



To: Robert Bethell Joint Committee on Home and Community Based Services and KanCare Oversight

From: Justin Loewen, Executive Director, Bluestem PACE, Inc.

Date: November 3, 2022

RE: PACE Organization Overview and Update

Chairwoman Landwehr and Members of the Committee,

Thank you for the invitation and opportunity to provide a brief overview and update on PACE in Kansas. I am Justin Loewen, Executive Director for Bluestem PACE. You will have written testimony provided by Melissa Johnson for Ascension HOPE and will hear additional comments from Shawn Sullivan for Midland Care Connections following my testimony.

I would like to start with a brief update on Bluestem PACE, and a short overview of the PACE model of care. Bluestem PACE is the youngest of the three PACE organizations within the State and has been serving a six-county region through our PACE center located in McPherson since August of 2016. Bluestem PACE is a subsidiary of Bluestem Communities which also operates two Life Plan Communities: Schowalter Villa in Hesston and Kidron Bethel Village in North Newton. As a rural PACE provider, Bluestem PACE currently serves 110 participants across our 4,500 square mile service area.

Whether located in Urban, Suburban or Rural markets, the three fundamental characteristics of PACE organizations are the same:

1. We are community-based care providers, not health plans. For more than 20 years, PACE has provided frail seniors in Kansas with the person-centered care they need to remain living in their homes and to avoid pre-mature nursing facility placement.
2. We provide comprehensive, fully-integrated care which is coordinated and delivered by the primary caregivers of the participants we serve. The PACE financing model bundles fixed payments from Medicare and Medicaid, or private sources, into one flat-rate (capitated) payment to provide the entire range of health care services a person needs.
3. We are fully-accountable and responsible to our enrollees, their families and federal and state governments for the quality and cost of care provided. The result is better health outcomes, controlled costs and increased satisfaction.

As a rural PACE organization, Bluestem PACE utilizes the flexibility of the PACE model to adapt to the unique needs of our population while serving a vast geographic region. In 2021, we developed an Alternative Care Site, or satellite site, to increase access to PACE services for the rural portions of Reno and Rice counties. We have begun utilizing community-based physicians to more closely connect the

PACE model of care to the community providers our participants have come to know and trust. As we seek to expand the reach of PACE into deeply rural and even frontier regions of the state, PACE must leverage existing community-based providers to coordinate and integrate primary and acute medical services with long-term services and supports.

Bluestem PACE also utilizes the operational flexibility that allows for an expanded role of the nurse practitioner. This flexibility allows us to utilize nurse practitioners to perform many of the functions traditionally reserved for the primary care physician on the PACE Interdisciplinary Team. This includes performing periodic assessments and taking a bigger role in care plan development. Having this option allows us to better support the role of the community-based primary care physician in the PACE model and breaks down another barrier to providing needed medical care to people in need.

Additional flexibility has been given to PACE through the State's legislature:

1. In 2009 PACE was provided an exemption from needing a separate licensure in Kansas to provide home health services to individuals enrolled in PACE;
2. In 2016 a similar exemption was provided for PACE that allows us to provide Adult Day Services in our centers without a separate license as long we only serve PACE enrollees.

These two exemptions are optional for Kansas PACE Organizations, but allow providers the option to reduce the regulatory burden of maintaining duplicate and often contradictory regulatory requirements for providing in-home and adult day services to our participants.

As Kansas PACE providers, we are truly grateful for the public policy and administrative support that has been given to PACE. While these efforts have given increased flexibility for providers and reduced the burden for individuals needing services, there is still work to be done. We appreciate the opportunity to work closely with committees like this one, and with other agencies within the State to give Kansas seniors continued access to the PACE option. Ensuring there is a clear path for PACE eligible Kansans to access needed services while continuing to live in their home remains one of our strategic priorities for the coming year. We have made progress in our partnerships with the Aging and Disability Resource Centers, and look forward to exploring additional PACE awareness and enrollment pathway options with KDADS and legislators over the coming months.

In closing, I also want to share our gratitude for the support PACE received from the Administration, and from the legislature for inflationary adjustments to PACE Medicaid rates. However, the current rate setting procedure only provides for rebasing of PACE Medicaid rates every three years. As you are aware, inflationary pressures are having a significant impact on our operations. As a result, we will be working closely with KDADS leadership to explore options for moving to an annual review of PACE rates to provide more timely inflationary adjustments when needed.

I will now turn it over to Shawn Sullivan with Midland PACE to provide additional comments.

Thank you again for your time and support for the PACE model of care.