

Chairman and Committee Members:

My name is Sam Allred and I represent the Via Christi HOPE PACE Programs. I am asking for your support of Senate Bill 142.

Opening their Wichita site in 2002, Via Christi HOPE was the first PACE provider in the state of Kansas. The PACE concept centers on the belief that it is better for the well-being of seniors with chronic care needs and their families to be served in the community whenever possible. Since its inception, Via Christi HOPE has served more than 700 physically disabled and frail elder residents of Sedgwick County. We are currently focusing on expansion efforts centered in Johnson County, touching parts of Franklin and Miami Counties.

PACE is a collaborative effort between the State of Kansas, CMS, the PACE providers, and those served through the program. The two current providers are serving 11 counties at this point in time. As a step in budgetary management, the State has expanded the PACE service area – awarding new territories to cover a total of 59 counties throughout the eastern half of the state.

PACE provides all-inclusive services to adults age 55 and older who still live in the community but are eligible for long-term care. The goal is to help keep these individuals in their own homes for as long as possible, as opposed to being placed in traditional long-term care, which is a more costly and often less desirable option. PACE provides medical care, medications, social support, in home services, case management, transportation and more – all coordinated through a team familiar with the individual wants and needs of each person served. PACE serves a primarily low-income population, often dealing with multiple co-morbidities in an endeavor to manage their care efficiently, thus providing a savings in health care spending. The PACE organizations are at full-risk for the outcomes and expenditures for each person served, as they receive capitated payments for provision of services.

The purpose of Senate Bill 142 is to exclude PACE programs from Adult Day Care statutory definitions. KDADS has compared the CMS regulations of PACE with the State's regulations for Adult Day Care and has found no reason to retain the ADC license, finding that the standards of care in the PACE regulations satisfy State regulations for Adult Day Care. KDADS assisted in drafting the proposed change in language, which would exclude PACE programs from Adult Day Care statutory definitions, provided they offer services exclusively to PACE participants.

There are two key reasons for the proposed change, as agreed upon by PACE providers, KDADS and the Secretary on Aging's office:

- Dual survey process; PACE programs currently are subject to CMS and State survey as a PACE provider and State survey for Adult Day Care.

- Limited opportunities for growth, as related to the requirement for landlords leasing space to PACE providers to sign an agreement with the State to be liable for ADC operations.

The following paragraphs focus on these two points.

Dual survey process:

As stated above, PACE providers currently undergo a survey from CMS and the State, subject to PACE regulations. They also undergo a survey from the State as a provider of Adult Day Care. The PACE regulations have been reviewed by the Secretary's office and have been determined to satisfy the State's regulations for Adult Day Care. In light of this, conducting the annual State survey of the ADC seems to be a poor use of resources. While offering some similar services, PACE programs do not operate in the same fashion as Adult Day Care facilities and in some ways the ADC survey process is not applicable. This can make the process awkward and challenging for both the providers and the surveyors. Additionally, this survey process is a lengthy one, using State resources in the way of travel and staff time – and also consuming a great deal of staff time for the PACE provider. It seems these resources could be used in a more efficient manner, rather than duplicating work that has already been completed.

Limited expansion opportunities:

The current interpretation of the ADC statute requires that landlords leasing space to PACE programs be co-holders of the license, making them also liable for the ADC operations. Such liability for operations not under a company's direct control poses a high risk and does not provide a reasonable business opportunity. This limits the ability for PACE organizations to expand, requiring them to buy property outright or find landlords willing to assume liability for operations they do not oversee. Additionally, if a landlord would initially agree to assume this liability, only to later withdraw, the PACE program would be forced to either discontinue operation or lose a substantial financial investment in development of operations. This also would cause a disruption of services for those being cared for by the program.

In the new expansion initiatives, two of the operators are leasing facilities and the third is exploring that option as well. If this bill is not passed, it will greatly delay, if not stop, PACE expansion entirely. Passage of this bill will allow the collaborative initiative among PACE providers, KDADS, CMS and the residents of Kansas communities to advance efforts to serve a greater number of poor, vulnerable seniors throughout the state.

I ask for your vote to pass this bill, which will greatly promote the success of PACE and the future of PACE in Kansas, in addition to saving valuable resources for both the State and the current PACE providers. Thank you for your time and consideration.