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Setting the PACE for Rural Elder Care:

Three Rural PACE Case Studies



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America is aging. In response, governments, health care providers and citizens across the country are seeking ways to better serve the growing number of elderly persons. The search for solutions in rural areas, however, often is complicated by a relative lack of health care providers and facilities, long distances between patients and services, and lower population densities. Fortunately, help could be on the way.

PACE: A Rural Possibility

Since 1983, Programs of All-inclusive Care for the Elderly (PACE) have been serving frail senior citizens in ways that enable them to live as independently as possible, keeping them in their own homes and communities. The model began in San Francisco as an effort to help Chinese-American families avoid placing their elderly relatives in nursing homes. It accomplished this goal by offering a comprehensive set of services including medical care, physical and occupational therapy, nutrition, transportation, respite care, and socialization that kept people happier and healthier. It also created a way to pay for this care using federal, state and private funds that can be pooled at the program level, allowing maximum flexibility, effectiveness and even cost-savings.

The beauty of the PACE approach and the success it has had in keeping hospitalizations and nursing home admittance to a minimum have prompted its replication around the country. Congress authorized a national demonstration program in 1986 and authorized permanent provider status for PACE programs in 1997. Today, there are 31 PACE programs operating in 17 states. All of these programs, however, serve predominantly urban settings. That need not be the case. Rural communities and rural elders can and

should benefit from PACE programs.

Because one-fifth of the nation's elderly live in rural areas, the need for PACE in rural communities is in some ways greater than in urban America. Compared to their urban counterparts, the rural elderly:

- report worse health status;
- are generally older;
- have more functional limitations;
- are more likely to live alone at age 75 and older;
- are more likely to be poor or near poor; and
- are at greater risk of being placed in a nursing home.

Unfortunately, many rural areas lack the full range of long term care services that rural elders need. PACE can help meet some of this need.

A Flexible Blueprint

Undoubtedly, bringing PACE to rural America will require creativity and flexibility on the part of providers, regulators and policymakers. Because rural communities differ from urban areas in some very important aspects, rural PACE programs will likewise differ from urban programs. One size will not fit all. Successful PACE programs are tailored to meet individual community needs rather than pulled from a rack, ready to wear.

With that said, there are five core elements of PACE that, according to the Centers for Medicare and Medicaid Services (CMS), must be maintained:

- **Serve the frail elderly:** participants in PACE programs must be 55 or older and nursing-home eligible;
- **Provide a comprehensive set of services:** PACE participants must receive a coordinated and integrated range of preventive, acute and long term care services;

- **Use an interdisciplinary team of service providers:** participants' care must be provided and managed by a team of providers ranging from primary care physicians and nutritionists to physical and occupational therapists;
- **Accept capitated payment:** PACE providers receive a capitated rate that pools payment from Medicare, Medicaid and private payers; and
- **Assume full financial risk:** PACE providers must pay for all required services without compensation beyond the capitated rate; there are no benefit limitations, co-payments or deductibles.

While these core elements must be maintained for any PACE model, several mechanisms exist to provide rural PACE programs the flexibility they will need to succeed in their individual contexts.

Exploring the Possibilities

In September 2002, PACE providers and rural health experts, along with state and federal policy makers from across the country, gathered in Roanoke, VA, to explore the possibilities for PACE in rural communities. This "Rural PACE Summit" was sponsored by the National PACE Association (NPA) and the National Rural Health Association. Its findings are captured in a report entitled "Setting the PACE for Rural Elder Care: A Framework for Action."



PACE programs provide their participants with all the preventive, primary, in-patient and long term care they require.

Participants at the Summit identified two promising models for rural PACE programs: the rural network model and the rural-urban linkage model.

Six months following the summit, NPA wanted to understand how the ideas developed would translate into plans for moving forward. With funding support from The Robert Wood Johnson Foundation, NPA conducted three case studies involving rural aging and health care providers who were in various stages of exploring PACE. The providers are:

- Geisinger Health System, Danville, PA;
- Midland Hospice, Topeka, KS; and
- Mountain Empire Older Citizens Inc., Big Stone Gap, VA.

Representing a large, rural health system, an urban hospice program intending to serve its existing area and neighboring rural areas, and a rural aging services provider, these three organizations offer insight into the range of issues future rural PACE programs will face and the adaptations they will need to consider.

Case Study 1

Geisinger Health System

Danville, PA

Sponsoring Organization

Founded in 1915, Geisinger Health System (GHS) is a physician-led health care system dedicated to health care, education, research and service. GHS provides a wide range of health care services to more than two million people across 38 counties in Pennsylvania.

- Geisinger Health System consists of:
- Geisinger Foundation;
- Geisinger Medical Center;
- Geisinger Wyoming Valley;
- Marworth Alcohol and Chemical Dependency Center;
- Center for Health Research and Rural Advocacy;
- The Janet Weis Children's Hospital;
- The Weis Center for Research;
- Geisinger Diversified Services;
- Physician Office Locations;
- Geisinger Health Plan; and
- International Shared Services.

GHS provides a broad range of services including: hospital, primary care, specialty care (children, women, cancer and cardiac), ancillary services, home health, dentistry, dietary, hospice, lifeline personal response, pharmaceutical, psychiatric care, vocational rehabilitation, outpatient rehabilitative services, durable medical equipment, case management, and managed care. In addition, the System conducts research and clinical trials. While GHS has experience with Medicare managed care, it does not have experience with Medicaid managed care.

Among the 38 counties currently served by GHS, 21 are designated Non-Metropolitan Statistical Areas (MSA). The rural counties include: Bedford, Bradford, Cameron, Clearfield, Clinton, Elk, Huntington, Jefferson, Juniata, Mifflin, Monroe,

Montour, Northumberland, Potter, Schuylkill, Snyder, Sullivan, Susquehanna, Tioga, Union and Wayne.¹

Reason for Interest in PACE

GHS' mission is to enhance quality of life through an integrated health service organization based on a balanced program of patient care, education, research and community service. The organization's vision is to be the health system of choice, advancing care through education and research. The staff at GHS is interested in PACE because they believe there is a need for the program in the communities GHS serves. They have a desire to promote long term care from institutions to community-based care. GHS already has established the necessary foundation for PACE through the diversified and comprehensive range of services it provides, and staff believe PACE is consistent with the core mission and vision of their organization. Specifically, they believe that PACE will improve care for vulnerable populations in the communities they serve, improve training and research opportunities in geriatric care, and establish Geisinger as a national leader in the care of the rural elderly.

Strategic Assessment for Rural PACE

Strengths (internal)

GHS staff point to their existing infrastructure as one of their greatest strengths for developing a rural PACE program. They have the facilities and most of the necessary staff to offer PACE services. They already offer many of the same services. They have

¹MSA and non-MSA designations are based on the U.S. Department of HUD publication, FY 2004 State list of Counties (and New England Towns) Identified by Metropolitan and Nonmetropolitan Status. (2/5/04).

the benefit of name recognition and have established a strong reputation in the communities they serve.

Weaknesses (internal)

GHS has experience with operating a Medicare+Choice (M+C) product. In 2001, as a direct result of inadequate federal reimbursement, the Health Plan withdrew its M+C plan from several counties, causing community dissatisfaction. This experience creates a cautious outlook and concern for another risk product such as PACE. In addition, the GHS staff has identified potential weaknesses with respect to their lack of experience in providing skilled nursing care and transportation services.

Opportunities (external)

The fact that elders living within the proposed service area have limited health care options presents an opportunity for PACE. In addition, state support for the PACE program is strong.

Threats (external)

Staff recruitment is difficult in rural areas and presents an external threat to GHS' planned PACE program. Staff have some concern that community physicians may perceive this program as competition. In addition, marketing of PACE may be difficult because of the withdrawal of GHS' M+C program within common geographical areas.

Planned PACE Program and Delivery System

GHS plans to link its urban resources with rural territories to deliver PACE, placing its PACE centers where the greatest volume of potential enrollees are identified. Initially, PACE development is based upon two targeted areas (Northumberland/Montour and Lackawanna counties). These sites have been chosen because of their enrollment potential, census growth, geography and capital requirements. The GHS staff plan to develop a two-site model within two to three years. The two-site model will serve a four-county area, including Northumberland, Montour, Columbia and Lackawanna Counties. Three of these counties are considered rural (based on the non-MSA designation). GHS plans to serve most participants in its PACE centers, particularly with respect to those in the Lackawanna service area. Staff anticipate there will be more emphasis on providing home care in the

more rural areas, as there is a personal preference in that community for care to be delivered in the home. They anticipate this will require a greater budget for transportation and home care workers, as well as a greater emphasis on home learning, monitoring, and potentially, a mobile PACE team.

GHS plans to expand to four PACE sites within five years. The expanded service area would cover several additional counties within the Health System territory, many of which are rural (based on the non-MSA designation). For the more highly populated areas, GHS plans to rely on the traditional PACE center for the delivery of most care. Each site will be a full PACE center. At this time, there are no plans for developing alternative care centers.

The Commonwealth of Pennsylvania considers pre-PACE a start-up approach.² Consequently, Geisinger most likely will begin as pre-PACE, with plans to transition to dual capitation within the two-year required time frame. At the point of dual capitation, Geisinger has budgeted for reinsurance coverage to avert potential financial devastation in the developing program. GHS does not plan to enter into co-sponsorship with other organizations to develop its PACE program. GHS has expertise and available providers for hospital services, primary care, specialty care and skilled home care services. GHS staff will contract for those services not currently available within the Health System and those outside reasonable geographical distances from system-owned entities. Those services include nursing homes, local community hospitals and other home health agencies to assist in the delivery of care for their outreach sites. In addition, Geisinger staff are exploring relationships with Catholic convents. The proposed PACE program will be named "LIFE (Living Independently For Elders) Geisinger." (Because Pennsylvania's prescription drug program for the elderly is called "PACE," PACE programs in Pennsylvania are known as "LIFE.")

²Pre-PACE providers operate under Medicaid contracts. These contracts provide a capitation payment to the pre-PACE program for long-term care services only. Other Medicare-covered services provided by the pre-PACE program are billed on a fee-for-service basis. Pre-PACE programs generally are expected to move into full capitation at a later date.

Strategies for Financing Start-up and Minimizing Risk

GHS will look to a variety of foundations, local economic development funding and federal grant funding to assist with PACE start-up expenses. In addition, it most likely will use tax exempt bond funding, with which it already has experience.

GHS has taken active steps to find strategic partnerships within the targeted geographies. Such relationships include identification of dense PACE-eligible populations, strong referral sources and community support. Several of the initial conversations within the community may involve facility lease space at a favorable rate compared to market averages.

Initially, as currently required by the Commonwealth of Pennsylvania, LIFE Geisinger will open as a “pre-PACE” program. This model allows the program to build census without as great a financial risk to a dually capitated model. Once the program transitions to dual capitation, GHS has budgeted to include reinsurance coverage to minimize its risk in the event of catastrophic cases.

The Role of Technology

GHS is among the “most wired health care companies.” They currently rely on technology for electronic medical records, e-mail communications, web-based resources/services, digital imaging (e.g., paperless x-rays for radiology), and video conferencing. Clients can refill prescriptions, as well as review their own medical histories and immunizations on line. Staff use teleconferencing to link to GHS’ main hubs. They use monitoring devices in their intensive care units.

Staffing and Transportation

With respect to staffing, GHS plans to employ the majority of PACE staff rather than rely on non-traditional caregivers to deliver care. However, staff do plan to engage family and other non-traditional caregivers without reimbursement as the opportunities present themselves.

With respect to transportation, GHS plans to develop and utilize its own transportation system, for which it will lease the necessary vehicles. In addition, GHS staff will explore opportunities to utilize family members for transportation, particularly in remote areas.



Health Professions Training Experience and Opportunities

GHS provides a broad range of professional education and training opportunities. GHS facilitates medical education by offering residencies, fellowships, training and continuing education for medical and nursing students, physician assistants, and nurse practitioners as well as home health and certified nursing assistants. In fact, GHS currently has 24 programs offering over 200 residencies and fellowships. GHS partners with Thomas Jefferson Medical School and Philadelphia College of Osteopathic Medicine.

Housing

GHS views housing providers, such as assisted living and senior housing, as potential referral sources. For this reason, staff plan to include these providers in outreach and marketing activities.

Expanded Populations

GHS staff do not anticipate serving expanded populations with PACE.

Affiliations and Sources of Information

GHS has been recognized as a quality health care provider in “Best Hospitals in America” and its physicians have been recognized in “The Best Doctors in America.” The System generates a considerable amount of information and resources in-house. GHS is affiliated with the American Association of Health Insurance Plans, the American Hospital Association and the National PACE Association.

Case Study 2

Midland Hospice

Topeka, KS

Sponsoring Organization

Midland Hospice is the oldest hospice organization and the only not-for-profit hospice organization in Topeka, Kansas. The organization began providing hospice services in 1978 under the name Hospice Incorporated of Topeka. In those days, the organization was comprised completely of volunteers. In 1979, the organization was renamed Friends of Hospice. It partnered with the Shawnee County Health Department to expand skilled care in its hospice program in 1983. The organization became Medicare certified as a hospice provider in 1991, during which its name was changed to Midland Hospice.

Midland Hospice began an adult day care program in 1992 to enhance its hospice program and help frail elders avoid isolation. Terminal hospice participants were given priority in the adult day care program. Due to a decline in the hospice population using adult day care, the organization decided in 1997 to branch into two separate organizations, Midland Hospice Care Incorporated and Midland Adult Day Care Incorporated. Midland Hospice's PACE program will be named the Midland Care Connection.

Midland Hospice currently serves elders in 17 counties contiguous to Shawnee County. While the Midland Hospice campus is located in Topeka, which is considered a Metropolitan Statistical Area (MSA), the organization has expanded its service area into rural areas in order to respond to the needs of elders in neighboring counties. Initially, its PACE program will serve elders within a 30-mile radius of Topeka to include Shawnee County and parts of Jackson, Potawatomie, Jefferson, Douglas, Franklin, Osage and Wabaunsee Counties. Shawnee and Douglas Counties are considered MSAs, while the remaining

counties are considered rural.³

Midland Hospice offers a broad range of services to elders, including in-home hospice, in-patient hospice, palliative care, adult day care and in-home respite. The campus spans 22 acres, includes three buildings, and totals 67,000 square feet.

Reason for Interest in PACE

The complexity and fragmentation within the existing long term care delivery system served as a motivating factor behind Midland Hospice's decision to develop PACE. "We saw this as a great answer for people," said one staff member. The staff at Midland Hospice believes the PACE center will allow them to serve more people with less staff than would be possible if serving each participant individually in the community while avoiding institutionalizing people for the purpose of serving them. In addition, the staff at Midland Hospice love the idea of being able to wrap (or tailor) services to meet the unique needs of each person they serve.

Strategic Assessment for Rural PACE

Strengths (internal)

Staff at Midland Hospice cite their existing infrastructure as one of their greatest strengths for developing a rural PACE program. They have the space and most of the necessary staff to offer PACE services. They already offer many of the same services and serve the same population. They have established relationships with the necessary referral sources. They have the computers, data system, and existing policies and procedures in place. In addition, their nonprofit status,

³MSA and non-MSA designations are based on the U.S. Department of HUD publication, FY 2004 State list of Counties (and New England Towns) Identified by Metropolitan and Nonmetropolitan Status. (2/5/04).

experience with Medicaid, financing structure, expertise and the reputation of their organization will serve as strengths as they develop PACE.

Weaknesses (internal)

The staff at Midland Hospice identified inadequate transportation resources as one weakness that will affect their ability to serve rural communities.

Adjustment to change may present a challenge for staff as will economies of scale, the lack of a sponsor with deep pockets and the ability to absorb rising pharmaceutical expenses.

Opportunities (external)

The staff at Midland Hospice believes that state budget constraints have created a ripe environment for PACE in the Topeka area, given the program can save the state money over the fee-for-service system, provides predictability of expenditures, and allows the state to transfer risk to the provider. The number of elderly on waiting lists for home and community-based service programs also presents opportunities for a new PACE program. In addition, the state has experience implementing PACE.

Threats (external)

The small size of the communities the PACE program plans to serve may threaten its viability. External threats to the program most likely will stem from the politics surrounding the existing health care system, which could affect with whom it decides to contract. Health care providers, with whom the program may need to subcontract, may view it as a competitive threat, which could make it difficult to establish the network needed to ensure the broad range of services offered by PACE. In addition, the PACE program may face difficulty distinguishing itself from Midland's hospice program. As a result, PACE enrollment may suffer from the stigma that is all too often associated with providing hospice and serving the terminally ill.

Planned PACE Program and Delivery System

During the initial stage of development, Midland Hospice plans to provide PACE services to elders within a 30-mile radius of its existing campus in Topeka. During this time, the plan is to serve most participants in its PACE center. Because so many families commute into Topeka for work, staff are con-

sidering expanded day center hours to accommodate those families that will rely on the PACE center to care for their elders as they work.

As the program grows, Midland Hospice plans to explore alternative care sites or additional hubs in Nemaha County and possibly the Potawatomi Prairie Band Reservation. The level of need that develops in these new communities will guide Midland Hospice in deciding if an alternative care site or an additional full PACE center will be the most appropriate way to deliver care in these communities. At this point in time, staff are uncertain as to whether an "urban hub-spokes" model or a number of rural hubs will best meet their needs for delivering care.

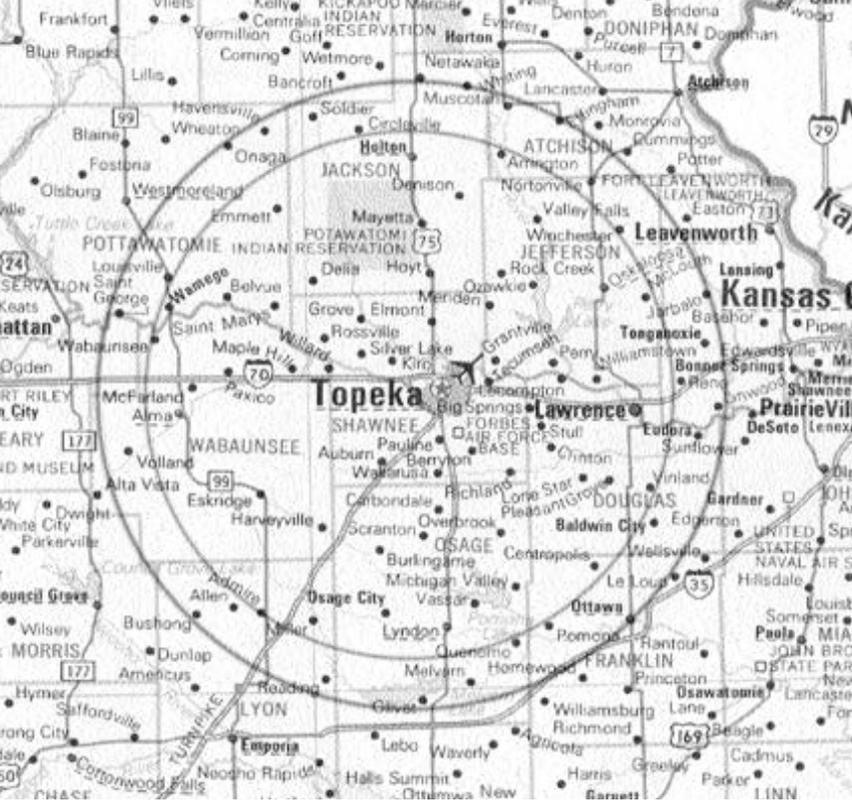
Regardless of which delivery model is chosen for the second stage of development, the staff at Midland Hospice anticipate they will rely more extensively on contracts with small rural hospitals, home health agencies and "Meals on Wheels" for the delivery of care.

Strategies for Financing Start-up and Minimizing Risk

Midland Hospice will not be going into debt to start its PACE program. It already has the necessary physical space, serves participants eligible to transition into PACE and employs most of the staff necessary to operate a PACE program. As a result, staff expect little (if any) start-up expenses and do not expect operating losses. They expect to break even by the fourth month of operation. They plan to use the organization's own resources to establish a risk reserve and purchase re-insurance. Midland Hospice currently has a \$500,000 dollar line of credit with a bank.

The Role of Technology

Midland Hospice previously explored the use of telemedicine in the delivery of care in its hospice program two years ago and found telemedicine overwhelming for many participants. It is anticipated that staff delivering PACE services in the field will use computer tablets or laptops. Staff currently meet by teleconference. They may explore the possibility of video teleconferencing down the road. They are in the process of developing a 24-hour participant hotline (such as "Ask a Nurse"). In addition, Midland Hospice is relying more and more on the use of electronic records. Should staff decide to develop a



PACE Service Area showing 25 and 30-mile buffers around Topeka, Kansas

mobile clinic, Midland Hospice may explore a partnership with the Washburn School of Nursing.

Staffing and Transportation

Midland Hospice currently employs 147 staff between its hospice and adult day care programs. This staff includes 30-35 RNs, 6 LPNs and 7 social workers, as well as an admissions team, chaplains, home health aides, a music and art therapist and nurse practitioner. Many of these existing staff will be used to deliver PACE services. Staff do travel to participants' homes to deliver care for hospice patients, but adult day clients currently are brought in to the adult day center by family members or contracted transportation providers. Currently, Midland Hospice does not employ transportation staff.

Midland Hospice plans to employ its own physician and pharmacist. Staff have identified a need for additional drivers to cover the proposed PACE service delivery area and secured a letter of intent with a transportation provider to subcontract for these services once the PACE program is up and running. In addition, Midland Hospice has entered into contracts with hospitals, pharmacies, providers of durable medical equipment, dietitians, long term care facilities, and rehabilitation centers for its PACE program.

Staff at Midland Hospice have some concerns about the potential for liability issues when relying on

nontraditional providers as staff. They have successfully relied on lay workers in their respite program, and regularly train volunteers for observation and companionship. Currently 5 percent of the care Midland Hospice provides is delivered by volunteers. Most likely, Midland Hospice will use only nontraditional care providers to complement rather than supplement its PACE staff.

Expanded Populations

Midland Hospice plans to maintain its focus on serving the elderly. Staff do not anticipate serving expanded populations, at least not as a first step.

Health Professions Training Experience and Opportunities

Midland Hospice currently provides a substantial amount of health professions training in-house for nearly every profession employed by its organization, including home health, nursing, social work, chaplain, dietician, occupational and physical therapists, and volunteers. In addition, it has partnered with Baker University's School of Nursing, the University of Kansas, and the Washburn School of Nursing for training and internship opportunities in the fields of nursing, social work, gerontology and medical records.

Housing

The population currently served by Midland Hospice relies on some congregate housing (e.g., senior, low income or both) and assisted living, but many live in individual homes either with family or alone. Midland also operates an 18-bed inpatient hospice facility and a 6-bed respite center.

Affiliations and Sources of Information

Midland Hospice is affiliated with a number of state and national associations, including the National Hospice and Palliative Care Organization, Kansas Hospice and Palliative Care Organization, National Adult Day Services Association, Joint Commission of Accredited Hospice, and the National PACE Association.

Case Study 3

Mountain Empire Older Citizens, Inc.

Big Stone Gap, VA

Sponsoring Organization

Mountain Empire Older Citizens, Inc. (MEOC) was established in 1974 as an Area Agency on Aging. MEOC is supported through a combination of federal, state and local government allocations as well as private foundations, local fundraising and other funds. Over 50 different funding sources comprise MEOC's annual operating budget of \$4.5 million.

In addition to serving the Lee, Scott and Wise Counties and the City of Norton in the southwestern tip of Virginia as the designated Area Agency on Aging, MEOC also manages and operates the Southwest Virginia Children's Advocacy Center, The Healthy Families For Southwest Virginia program, and The Mountain Laurel Cancer Resource and Support Center. In addition, MEOC provides management services to The Junction Center for Independent Living and hosts the area's Disabilities Services Board.

MEOC's primary mission is to prevent the unnecessary and/or inappropriate institutionalization of older persons. It furthers this mission through the development and maintenance of comprehensive, user-friendly, community-based long term care services, and by serving as an active and responsible advocate on issues affecting older persons. MEOC offers a wide range of health and human services, including:

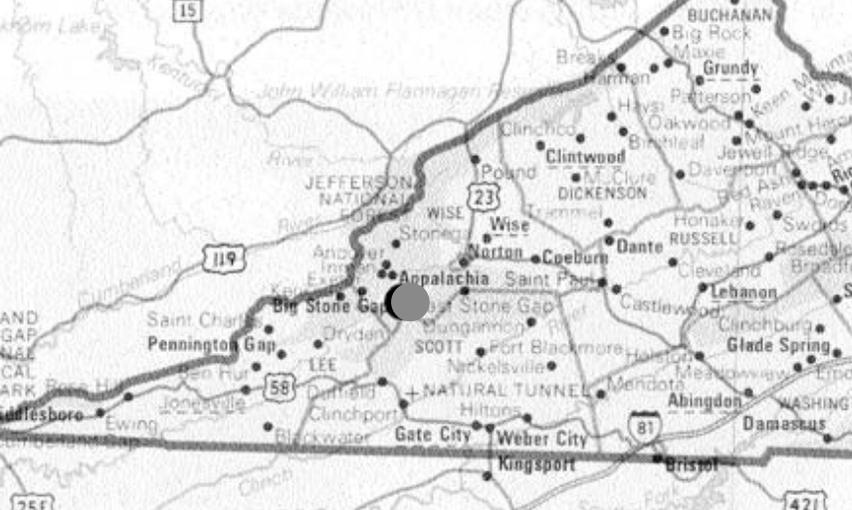
- Adult day health care;
- Alzheimer's support groups;
- Clinical assessments;
- Education, information and referral services;
- Care coordination;
- Caregiver support groups;
- In-home and community group respite;
- Lifeline, a personal emergency response system;
- Home delivered meals;

- Personal care services;
- Transportation services;
- Pharmaceutical assistance;
- Homemaker services;
- Congregate meals;
- Elder abuse prevention services;
- Long term care ombudsman services;
- Guardianship services;
- Financial counseling;
- Emergency financial relief;
- Legal services for the elderly;
- Senior citizen employment services;
- KinCare; and
- Home Safety Programs.

MEOC offers three volunteer programs for seniors, including the Foster Grandparent Program, the Retired and Senior Volunteer Program, and the Volunteer Insurance Counseling and Assistance Program. MEOC also serves as a Senior Navigator Center as well as provides senior wellness programming.

MEOC serves Lee, Scott and Wise Counties in Southwest Virginia, as well as the City of Norton. Lee County, Wise County, and the City of Norton are designated Non-Metropolitan Statistical Areas (Non-MSAs).⁴ This service delivery is located in a fairly mountainous area, and consists of small towns and many unpaved roads. The service area is approximately 1,465 square miles. The area is part of the Central Appalachians as designated by the Appalachian Regional Commission and has a poverty rate of 25 percent.

⁴MSA and non-MSA designations are based on the U.S. Department of HUD publication, FY 2004 State list of Counties (and New England Towns) Identified by Metropolitan and Nonmetropolitan Status. (2/5/04).



Reason for Interest in PACE

The staff at MEOC is interested in PACE because they believe the comprehensiveness of the model and its focus on individual needs makes sense for the elderly and is supportive of their family caregivers. They like the interdisciplinary team structure and the integration of skilled and unskilled workers. MEOC's Board and Advisory Council are committed to the PACE concept and, along with the staff, are convinced that PACE is the next logical progression for their future growth and development as a client-centered, mission-centered organization.

Strategic Assessment for Rural PACE

Strengths (internal)

MEOC staff, Board members, Advisory Council members and other community partners have identified the following strengths essential to developing a successful PACE program:

MEOC has an award-winning transportation department that is a fully coordinated health and human services system. Last fiscal year the system operated nearly 1 million miles while delivering 61,000 hours of service and 106,211 one-way trips. Medical trips consumed the greatest amount of loaded trips. The fleet consists of 34 body-on-chassis vehicles with passenger capacities ranging from 12 to 20 ambulatory and 2 wheelchair stations each. MEOC's four-wheel drive vehicles and smaller vehicles bring the total fleet to 52 vehicles. MEOC drivers are fully trained in passenger assistance techniques and are quite expert in transporting very frail, sick older persons. The vehicles are all radio equipped and operate from a central dispatch center located at MEOC's campus. MEOC can be in full contact with its vehicles at all times. In conclusion, MEOC has the needed hardware and personnel to support the trans-

portation needs of PACE and there would not be a need for a large capital outlay to develop a PACE transportation component.

MEOC has previous administrative and programmatic experience in managing risk and capitated payments. MEOC was one of two agencies selected by Virginia's Medicaid Department to develop and operate a Capitated Medicaid Transportation Brokerage Pilot Program. The program operated from 1998 through 2002 as a pilot and was so successful that the program was taken statewide. MEOC managed \$2.2 million per year in this transportation managed care pilot project.

MEOC has existing congregate centers that could play a role in the development of a rural PACE program. MEOC operates a fully licensed adult day health care center in Gate City, Scott County's largest population center. MEOC's senior wellness/group respite center in Coeburn in Wise County gathers in space that could meet licensing standards for adult day health care and is located in a population density area. MEOC's office in Big Stone Gap has space available that could be used as a PACE center, and The Norton Wellness center meets in space that with adaptations to the bathrooms could meet licensing standards for an adult day health care center. In addition to these available spaces, MEOC operates an additional six wellness centers and eight community group respite centers that are in geographical proximity to all areas of the planning and service area. There would not be a need for a large capital outlay to construct or renovate for a PACE center.

MEOC is located in a rural region that is much more technologically advanced than most other rural areas. The LENOWISCO E-corridor Project is beginning to put the world's most advanced communications infrastructure within reach of every business, organization and citizen in MEOC's service region. MEOC soon will be connected to the E-corridor and is planning to develop a videoconferencing facility utilizing its existing large conference room. The use of videoconferencing for the PACE interdisciplinary team will be a critical component in a rural area, and MEOC is located in an area where the opportunities are already in place to incorporate the latest technology cost effectively into its PACE program design. For example, southwest Virginia has more telemedicine sites than any other Congressional district in the nation.

MEOC has a long history of successfully developing and providing long term care, community-based services. MEOC is the region's oldest provider of per-

sonal care services and its only provider of homemaker services, in-home respite services, community group respite services, home delivered meals, and specialized services for family caregivers and Alzheimer's patients and families. MEOC's infrastructure of services and support for family caregivers was recognized by the National Council on Aging, which named MEOC as one of the top five programs in the nation for family caregivers. In a rural area, the family will take on greater responsibility in a PACE program and will be a critical link with and part of the team.

MEOC has a very committed, mission-oriented staff of 200 full-time and part-time employees whose responsibilities can be redirected and reassigned to work in PACE. Among these employees are 75 geriatric aides and homemakers. Recruitment and retention of in-home workers are not problems and reassignment to a PACE program will be perceived as a promotion by MEOC's in home employees.

MEOC presently partners in some way with practically every health and human services entity in the region, and has a long history of successful partnerships and collaborative efforts. For example, MEOC presently coordinates Pharmacy Connect of Southwest Virginia, a partnership of the area's two community health clinics (Stone Mountain Health Services and Clinch River Health Services), the region's public health departments, the area's center for independent living, and a local hospital. This past year, this partnership accessed over \$11 million in free prescription drugs for over 6,000 of the region's medically indigent persons. MEOC is experienced in contracts management and sub-contracting arrangements.

MEOC's 30-year history is one of service to the region's poorest and frailest older citizens. The profile of a PACE participant is very familiar to MEOC, as it is a mirror of MEOC's present target population. Thus, there are already outreach mechanisms in place to identify, recruit and serve PACE eligibles.

MEOC enjoys widespread community support. For example, MEOC's annual walkathon for the Emergency Fuel Fund recently raised over \$120,000 in this one-day event. That is phenomenal for any community of any size, but is extraordinary for a rural, economically depressed area. Yearly, community members contributions to MEOC total over \$200,000.

Weaknesses (internal)

As a private, non-profit 501(c)(3) organization, MEOC does not have a large cash reserve on hand to

up front start-up costs associated with developing a PACE program. It does not have the financial strength to keep a PACE program afloat until the program becomes financially solvent.

It does not have skilled medical personnel on its present staff and either would have to hire staff or contract with others for these services.

Because of continuing federal and state budget cuts, MEOC staff members are presently wearing many different hats and are overextended in trying to maintain present services.

Opportunities (external)

Three hospitals are located in Wise County: Wellmont-Lonesome Pine Hospital, Norton Community Hospital, and Bon Secours-Saint Mary's. In addition, there is a county hospital in Lee County, Lee Regional Medical Hospital.

All of the needed skilled and therapy services for PACE are available in MEOC's service area and could be contracted for easily. These are physical therapy, speech therapy, home health services and occupational therapy.

There are five nursing homes in the region and several adult care residences that would be willing to contract with a PACE program for beds.

MEOC has assembled a working PACE planning group composed of its management staff, St. Mary's Hospital, Stone Mountain Health Services, Clinch River Health Services, the LENOWISCO Public Health District, MEOC Board members, volunteer interfaith caregivers, and The Southwest Graduate Medical Education Consortium.

Specialty services are available through telemedicine sites accessible throughout the service area.

Threats (external)

The federal and state funding picture looks bleak and unreliable. Long term funding may not be in place to support and/or expand MEOC's existing services.

There is great competition among the area's four hospital systems. PACE may be seen as a threat by some, particularly if local planning and programming does not include all hospitals and their services in the PACE program in some way.

There possibly will be resistance from physicians who will be fearful of losing patients to a PACE program and will not want to cooperate with or support it. This will negatively influence potential PACE enrollees from enrolling in PACE.

Planned PACE Program and Delivery System

MEOC is considering the rural hub with rural spoke model for its planned PACE program and delivery system. Staff are considering Big Stone Gap as a potential hub, given the range and type of services, staff and transportation resources that currently are available in that community. Additionally, there is available space existing at MEOC which could be converted for use as a PACE center. The MEOC office in Big Stone Gap also will have the videoconferencing capability to coordinate interdisciplinary team meetings. Big Stone Gap is in the middle of MEOC's service area and is equidistant in time and distance from the other jurisdictions' boundaries.

MEOC staff is considering using its community group respite centers, congregate meals and wellness centers, adult day health care center, and community health clinics as potential locations for alternative care centers that will link to their hub in Big Stone Gap.

MEOC staff anticipate they will use mini-teams with the participation of the central PACE team on rotation to deliver PACE services. A nurse practitioner will be a very critical component of this rural PACE program, as close coordination with contracted PACE physicians will be necessary.

MEOC has identified a number of potential partnerships that could benefit its planned PACE program and delivery system, including: community health centers, hospitals, public health departments, long term care facilities and public housing authorities, in addition to all the services it presently provides.

Strategies for Financing Start-up and Minimizing Risk

MEOC is dependent on the community for financial support. Staff are hopeful they can keep start-up costs low by utilizing existing resources. They are exploring the types of partnership that will help them access funds.

MEOC will serve as the PACE organizational entity and will be the final party responsible for the financial risk.

The Role of Technology

Technology is considered one of the strengths of this area and will be a central component of MEOC's proposed PACE site. Telemedicine sites are readily available throughout the service area and are presently underutilized. Hosts are looking for ways to increase utilization of this resource.

Team meetings will be conducted via teleconferencing. This infrastructure already is in place. Case managers, nurses and all those visiting the homes of PACE enrollees will use laptop computers. The data recorded will flow into the Big Stone Gap facility. MEOC will be connected to the high speed E-corridor and will have the capabilities to handle all the information gathered by the PACE team.

MEOC has been involved in a project with the nursing department of the local community college in training its nurses. With the use of the Nightingale Tracker System, students make home visits to MEOC homebound clients as part of their clinical experience. The Tracker system allows the students to go into the home and collaborate with the nursing facility by telephone during each visit. This point of care system is just one example of available technology that could be used in this PACE program to share information immediately among team members and reduce time in clerical functions. This allows staff to spend more time on patient care.

MEOC is working with Alzheimer's caregivers on a technology project using high school students to teach caregivers how to use computers for health information, e-mail, chat rooms and support groups. The high schools are donating their used computers to the project for those caregivers in need and the Planning District Commission is going to pay the hook-up costs and line charges for a year for low-income individuals. This could be expanded in the future to include PACE families and caregivers, and it would be a valuable tool for health promotion, disease prevention and educational programming.

Staffing and Transportation

MEOC currently employs approximately 200 full-time and part-time staff. In addition to administrative staff, this includes: 2 RNs; five case managers; 35 senior wellness, community group respite, and adult day health care center employees; 75 geriatric aides and 35 drivers.

MEOC has had several staff trained by the Lay Health Diabetes Education Program of the local health department, so these individuals can serve as resources to a PACE population.

Additionally, MEOC is developing a large group of volunteers to serve as patient navigators for cancer patients in the area. Patient navigators help community members with cancer by assisting with transportation, accompanying them to medical appointments, running errands, performing light chores, preparing

meals, making friendly visits and telephone calls, and locating reliable health information. Plans call for expanding this volunteer service for its frail and homebound clients.

Expanded Populations

MEOC plans to serve the elderly with PACE, but may consider branching out to other populations to help build census and grow the program. Given MEOC's close coordination with the disabled community, staff expressed the future possibility of serving younger disabled persons as well.

Health Professions Training Experience and Opportunities

The area is served by the Ohio Valley/Appalachian Region Geriatric Education Consortium. MEOC works very closely with OVAR/GEC and its staff takes full advantage of the training opportunities provided.

MEOC's conference center soon will be able to receive distance education programs for staff and area health care personnel. MEOC is approved by Medicaid to teach geriatric aide classes and, in addition, its aides participate in a career improvement video class provided by Virginia Commonwealth University's School of Nursing. The University of Virginia at Wise offers a Bachelor of Science degree in nursing.

The area serves as a clinical site for students in the schools of osteopathic medicine at both Pikeville in Kentucky and Virginia Tech University. MEOC staff are part of the training programs of the Virginia Department for the Aging, the Virginia Department of Rails and Public Transportation, and The Alliance of Information and Referral Specialists, and staff participate in video training opportunities sponsored by the American Society on Aging.

Housing

Sub-standard housing is a real problem in southwest Virginia. There is public housing available, and MEOC works closely with the area's public housing authorities. The local housing authorities contract with MEOC to provide senior service coordination (case management services) for its residents so that persons can age in place. MEOC and Stone Mountain Health Services will be the service providers for a new independent living project for the elderly in Coeburn, which is a new initiative of the Wise County Housing and Redevelopment Authority.

There are no social models of assisted living in the area. There are a series of homes for adults that are mainly bed and board arrangements with few supportive services provided. Many of the residents are there simply because they need medication administration. Over half of these beds are occupied by younger mental health/mental retardation patients as a result of their being deinstitutionalized with no other community based housing options available to them.

Affiliations and Sources of Information

MEOC is affiliated with the National and Virginia Associations of Area Agencies on Aging, the National Council on Aging, the Southern Gerontological Society, the Brookdale Foundation, the Virginia Association for Home Care, the National and Virginia Guardianship Associations, the Virginia Elder Abuse Coalition, and Generations United. It also is affiliated with the National Coalition for Cancer Survivorship, The Inter-Cultural Cancer Coalition, the Community Transportation Associations of Virginia and America, and the Alliance for Information and Referral Services.

Conclusion

Given the diverse characteristics of individual rural areas and the flexibility that the PACE model offers, rural PACE will likely take many forms. Some will be better suited to frontier areas, others to close-in adjacent ones. Geisinger Health System, Midland Hospice, and MEOC are just three examples of how PACE can be tailored to fit a variety of rural environments. Given the innovation and energy these rural health care and aging service providers have devoted to developing PACE, rural PACE may soon become a reality.



The PACE Series of Financial Planning Resources includes:

- PACE Business Planning Checklist
Case Study: Total Longterm Care, Denver, Colorado
- Case Study: Alexian Brothers Community Services, Chattanooga, Tennessee
- PACE Financial Proforma Baseline Scenario Version 1.1
- PACE Financial Proforma User's Guide Version 1.1

For more information about PACE and PACE development resources contact the National PACE Association at 703-535-1517 or visit www.NPAonline.org



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