

A drive toward home health care for seniors, having gained momentum during the pandemic, could provide a much-needed boost to [Programs of All-Inclusive Care for the Elderly](#) (PACE). PACE's goal of allowing seniors to receive clinical care in their home seems to be a natural fit within the future of senior care. The program provides services that range from access to an interdisciplinary team to social services including transportation, nutritional counseling and more. Currently, there are [140 programs operating 272 PACE centers in 30 states, serving 55,000 people](#).

Seniors want to stay home



Even before the pandemic, seniors have been adamant about their desire to stay in their homes, for a number of different reasons. In fact, almost 90% of people over age 65 want to [stay in their home](#) for as long as possible, according to an AARP survey, and 80% believe their current residence is where they will always live. Although an individual must be 55 or older and certified as needing nursing home-level care to enroll in PACE, only about 5% participants nationwide live in a nursing home, according to the [National PACE Association](#) (NPA).

The transition to a facility has been documented as being difficult both mentally and emotionally for a senior. Between the loss of independence as well as moving into a new location with new people while also losing their day-to-day routines in their homes, it's no wonder seniors overwhelmingly want to go home.

The pandemic strengthened that need to be home

The pandemic forced home health to prove its viability, and people were kept safe as a result. As with the shift to a work-from-home environment, skeptics had to be converted. Many have been, but many remain unconvinced.

As a variety of healthcare organizations scrambled to adapt, "PACE programs shifted some services from their adult day centers to patients' homes, added telehealth check-ins and

made other changes that providers say kept patients safe,” [Time](#) magazine reported. “While nursing homes nationally had a COVID-19 case rate of close to 60%, the rate among PACE participants was 19% through the end of March.”

PACE includes “built-in flexibilities”



The most recent update to PACE came in August 2019 when the [final rule](#) from the Centers for Medicare and Medicaid Services (CMS) gave participating organizations greater operational latitude.

Home health providers, which get per member per month capitated payments from Medicare and Medicaid, don’t have the flexibility that PACE organizations do, *Home Health Care News* pointed out. PACE organizations, by contrast, have seen many of their expenses remain static, helping to maintain stability in their operations.

“While many agencies have transitioned to delivering telehealth care when appropriate, those virtual visits aren’t reimbursable and don’t count toward low utilization payment adjustment (LUPA) thresholds. That means providers’ reimbursement has taken a hit at the expense of keeping home health patients safe,” according to Home Health News.

5 challenges facing PACE

Does the PACE program seem like the perfect fix for the future of senior care? It may be a piece of the puzzle, but it doesn’t come without some challenges. Here are five challenges that are still facing the program:

1. **Regulations and limits** – In addition to regulatory obstacles, state caps on Medicaid have been a hindrance, creating long waiting lists for home-based care. U.S. Sen. Bob Casey, D-Pennsylvania, chair of the Senate Committee on Aging, has introduced legislation known as the [PACE Plus Act](#), which would facilitate the creation and expansion of PACE programs through federal grants; provide states with incentives to

adopt or increase the use of it; increase the number of seniors or people with disabilities who are eligible for PACE services; and decrease the bureaucratic burden and provide additional technical assistance resources.

2. **People caught in the middle** - While Medicaid is the primary payer for long-term care, many Americans make too much money for Medicaid yet can't afford expensive care, leaving them in a precarious position. The creation of new PACE programs and the expansion of existing ones could potentially help some of these people.
3. **Low pay and shortages** - There are a number of factors that have led to the worker shortage that continues to have an impact in the health care industry. The pandemic has certainly brought to life some of those conditions that need to be addressed to attract more workers.
4. **Trend-bucking states** - Many states have not followed the national trend of shifting their Medicaid spending toward home healthcare.
5. **Lack of awareness** - The Centers for Medicare & Medicaid Services (CMS) limits PACE marketing activities, and because providers don't want to lose patients, many seniors are not even aware that PACE programs exist, according to a Second Wave - Michigan [report](#).

"Given the rapidly rising numbers of aging Americans and their clear desire to age in place, it is imperative for our nation to encourage the growth of PACE—a holistic model of care well-equipped to meet their needs at home and in the community," NPA President and CEO Shawn Bloom said in a press release announcing the PACE Plus Act.

Sen. Casey's bill follows one of the recommendations from his committee's 2020 report "[Reimagining Aging in America: A Blueprint to Create Health and Economic Security for Older Adults](#)." In addition, the press release emphasizes, "President Biden's infrastructure proposal includes \$400 billion for home care-based solutions (HCBS), and the Milken Institute, a leading think tank, recommends PACE as a solution to the nation's long-term care crisis."

If seniors continue to push for more care options at home, programs such as PACE may play a crucial role in the future of senior care. Overcoming the barriers of the program and growing it nationwide may be the missing piece in unlocking this puzzle.

Subscribe to our weekly newsletter for more news, insights and analysis from the

experts improving the healthcare experience for seniors.

[SUBSCRIBE](#)