

**From:** [Sunset Advisory Commission](#)  
**To:** [Dawn Roberson](#); [Cecelia Hartley](#)  
**Subject:** FW: Form submission from: Public Input Form for Agencies Under Review (Public/After Publication)  
**Date:** Monday, June 30, 2014 8:04:26 AM

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-----Original Message-----

From: sundrupal@capitol.local [<mailto:sundrupal@capitol.local>]  
Sent: Friday, June 27, 2014 5:04 PM  
To: Sunset Advisory Commission  
Subject: Form submission from: Public Input Form for Agencies Under Review (Public/After Publication)

Submitted on Friday, June 27, 2014 - 17:04

Agency: DEPARTMENT AGING AND DISABILITY SERVICES DADS

First Name: Beth

Last Name: Lawson

Title: Secretary

Organization you are affiliated with: Texas PACE Association

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City: Lubbock

State: Texas

Your Comments About the Staff Report, Including Recommendations Supported or Opposed: The Staff Report does not include discussion of or recommendations about the Program of All-Inclusive Care for the Elderly (PACE). Formal address of PACE should be made in the final Staff Report.

Any Alternative or New Recommendations on This Agency:

All of the following comments and recommendations relate to the Program of All-Inclusive Care for the Elderly (PACE), currently under the auspices of DADS.

Comment 1: Texans have no direct access to PACE services.

Recommendation 1: Allow PACE to be a first choice for Texans, instead of a second choice or an after-thought. Under the current Managed Care initiative, Texans must "opt out" of the managed care system, before PACE is an option.

Comment 2: By design and rule, PACE offers cost saving to Texas. The current management structure under which PACE operates limits the amount of cost savings Texas can enjoy.

Recommendation 2: Modify how PACE services are made available to Texans.

Currently, PACE services are managed on a "slot basis." PACE organizations are limited to a finite number of "slots" regardless of need. PACE should be allowed to grow naturally, based upon need, as opposed to incrementally, based upon assigned slots.

Comment 3: The current PACE rate-setting methodology takes factors into consideration, not intended by the enabling legislation.

Recommendation 3: Develop an actuarially sound rate-setting methodology that complies with Texas rule requiring PACE services to represent a cost savings to Texas of 5% under nursing facility costs. By rule, PACE rates are supposed to be 5% less than nursing home rates. The current rate-setting methodology includes non-nursing facility factors such as community-based acute care service experience and DADS allocation amounts.

Because of this methodology, current PACE rates are approximately 22% less than nursing facility rates. A rate-setting workgroup, comprised of HHSC actuaries, PACE organizations and state program staff is an advisable vehicle to develop a new rate-setting methodology.

Comment 4: Current and prospective PACE organizations are subject to unnecessary regulatory and operational burden.

Recommendation 4: Develop a PACE-specific state division, oversight and rules, instead of subjecting PACE organizations to fragmented and duplicative requirements. For example, the PACE service array includes adult day activities. DADS currently requires PACE organizations to comply with PACE standards and adult day care standards, going so far as to require licensure as an adult day care center. Adult Day Care Licensure Staff are unfamiliar with PACE standards and often attempt to require compliance with standards not applicable to PACE services. Giving PACE organizations deemed status for these types of regulations would relieve these issues.

Comment 5: PACE currently operates under the auspices of DADS.

Recommendation 5: Because PACE operates more like a managed care company, move authority and responsibility for PACE to the Health and Human Services Commission, under the Managed Care Division.

My Comment Will Be Made Public: I agree