



PACE SAVES MONEY

PACE: Lower Cost, Higher Quality, Better Value for California

PACE Cares for the Frail Elderly Population

- » The Program of All-Inclusive Care for the Elderly (PACE) helps older adults live at home with a higher quality of life and at reduced cost by providing holistic and individualized care solutions
- » PACE simplifies complex care for participants and their caregivers by providing and coordinating preventive, primary, acute, and behavioral health care and long-term services and supports so that older individuals with complex chronic care needs can continue living in the community as long as possible. Beyond-routine care, including transportation, meals, recreation and socialization, also is provided.

- » A PACE interdisciplinary care team, comprised of 11 different disciplines, including primary care providers, nurses, physical therapists, occupational therapists, recreation therapists, social workers, dietitians, personal care aides and drivers, assess care needs and develops care plans that integrate the full range of health care services required by participants – from medical and social services to long-term services and supports.

PACE is Designed to Save Money

- » PACE assumes full financial risk for and provides all Medicaid and Medicare (primary, acute, long-term care and prescription drugs) services for a fixed amount per person, per month.
- » As a result, PACE payments are predictable and do not change based on service use, even if a participant needs permanent nursing home placement.

PACE SAVES MEDICAID

MORE
THAN **\$1,000**
PER PERSON PER MONTH

WHERE IS PACE?

Twenty-seven counties served in California.

As of September 1, 2025, PACE in California serves over 26,000 participants.

Nationally, there are 185 PACE organizations across 33 states plus the District of Columbia serving more than 80,000 individuals and their families.

- » The monthly capitated payments to PACE organizations must, by federal law, be lower than the state would otherwise pay for a comparable population.

PACE Reduces California Costs by About \$350 Million Annually

- » PACE saves Medicaid more than \$13,000 per participant each year. Since PACE serves over 26,000 individuals, PACE is annually saving the Medicaid program about \$350 million on the dual eligible population.

PACE Provides High Quality Care

- » Research consistently shows lower rates of hospitalization, readmission and potentially avoidable hospitalization among PACE enrollees than in similar populations.
- » A Department of Health and Human Services found PACE to be a “consistently ‘high performer; ... [F]ull-benefit dual eligible beneficiaries in PACE are significantly less likely to be hospitalized, to visit the ED, or be institutionalized, while their mortality risk is not greater despite their higher frailty levels, when compared to regular MA enrollees.”¹
- » A Bipartisan Policy Center report found that “PACE is thus well designed to cost-effectively address the needs of populations with high rates of chronic illness.”²

¹ Health and Human Services. “Comparing Outcomes for Dual Eligible Beneficiaries in Integrated Care: Final Report.” October 2021.

² Bipartisan Policy Center. “Improving Access to and Enrollment in Programs of All-Inclusive Care for the Elderly.” October 2022.

Reducing access to PACE would increase costs for California. In addition, older adults and people with disabilities would lose access to a highly effective care model that keeps them living safely in their homes and communities.