

**New Jersey Department of Human Services – Division of Aging Services
Programs of All-Inclusive Care for the Elderly (PACE)
Application for New PACE Programs**

Frequently Asked Questions (FAQs) about PACE Applications

1. What is PACE?

PACE (Programs of All-Inclusive Care for the Elderly) is a federally regulated program, under the Centers for Medicare and Medicaid Services (CMS), that coordinates and provides all needed preventive, primary, acute and long term care services for eligible older individuals. The goal of PACE is to enable participants to continue to live in the community rather than in a nursing home.

2. Who is eligible to participate in a PACE program?

To participate in PACE, an individual must be:

- Age 55 or older
- Eligible for nursing home level of care
- Living in a PACE service area
- Able to live safely in the community upon enrollment in the program

3. Who can sponsor a PACE program?

Government and tribal entities, as well as not-for-profit and for-profit organizations, can sponsor PACE programs. The most common PACE sponsors include health systems, free-standing community agencies, community health centers, long term care providers and hospitals. Limitations on sponsorship are identified in Section III of the State's "Request for Applications for New PACE Programs."

4. Are there already PACE programs in New Jersey?

Currently, six PACE programs operate in the State:

- LIFE St. Francis (2009) serving most of Mercer and parts of Burlington County
- Trinity Health LIFE New Jersey (2009) serving most of Camden and parts of Burlington County
- Lutheran Senior LIFE (2010) serving most of Hudson County
- Inspira LIFE (2011) serving all of Cumberland, Gloucester and Salem Counties
- Beacon of LIFE (2015) serving all of Monmouth County. Final CMS approval is pending for service throughout all of Ocean County.
- AtlantiCare LIFE Connection (2017) serving all of Atlantic and Cape May counties.

Currently, each PACE program is designated an exclusive service area. However, the State may consider awarding a service area to more than one PACE applicant if a need is determined in a particular area.

5. Why is New Jersey requesting applications for new PACE programs?

New Jersey is requesting applications to expand the availability of the PACE program to older individuals living in key areas of need.

6. What is the application process to develop a new PACE program?

The PACE application process involves numerous agencies outside of the Department of Human Services and includes the following steps:

- Applicants submit a Letter of Intent (LOI) in response to the State's request. The applicant attests that it will cover the entire service area identified by the State and completes the LOI requirements in the "Request for Applications for New PACE Programs."
- LOIs are evaluated by a State panel and the highest scoring submission is awarded the designated service area. However, the State reserves the right to withhold awarding the designated service area.
- All applicants submitting LOIs will be notified of the State's award decision.
- The selected applicant completes the State's Request for Additional Information (RAI). The State reviews and approves the RAI and the applicant can begin the PACE application submission process.
- The selected applicant obtains approvals from both the New Jersey Department of Health (DOH) and the New Jersey Department of Community Affairs (DCA) for architectural plans and constructs/renovates the PACE Center.
- CMS reviews the application, requests additional information if necessary, and approves the application.
- The selected applicant obtains an Ambulatory Care Facility License from DOH.
- The State conducts an extensive on-site Readiness Review to assure that the organization meets all PACE requirements, including Life Safety Code standards, and submits its findings to CMS for approval.
- The applicant, CMS and the State sign agreements to finalize the process. The applicant is officially designated a PACE organization (PO), allowing it to open the PACE program.

7. Is there an appeal process for the Letter of Intent award decision?

Appeals of any award determination may be made only by the applicants not chosen through the Letter of Intent process. All appeals must be made in writing and must be received by the New Jersey Department of Human Services' Division of Aging Services no later than five business days after the date of the award decision notification. Appeal submission instructions are provided in the "Request for Applications for New PACE Programs."

8. How long does it take to develop a PACE program once an organization is awarded a service area?

Time to develop a PACE program will depend upon a number of factors, including: 1) the amount of time taken to complete the Request for Additional Information; 2) the PACE Center construction/renovation; 3) CMS' time for processing the PACE Application; and 4) the PO's State Readiness Review preparation time. The "Request for Applications for New PACE Programs" identifies timeframe requirements for some of these activities. In general, it can take a number of years to develop a PACE program.

9. How many participants are served by a PACE program?

The number of participants that can be served by a PACE program at a given time will depend upon service area need, fire code limitations and staffing. New Jersey's current PACE programs independently serve between 130 and 340 participants.

10. What is a PACE Center and how do participants get there?

The PACE applicant must establish a Center. The PACE Center serves as the hub for primary medical care, restorative therapies, personal care, supportive services, nutritional counseling, recreational therapy and meals. In accordance with their plans of care, participants attend the PACE Center for services and socialization, in addition to receiving services at home, as needed. The PO provides transportation to and from the Center, as well as transportation for other activities, as identified in the participant plans of care.

Prior to construction or renovation, the PACE applicant must receive approvals from the DOH and the DCA. Prior to opening, it must obtain a DOH issued Ambulatory Care Facility License.

11. What benefits and services does PACE provide to participants?

PACE is an all-inclusive service delivery system comprised of: 1) all Medicare-covered items and services, 2) all Medicaid-covered items and services, as indicated in the State's approved Medicaid plan, and 3) other services to improve and maintain the participant's health status, as determined by the Interdisciplinary Team, regardless of participant payment source.

12. Who provides PACE services?

PACE uses an Interdisciplinary Team (IDT) approach. The IDT is responsible for initially assessing the participant's needs, conducting periodic reassessments, developing plans of care, coordinating 24-hour care delivery, and directly delivering care and services. The IDT is comprised of physicians, nurse practitioners, nurses, social workers, therapists, dietitians, transportation providers, home care coordinators and providers, and the PACE Center manager. The PO contracts with hospitals, in-patient rehabilitation facilities, assisted living facilities and nursing homes, as required to meet participant care needs. The IDT is fully responsible for treatment plans and oversees services delivered by both PACE staff and contractors.

13. Does the State reimburse the PO for start-up costs?

No, the State does not reimburse the PO for start-up costs incurred in the development and implementation of the PACE program nor for licensing fees.

14. How is the PACE program funded for on-going operational costs?

For each participant, the PO receives a monthly capitated payment (i.e., a lump sum from Medicare combined with Medicaid, Medicaid only, or a participant's private pay resources, including insurance) that is used to pay for all needed services provided by the PACE program. The monthly capitated payment covers all care settings, including hospitalization, in-patient rehabilitation, long term care, and home and community based settings. The monthly capitated payment for certain PACE participants in nursing homes, assisted living facilities and adult family care homes is reduced by the participant's cost share liability.