

CalPACE

Board of Directors Meeting

September 15, 2020 | 11:30 AM – 12:30 PM | Zoom

To join the meeting by smart phone, tablet, or computer, click this link:

<https://calpace.zoom.us/j/98220045360?pwd=SThzYzdMznQ3Z2YrY1I3dDFtdUpSZz09>

To listen by phone, use one tap mobile +16699006833,,98734298982# or call (669) 900-6833 and enter:

Meeting ID: 982 2004 5360 | **Password:** 043355

A G E N D A

1. Welcome
2. Approval of minutes of August 25, 2020 board meeting – *discussion and action item*
3. Approval of FY 2020-21 budget – *discussion and action item*
4. Selection of new board chair – *discussion and action item*
5. Contract with Ross Quality Improvement for support of PACE 2.0 collaborative – *discussion and action item*
6. Stanford Clinical Excellence Research Center study of PACE costs and quality – *discussion and action item*
7. Other business
8. Adjourn

ATTACHMENTS

- A. Minutes of August 25, 2020 CalPACE board meeting
- B. Minutes of September 3, 2020 Executive Committee meeting
- C. Ross Quality Improvement proposal for support work for PACE 2.0 learning collaborative
- D. FY20-21 Budget and narrative (2)
- E. Stanford Clinical Excellence Research Center research design for study of PACE costs and quality

Board Members

- | | |
|---------------------------------------------------|---------------------------------------------|
| •AltaMed PACE, Maria Zamora | •Innovative Integrated Health, Phil Tsunoda |
| •Brandman Centers for Senior Care, Arnold Possick | •On Lok Lifeways, Eileen Kunz |
| •CalOptima, Elizabeth Lee | •Redwood Coast PACE, Melissa Hooven |
| •Center for Elders' Independence, Vacant | •San Diego PACE, Kevin Mattson |
| •Central Valley PACE, Tony Weber | •St. Paul's PACE, Cheryl Wilson |
| •Family Health Centers of San Diego, Jeff Gering | •Sutter SeniorCare PACE, Julie Erdmann |
| •Gary and Mary West PACE, Tim Lash | •WelbeHealth, Elizabeth Carty |



Minutes of CalPACE Board Meeting

August 25, 2020

Zoom Meeting

Attendees

Board members:

Cheryl Wilson, St. Paul's PACE
Eileen Kunz, On Lok Lifeways
Julie Erdmann, Sutter SeniorCare PACE
Kevin Mattson, San Diego PACE
Maria Zamora, AltaMed PACE
Melissa Hooven, Redwood Coast PACE
Phil Tsunoda, Fresno PACE
Tim Lash, Gary and Mary West PACE
Tony Weber, Central Valley PACE
Elizabeth Carty, Welbe
Elizabeth Lee, CalOptima

CalPACE staff:

Peter Hansel, Chief Executive Officer
Jennifer Blankenship, Vice President of Operations
Lucas Evensen, Public Policy Analyst
Fred Main, CalPACE Counsel

Other CalPACE Officers:

Bing Isenberg, Center for Elders' Independence

Guests:

Barbara LaHaie, Redwood Coast PACE
Bev Dahan, InnovAge
Carol Hubbard, St. Paul's PACE
Cindy Ward, LeadingAge California
Jackie Mark, CalOptima PACE
Jay West, Central Valley PACE
Jeff Gering, Family Health Centers of San Diego
Karli Holkko, WelbeHealth
Lindsay Fowks, Leading Age California
Maria Lozzano, InnovAge
Pamela Ansley, Sutter SeniorCare PACE
Renata Smith, Gary and Mary West PACE
Rosana Scolari, San Diego PACE
Sharon Melancon, Fresno PACE
Susie Fishenfeld, Brandman Centers for Senior Care

Board members absent:

Arnold Possick, Brandman Centers for Senior Care
Linda Trowbridge, Center for Elders' Independence

Note: These minutes are confidential and privileged and should not be circulated outside of the CalPACE Board.

Vice Chair Cheryl Wilson convened the meeting at 3:05 P.M.

DECISIONS

Minutes of August 4, 2020 board meeting. The minutes of the August 4, 2020 board meeting were approved on a 10-0 vote (Weber/Erdmann).

San Diego Family Health Centers designation of Jeff Gering as board representative. San Diego Family Health Centers' designation of Jeff Gering as their board representative was approved on a 10 – vote (Mattson/Maria Zamora).

2021 annual retreat locations and options. Board members reviewed a list of six 2021 retreat locations that CalPACE staff have identified and asked for initial proposals. All are in the Santa Barbara area, to enable most members to travel via automobile. Board members identified options that they prefer and there was consensus to take one off the list. There was consensus to focus on three options to receive formal proposals from. Staff will solicit formal proposals from these and bring them back for board for review and a final decision.

Contract with Ross Quality Improvement for support of PACE 2.0 collaborative. Peter Hansel and Jennifer Blankenship provided an overview of a proposal from Ross Quality Improvement to assist with continuation of the PACE 2.0 learning collaborative. The proposal would provide for onboarding of new PACE organizations, monthly one-hour coaching calls with each participating team, planning and facilitation of monthly group calls, review of data and recommendations, and synopsis of current activity for PACE leadership on a monthly basis. Carol Hubbard and Maria Zamora provided additional information on the initial West Coast PACE 2.0 learning collaborative, which enabled many of the participating POs to roughly double their average monthly enrollment. Board members provided an indication of whether their organizations would participate in the project. Several indicated their preference to have the funding of the project be provided through supplemental dues from participating POs rather than through general dues. There was consensus to have staff get formal commitments from POs on whether they will participate by the end of the week, and to determine the funding source for the project as part of the board's review of the proposed 2020-21 budget. CalPACE Counsel Fred Main pointed out that any discussion of limitations by PACE organizations regarding restricting employee movement is strictly prohibited and individual PACE organizations should contact individual counsel if they have questions.

Approval of FY20-21 budget. Leading Age California VP for Finance Cindy Ward provided an overview of the proposed budget for 2020-21. Under the proposed budget, full member dues would increase by 12 percent, largely due to an expected decline in non-dues revenue and proposed spending for several new initiatives, including PACE 2.0 and continuation of funding for a part-time policy analyst. The proposed budget would use a portion of accumulated reserves to fund operations in 2020-21. Following discussion a motion was approved on a 12-0 vote to fund half of the PACE 2.0 project through general dues and half through supplemental assessments on participating POs (Mattson/Lash). Concerns were expressed that the dues structure results in significantly higher dues for larger and more established POs, even though they may not receive increasing value from CalPACE membership based on their size. Based on that , a second motion was approved on a 12-0 vote to

reduce the maximum dues level an additional \$10,000, to \$60,000, and to have the Governance, Dues, and Bylaws committee review and make recommendations for revisions in the dues structure (Kunz/Zamora). In response to a question concerning the size of the proposed budget surplus, Cindy Ward will prepare a cash on hand analysis for the next board meeting.

DISCUSSION

Update on Linda Trowbridge's status. Bing Isenberg informed the board that Linda Trowbridge has announced that she is transitioning out of her role as CEO of CEI, as well as chair of CalPACE. Linda has been undergoing cancer treatment for several years and is no longer able to continue those roles. She is at home and spending time with family. Members who wish to send cards and messages to Linda can send them to Bing, who will see that she gets them. The board observed a moment of silence and all are encouraged to keep Linda and her family in their thoughts and prayers.

Other business.

Several board members provided updates on the impact of wildfires on their operations and emergency measures they have taken.

A process for selection of a new board chair will be discussed at the next CalPACE board meeting.

The meeting adjourned at 4:20 P.M.

Respectfully submitted,

Eileen Kunz, Secretary

Prepared by: Peter Hansel, Chief Executive Officer



CalPACE Executive Committee

September 03, 2020 | Zoom

Meeting Notes

Attendees: Bing Isenberg, Center for Elders' Independence
Cheryl Wilson, St. Paul's PACE
Eileen Kunz, On Lok Lifeways
Kevin Mattson, San Diego PACE
Maria Zamora, AltaMed

CalPACE Staff: Peter Hansel, CalPACE
Jennifer Blankenship, CalPACE
Lucas Evensen, CalPACE
Fred Main, Clear Advocacy

Acting Chair Cheryl Wilson convened the meeting at 9:02 and requested a moment of reflection in memory of Linda Trowbridge.

Update on CEI transition. Bing Isenberg provided an update on the actions the CEI board has taken to appoint clinical and operational leadership for CEI while the organization conducts a search for a new permanent CEO. CEI will designate a new CalPACE board representative, which will hopefully be before the next board meeting.

Process for selection of new chair. Peter Hansel and Fred Main provided an overview of the options the board has for selection of a new chair, which include waiting until the next regularly scheduled election of officers, appointing somebody to fill the remainder of the current term, and conducting a nomination and election process to select somebody to fill the remainder of the current term. There was consensus among committee members that the board should not wait for the next regularly scheduled election to fill the board position, which won't be until the end of 2021, due to the important governance issues that the board will be dealing with and the benefit of having a full Executive Committee during the interim. Chair Wilson also noted that if the board selects or elects a current officer, that would create another vacancy that would need to be filled.

Chair Wilson asked committee members for recommendations for board members to put forward for board chair. Following discussion, two potential candidates were identified. Further discussions will be held with these candidates prior to the mid-September board meeting to attempt to develop consensus on a candidate to recommend to the board.

2021 retreat planning. Jennifer Blankenship provided an update on the properties CalPACE is considering for the 2021 retreat, which will be in February 2021. Based on her onsite reviews, staff have narrowed the list to three properties and will be soliciting proposals from them for the board to consider at its next meeting. Peter

Hansel noted that staff are starting the process of planning the themes and content for the retreat and asked if any committee members would be willing to serve on a retreat planning committee. Maria Zamora expressed willingness to serve. There was also consensus to reach out to Phil Tsunoda about participation and to include the interim or new CEI CEO as well.

Executive committee member at large vacancy. Chair Wilson noted that there is currently a vacant position on the committee for an at large board member and that the committee can recommend someone to the board to fill the vacancy. Several board members were identified as potential candidates. Following discussion, there was consensus to wait until January to fill the position and to add this to the agenda for the Executive Committee's January meeting, after the new board chair is selected and the new CEI CEO is in place.

Committee Members

Chair: Vacant

Vice Chair: Cheryl Wilson, St. Paul's PACE

Treasurer: Maria Zamora, AltaMed PACE

Secretary: Eileen Kunz, On Lok Lifeways

At Large Member: Kevin Mattson, San Diego PACE

At Large Member: Vacant



Overview

Ross Quality Improvement LTD is pleased to submit this proposal for services to support the ongoing work of the PACE 2.0 collaborative

The Objective

To work with participating teams to build on existing improvement skills, provide a collaborative environment for skill building, knowledge sharing, discussion and deep thinking. To build improvement capability within new teams joining the programme through group learning and tailored support. Learn from current activity and the submitted data to provide tailored coaching for each team. To share the work of participating teams with wider PACE leadership

Our Proposal

Based on conversations with Jennifer Blankenship the initial proposal is to provide tailored coaching for each team. Review of existing data collection and the value of the data. Design and moderate monthly group calls to build knowledge and meet the needs of the participating teams.

Support from Jennifer Ross is recommended at 32 hours per month, plus time for onboarding new teams.

Project Deliverables

Deliverable	Description
Deliverable #1	Onboarding of new PACE organisations
Deliverable #2	Monthly 1-hour coaching call with each team. Review of current data, PDSA's and change ideas in preparation for call and provision of bulleted notes and next steps from the call.
Deliverable #3	Planning and facilitation of monthly group call.
Deliverable #4	Review of rolled up data and recommendations based on the value of the data
Deliverable #5	Synopsis of current activity across all teams for PACE leadership on a monthly basis

Pricing

Deliverable	Description of activity	Time required
Deliverable #1	<ol style="list-style-type: none"> 1. Pre work preparation for teams 2. 90 minute call with each team including review of pre-work 3. 2 hour Quality improvement methodology teaching session and preparation time 4. Tailored support in first 8 weeks to embed the methodology in addition to 1 hour of monthly coaching (email support and extra virtual coaching if preferred) 	<ol style="list-style-type: none"> 1. 2 hours 2. 2 hours 30 min per team 3. 4 hours 4. 4 hours per team <p>Based on 7 teams requiring onboarding = 52 hours</p>
Deliverable #2	Monthly 1 hour coaching call with each team. Review of current data, PDSA's and change ideas in preparation for call and provision of bulleted notes and next steps from the call.	2 hours per team/month
Deliverable #3	Planning and facilitation of monthly group call. Notes from the meeting and next steps circulated to participating teams	4 hours/month
Deliverable #4	Review of rolled up data and recommendations based on the value of the data	2 hours/month
Deliverable #5	Synopsis of current activity across all teams for PACE leadership on a monthly basis	2 hours/month

This proposal cost for deliverable 1 is \$6500 for the recommended 52 hours for the initial onboarding of 7 new teams. Then a cost of \$4000 per month for deliverables 2 thru 5, based on 12 teams participating.

Qualifications

Jennifer Ross has over 15 years of experience in quality improvement and patient safety. Her varied experience both nationally and internationally bring depth, breadth and credibility to her work. Jennifer is very happy to answer any question about her experience, key skills include:

- Human Factors application
- Quality improvement, including improvement advisor and collaborative director
- Patient safety expertise
- Coaching and teaching

If you have questions on this proposal, feel free to contact Jennifer Ross at your convenience by email at Jennifer@RossQI.com or by phone at +44 7946 039347.

Thank you for your consideration,

Jennifer Ross
Director
Ross Quality Improvement Limited

Ross Quality Improvement Limited is a private company registered in Scotland with company number 647171

CalPACE
BUDGET
Fiscal Year 2020-2021

			\$		%	
	2019-2020 Annual Budget	2019-2020 Projected Actual	Proposed 2020- 2021 Annual Budget	Change over Projected	Change over Projected	Assumptions Re: FY 2020-2021
REVENUE:						
Full Membership	\$ 490,000	\$ 497,500	\$ 536,000	\$ 38,500	8%	See dues model
Associate Membership	24,375	20,000	28,750	8,750	44%	Assume: NEMS at full dues of \$12,500, Neighborhood Health Care at \$12,500, Edenbridge at \$3,750
Affiliate Membership	55,000	58,125	43,500	(14,625)	-25%	affiliates to 1 (CVHC) as well as budget restrictions due to COVID-19.
ISAT fee	6,000	-	12,000	12,000		Assumes continuation of I-SAT survey trends.
Sponsorships	11,000	4,575	-	(4,575)	-100%	No dinner sponsorships expected
Event - Affiliate	3,600	-	3,000	3,000		Affiliate non-dues revenue opportunity. TBD
Event - Meet and Greet	57,000	58,650	52,500	(6,150)	-10%	Meet & Greet in May/June 2021. Expect revenue to decrease. Estimated 15 vendors at \$3,500 each.
Event - Retreat	4,000	3,250	(3,250)	(3,250)	-100%	None expected.
Operating revenue - Subtotal	650,975	642,100	675,750	33,650	5%	
Strategic initiative - PACE 2.0	-	2,800	23,250	20,450		PACE 2.0 - this amount represents the amount that will be assessed to participating members.
Strategic initiative - Brand	-	26,500	27,500	1,000		Carryover from 19-20
Strategic initiative - SNP	-	58,600	-	(58,600)		Project completed
Strategic initiative revenue - Subtotal	-	87,900	50,750	(37,150)		
TOTAL REVENUE	650,975	730,000	726,500	(3,500)	0%	
SALARIES:						
Executive Director	145,500	149,354	145,500	(3,854)	-3%	
Vice President of Operations	84,040	96,942	88,200	(8,742)	-9%	
Admin Asst./Public Policy Analyst	5,900	19,491	25,000	5,509	28%	
Merit pool	20,000	-	23,000	23,000		
TOTAL SALARIES	255,440	265,787	281,700	15,913	6%	
Employee benefits	29,436	19,903	32,467	12,564	63%	
TOTAL EMPLOYEE BENEFITS	29,436	19,903	32,467	12,564	63%	
Payroll taxes	19,840	18,739	22,797	4,058	22%	
TOTAL PAYROLL TAXES	19,840	18,739	22,797	4,058	22%	
TOTAL SALARY & FRINGE BENEFITS	304,716	304,429	336,965	32,536	11%	Merit pool included, healthcare cost increase 10%, PTO increase included
Contracted Services:						
Lobbying	89,000	88,644	93,076	4,432	5%	5% increase
Public Relations	25,000	4,900	40,000	35,100	716%	Monthly retainer with PR firm
Consultant - Other	58,000	15,318	25,000	9,682	63%	Sellers Dorsey \$20K, Brenda Klutz \$5K
Legal	24,500	39,000	24,000	(15,000)	-38%	\$2,000 monthly retainer
Actuarial	20,000	17,663	20,000	2,337	13%	Ongoing review of rate methodology and supplemental rates
Website Design	24,500	1,180	13,500	12,320	1044%	Montly maintenance plus locator tool
Audit/Tax	2,000	1,500	10,000	8,500	567%	990 prep and biannual audit
Accounting	8,760	8,760	9,000	240	3%	LeadingAge CA services agreement
I-SAT - Other	5,100	2,735	1,800	(935)	-34%	Shared costs of exhibiting cost at NPA Spring Policy Forum
Strategic planning consultant	20,000	3,250	-	(3,250)	0%	Grant writer
Administrative services	3,600	5,100	5,100	-	0%	LeadingAge CA services agreement
Marketing	3,000	-	-	-		Included in public relations
	283,460	188,050	241,476	53,426	28%	
Brand development	-	26,500	27,500	1,000		Carryover from 19-20
SNF Feasibility	-	58,600	-	(58,600)		Project completed
PACE 2.0	-	2,801	46,500	43,699		The collaborative will be open to all PO's for participation in 2020-2021. 12 monthly meetings with facilitation and monthly team coaching by Jennie Ross at \$4,750 per month (based on 15 teams) + \$4,000 on boarding new PO's. If wish to hold an in-person meeting in Spring 2021, add \$13,000.
	-	87,901	74,000	(13,901)	-16%	

3000
7000
233,700

	2019-2020 Annual Budget	2019-2020 Projected Actual	Proposed 2020- 2021 Annual Budget	Change over Projected	Change over Projected	Assumptions Re: FY 2020-2021
Subtotal	283,460	275,951	315,476	39,525	14%	
TRAVEL & TRAINING:						
Travel and Entertainment	18,000	13,862	9,700	(4,162)	-30%	Staff travel conferences and retreat
Training and Conferences	7,600	2,467	5,600	3,133	127%	Staff registration for conferences
Subtotal	25,600	16,329	15,300	(1,029)	-6%	
TOTAL PROGRAM & TRAVEL EXPENSE	309,060	292,280	330,776	38,496	13%	

	2019-2020 Annual Budget	2019-2020 Projected Actual	Proposed 2020- 2021 Annual Budget	Change over Projected	Change over Projected	Assumptions Re: FY 2020-2021
GENERAL OFFICE & ADM EXPENSE						
Board retreat	40,000	45,427	50,000	4,573	10%	Facility and 40 attendees with coronavirus safety protocols and webcasting. Presenters may participate virtually.
Affiliate meeting	20,000	12,177	20,000	7,823	64%	Meet and greet event outdoor with coronavirus safety protocols
Dues and subscriptions	12,100	8,430	14,500	6,070	72%	Various memberships and software subscriptions
Office rent	11,220	11,145	13,380	2,235	20%	Increase per sublease agreement and addition of part time analyst
IT	3,800	5,098	6,720	1,622	32%	Help desk and web site hosting and maintenance
Telephone	4,740	4,724	4,740	16	0%	Phone and internet
Insurance	3,000	2,799	2,900	101	0%	D&O and liability
Fees and licenses	1,700	2,113	2,600	487	23%	Credit card processing fees
Printing	500	161	500	339	211%	
Supplies	1,600	1,880	500	(1,380)	-73%	
Rent - Facility	4,500	-	-	-		
TOTAL GENERAL OFFICE & ADM EXPENSE	103,160	93,954	115,840	21,886	23%	
OTHER EXPENSES:						
Catering	24,500	15,650	5,500	(10,150)	-65%	Member meals
Depreciation	2,040	2,142	3,000	858	40%	Computer and office furniture
Contributions and Gifts	2,800	1,127	2,800	1,673	148%	Various and Justice in Aging
Postage	50	88	100	12	14%	
TOTAL OTHER EXPENSES:	29,390	19,007	11,400	(7,607)	-40%	
TOTAL OPERATING EXPENSES	746,326	709,670	794,981	85,311	12%	
NET SURPLUS (DEFICIT)	\$ (95,351)	\$ 20,330	\$ (68,481)	\$ (88,811)	-437%	
Unrestricted net assets, Beg of Year		213,517	233,847			
Projected net surplus		20,330	(68,481)			
Projected unrestricted net assets, End of Year		\$ 233,847	\$ 165,366			

CalPACE FY 20-21 Budget Narrative

Revenues

- Operating revenues are proposed to remain relatively flat at \$726,500 compared to the 2019-2020 projected actual results of \$730,000.
- Total membership dues are set each year based on anticipated CalPACE expenditures. Each member's allocated dues is based on the proportionate share of statewide revenue or enrollment, under the model approved by the board. The model additionally proposes, subject to board approval, to impose a maximum of \$60,000 and a minimum of \$15,000. Total full member proposed dues revenue would increase by 8%. This increase includes two new members and is driven by a decrease in non-dues revenue while covering the new initiatives and operating activities.
- Associate dues are anticipated to increase by \$8,750. This assumes NEMS and Neighborhood Health Care each at \$12,500 and Edenbridge at \$3,750.
- Included in the budget are the following revenue sources: Affiliate membership, I-SAT fee, Sponsorships, and Events, which accounts for \$111,000 in revenue.
- Strategic initiative revenue accounts for \$50,750 and is assessed separately from membership dues. PACE 2.0 participating members will be assessed \$23,250 and the Brand development of \$27,500 is being carried over from 2019-2020.

Expenses

- Total salary and fringe benefits are expected to rise by 11%. The factors that influence this increase:
 - Part time Policy Analyst
 - Funding for a merit pool has been included in the budget.
 - Healthcare cost are anticipated to rise by 10%.
 - Projected salaries include accrued vacation costs, which are close to the maximum allowed under the PTO policy.
- Contracted services are expected to increase by 28% as follows:
 - Lobbying includes a \$4,432 increase.
 - Public relations - \$35,100 increase over current year to conduct ongoing communications and public relations efforts to disseminate data; social media; information and stories to increase awareness of and support for PACE and what it does.
 - Consultant – Other \$9,682 increase to include Sellers Dorsey and Brenda Klutz.
 - Legal decrease of \$15,000.
 - Actuarial cost increase of \$2,337 to support the ongoing review of rate methodology and supplemental rates.
 - Website increase of \$12,320 includes maintenance plus a locator tool.
 - Audit and Tax preparation fees increase of \$8,500 due to bi-annual audit for 19-20 FY.

- Strategic initiative expenses include \$27,500 for Brand Development that was carried over from the 19-20 year (along with the associated revenue) and \$46,500 in costs for the enhanced PACE 2.0 learning collaborative that will be funded 50% with dues and 50% via special assessment of participating organizations.
- Travel and training is anticipated to decrease by 6%. Most travel for 19-20 was suspended midyear due to COVID-19 and has been reduced for 20-21.
- General office and admin expenses overall increase of 23%.
 - Board retreat increase of \$4,573 based on 40 attendees with COVID-19 safety protocols in place.
 - Affiliate meeting expense increase of \$7,823 is offset by exhibitors and sponsors.
 - Dues and subscriptions increase of \$6,070. This category supports various memberships and subscriptions.
 - Rent –office increase of \$2,235 rent increase per sublease for office space.
 - IT increase of \$1,622 for help desk, website hosting and maintenance.
 - Other categories have a minimal change impacting the overall budget.
- Other expenses are indicating a 40% decrease overall primarily due to:
 - Catering decreases of \$10,150 (catering is partially offset by dinner sponsorship revenue).

The result of the 20-21 budget indicates an overall decrease of \$68,481 in net assets with a projected total of \$165,366 by the end of fiscal year 2021.

A Comparison Estimation of PACE Cost and Quality: A causal analysis assessing PACE programs in CA and the other 49 US states

Research Design Discussion Draft

August 15, 2020

Need for study:

Policymakers in California and nationally want to understand if PACE (Program for All-Inclusive Care of the Elderly) program capitation provides a good value for the effectiveness of care delivered. The goal is to understand if PACE programs capitation costs are lower than would be achieved using usual Medicare fee for service, Medicare advantage programs, or other available models of care while preserving or enhancing the quality of care. Some previous studies have shown increased longevity and lower utilization of some services, but there have also been mixed findings regarding cost saving compared to Medicare and Medicaid. This study will rigorously assess how PACE enrollment impacts cost, utilization, and quality of care.

Previous literature:

There have been several attempts to study PACE effects on costs and quality of care (1-4). Some studies have shown that PACE programs are effective because they have shown either similar or lower Medicare costs and improved preventive care when compared with other populations of enrollees, while other studies have shown increases in utilization and transition to nursing facility care. One likely cause of the mixed results related to PACE programs impact on costs and utilization is the challenge associated with adequately identifying a group to compare PACE enrollees against. Controlling for factors that differ among PACE enrollees and other Medicare enrollees is critical because the population served by PACE programs is quite distinct, with enrollees who have significant chronic conditions and are eligible for nursing facility care, but are not living in a nursing facility. Comparing these enrollees to other populations that are not eligible for nursing facility care or who are living in nursing facilities is likely to over- or underestimate the costs relative to this comparisons groups. To solve this this problem, we propose to identify a comparison population of Medicare enrollees that meet all the criteria to be eligible for a PACE program except that they do not live in a geographic area with a PACE program. Residing in a PACE program catchment area is key constraint that prevents some otherwise eligible from enrollees from enrolling in a PACE program. By comparing similar patients (based on age, frailty, chronic disease diagnosis, nursing facility eligibility, and other key characteristics) that live in and outside of a PACE program catchment area will provide us with a treatment and control group for key, causal analyses.

What we will contribute:

We propose to assess the effectiveness of PACE programs, with focus on California and the nation as a whole. The empirical analysis will rely on claims data from Medicare for 2014 – 2016 and will focus on effectiveness comparisons both between PACE participants and similar non-PACE participants, and with comparison between California and the rest of the country. Our primary analytic foci will be on estimating effectiveness in (i) avoiding potentially preventable hospital admissions (as defined by CMS), (ii) avoiding potentially preventable ED admissions (as defined by CMS), (iii) reducing costs (relative to fee-for-service patients), and (iv) total number of healthy days at home, and a secondary focus on preventing mortality. When possible, all outcomes will be risk-adjusted. The input data, which we currently have access to, provide 100% sample of all Medicare hospital admissions and a 5% sample of all outpatient visits, as well as an indicator of PACE enrollment.

The primary analytical strategy will be to identify causal effects of enrollment in a PACE program using instrumental variable approach, where residing in or outside of a catchment area is the statistical “instrument” used to randomize the population of otherwise PACE eligible participants. The instrumental variables approach is well-established econometric tool for identifying a causal relationship using otherwise non-randomized data. The intuition of this method is compare the outcomes and healthcare costs of those eligible for PACE program who live in a PACE catchment area (treatment group) and who do not live in a catchment area (control group). By comparing across geographies, we can compare ‘life-for-like’ beneficiaries, and avoid confounding based on if an enrollee self-selected to participate in a PACE program. In addition, this analysis will control for key patient characteristics and characteristics of the patient’s county (such as median income, race, medical price indices, density of medical providers, and when possible underlying prevalence of key modifiable risk factors) to ensure the identification of a causal effect of PACE.

Deliverables

Our aim is to design research products and dissemination approaches that will inform healthcare providers and policymakers on the quality and cost benefits of PACE. We anticipate this will include production of (i) a one-page policy brief, (ii) presentations of our methods and results to CalPACE, and (iii) presenting at academic conferences. These products will be aimed at highly-informed, non-technical audiences that will inform strategic discussions and decision-making. Most importantly, the evidence produced by this study will be used to inform the national conversation about PACE program effectiveness and value. For more technical audiences and to ensure that the science applied is of the highest caliber, we will (iv) submit a manuscript to peer-reviewed journal that articulates the methods applied while showcasing the results. Our study will differ from previous studies in that; (1) that it estimates causal effects using instrumental variables, (2) examine nursing home indicators of use in addition to other cost measurements of

capitation, inpatient charges, ED charges, Part D charges, and (3) compare the PACE effectiveness and cost advantage found in California to that in the rest of the nation.

This project will be broken into two parts, with a “gate” set to bifurcate the project. At the gate, the research team will present descriptive statistics regarding the dataset constructed for the evaluation, with special focus on validating that the treatment and the control groups on which our analysis will be based have sufficiently similar populations and are powered sufficiently for meaningful empirical analysis of cost and outcomes. Comparisons will highlight the characteristics that the treatment and control populations have in common, such as age, frailty index, and treatment for chronic conditions. To further assess the comparability of the two groups, we will compare the records of those surveyed as part of the Medicare Beneficiaries Survey (MCBS). MCBS conducted on a relatively small population of Medicare Beneficiaries, but includes additional features that can be used to validate the comparability of the treatment and control populations. These additional features include ADLs and self-assessment of health. At the gate, the funder and research team will aim to mutually agree upon next steps and if to complete the analysis. While the project is budgeted as a single project, passing the gate will be a necessary deliverable to ensure payment for the funding for the analysis stage and dissemination stage of the project.

Citations:

- (1) Fretwell, M.D., Old, J.S., Zwan, K., Simhadri, K. (2015). The Elderhaus Program of All-inclusive Care for the Elderly in North Carolina: Improving Functional Outcomes and Reducing Cost of Care: Preliminary Data. *Journal of the American Geriatrics Society*, 63 (3): 578-83.
- (2) Stefanacci, R.G., Reich, S., Casiano, A. (2015). Application of PACE Principles for Population Health Management of Frail Older Adults. *Population Health Management*, 18 (5): 367-72.
- (3) Shaw, L. (2014). Program of All-Inclusive Care for the Elderly: A Comprehensive, Cost-Effective Alternative for Frail Elderly Individuals. *North Carolina Medical Journal*, 75 (5): 344-45
- (4) Hirth, V., Baskins, J., Dever-Bumba, M. (2009). Program of All-Inclusive Care (PACE): Past, Present and Future. *Journal of the American Medical Directors Association*, 10: 155-60.

Timeline: 12 Months

Personnel

Dr. Milstein is a Professor of Medicine at Stanford and directs the University's Clinical Excellence Research Center. The Center engages faculty from Health, Computer, and Social Sciences in the discovery and replication of innovative health care delivery methods that safely lower per capita health care spending for excellent care.

Before joining Stanford's faculty, his career of applied research spanned private and public sector healthcare delivery and policy. After creating a healthcare performance improvement firm that he expanded globally following its acquisition by Mercer, he co-founded three nationally influential public benefit initiatives, the Leapfrog Group in partnership with the Business Roundtable in 1998 and the Consumer Purchaser Alliance in 2001. Appointed to consecutive term as a Congressional MedPAC Commissioner, he originated two subsequently enacted legislative changes to improve the value of healthcare. He was a founding staff member and serves as the Medical Director of the Pacific Business Group on Health (PBGH), the largest employer-led regional healthcare improvement coalition in the U.S.

Citing his national impact on innovation in health care policy and delivery methods, he was selected for the highest annual award of both the National Business Group on Health (NBGH) and of the American College of Medical Quality. Elected to the Institute of Medicine (now, NAM) of the National Academy of Sciences, he chaired the planning committee of its workshop series on best methods to lower per capita health care spending and improve clinical outcomes. He was educated at Harvard (BA–Economics), Tufts (MD) and UC Berkeley (MPH Healthcare Evaluation).

Dr. Dieleman is an Associate Professor of Health Metrics and Evaluation, and leads IHME's Resource Tracking team including the measurement of healthcare utilization and spending in the US and around the world, as a means to understand how, for whom, and for which causes of illness resources for health are spent, both domestically and internationally. A range of staff including researcher, database managers, and a project manager will support these components to ensure products are of the highest scientific rigor.

Dr. Rubin is a Physician Owner, Haya R Rubin MD PhD, primary care and consultative medicine practice, San Mateo and Santa Clara County, CA, 2007-Present. Primary care internal medicine, preventive care, chronic disease care coordination, chronic care for complex and serious illness (PACE and home complex care programs) geriatrics, hospice care, telemedicine, home based care., medico-legal review, and health care advocacy. Solo home visit practice and contract work at office or clinic sites for various provider organizations. Consultant, Stanford Clinical Excellence Research Center (CERC), 2019-Present. Advisor to Partnership for AI-Assisted Care (PAC) including Senior Care Project and PACE evaluation.

Adjunct Professor of Medicine, The Johns Hopkins University School of Medicine, 2005-present.

Dr. Wilmot is a seasoned physician executive with experience in clinical care, policy development, utilization management strategy, technology assessment and comparative effectiveness. Through her work as a hospitalist, as a health plan Medical Director, and more recently as Chief Medical Officer of the Center for Elders' Independence (a PACE Program in Oakland California) Dr Wilmot has developed a deep understanding of the challenges of treating acute and chronic conditions in the frail elderly as well as a passionate commitment to high quality and affordable care which allows seniors to live independently in the community setting for as long as possible. Dr. Wilmot graduated from Stanford University with distinction in English Literature and earned her medical degree from the Boston University School of Medicine. She received an MPH from the University of California Berkeley and completed her Internal Medicine training at Mt. Zion/UCSF in San Francisco. Dr Wilmot is Board Certified in Internal Medicine.

Dr. Huber is a healthcare management researcher and consultant with 25 years of experience in organizational leadership, culture, process and strategy development. His research and consulting are focused on organizational change and culture transformation, organizational learning and teamwork, process redesign and performance improvement. Thomas is an experienced thought leader and facilitator that helps individuals, teams, and organizations achieve sustained high performance in areas like leadership coaching, multiculturalism. He has worked in more than 30 U.S. states and completed more than 45 projects at clinics, hospitals and health systems across the United States including such organizations as; Kaiser Permanente, Bon Secours Health System, California Children's Hospital Association, California Healthcare Foundation, Intermountain Healthcare, Mayo Clinics, and Mass General Hospital. He has led hundreds of seminars and teaching sessions on innovative care delivery models, operational excellence, leadership training, microsystems thinking and organizational strategy. Thomas has published work in positive organizational scholarship, leadership, teamwork, quality improvement, performance management, innovation, technology adoption, accountable care organizations, and coordination. Thomas has led several multi-institutional research collaboratives and led numerous external and internal consulting engagements. Thomas has a doctorate in Healthcare Management and Policy from UC Berkeley, a master's degree in the Evaluative Clinical Sciences from the Dartmouth Institute of Health Policy and Clinical Practice, and a bachelor's degree in Philosophy and Psychology from Dartmouth College.

Team of administrators, research associates, and database managers from the Clinical Excellence Research Center at Stanford University and the Institute for Health Metrics and Evaluations at the University of Washington.