisfaction with care compared to those in other care settings. A 2017 study published in the Journal of the American Geriatrics Society compared the satisfaction of PACE participants and their family caregivers to those receiving care in Medicare Advantage plans. The study found that PACE participants and their family caregivers were more satisfied with the quality of care and communication with healthcare providers compared to those in Medicare Advantage plans.

The potential for cost savings and improved health outcomes for participants make PACE a promising model for providing comprehensive care for Minnesota's frailest and most vulnerable seniors.

It's worth noting that the PACE model has gained increasing attention in recent years as an innovative approach to providing comprehensive care for frail, elderly individuals, particularly those with multiple chronic conditions. The expansion of PACE programs is being driven by the desire to improve the quality of life for the elderly population, while also reducing healthcare costs through improved care coordination and preventive services.

Currently there are 149 PACE programs in 32 states. Of these, 81 (or 54%) of all programs have developed since the Minnesota Department of Human Services (DHS) last considered supporting development of PACE in 2010. This development occurred in 24 other states. Currently 32% of all PACE enrollees nationwide are enrolled in programs that have developed since DHS last considered support of PACE.

We support passage of legislation that will direct the Minnesota Department of Human Services to study and evaluate how PACE will complement existing programs and provide another long-term care choice for Minnesotans. We believe that the legislation should direct DHS to provide a report to the legislature by a specified date and that the actuarial assessment should include the cost of care provided to residents in nursing home and through MSHO to determine cost savings the State of Minnesota will realize through the implementation of PACE.

Overall, we believe that PACE is an important resource for Minnesota's seniors. We urge you to support the development of PACE in Minnesota, and to work to ensure that all seniors- especially the frailest and most vulnerable seniors- have access to the high-quality, comprehensive care that PACE provides.

Thank you for your continued support. We look forward to being of service to you in this initiative. Please contact Paul F. Soczynski, Chief of Community Healthcare for Volunteers of America National Services at 414-406-8843 or [psoczynski@voa.org](mailto:psoczynski@voa.org) for further assistance.

Sincerely,

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