



# PACE SAVES MONEY

## PACE: Lower Cost, Higher Quality, Better Value for New Jersey

### PACE Cares for the Frail Elderly Population

- » The Program of All-Inclusive Care for the Elderly (PACE) supports older adults, who are certified for nursing home care, but instead live at home with dignity and quality of life and at a lower cost to the State by providing holistic and individualized care and services.
- » PACE simplifies care for participants and caregivers by coordinating preventive, primary, acute, and mental health care and long-term services and supports so that older individuals with complex chronic care needs can continue living in the community as long as possible. In addition transportation, meals, recreation and socialization are also provided.

- » A PACE interdisciplinary care team, comprised of 11 different disciplines, including primary care providers, nurses, physical therapists, occupational therapists, recreation therapists, social workers, dietitians, personal care aides and drivers, assesses care needs and develops care plans with the participant to integrate health care services.

### PACE is Designed to Save Money

- » PACE assumes full financial risk for and provides all Medicaid and Medicare (primary, acute, long-term care and prescription drugs) services for a fixed amount per person, per month.
- » As a result, PACE payments are predictable and do not change based on service use, even if a participant needs permanent nursing home placement.

# PACE SAVES MEDICAID

**\$655** PER PERSON  
PER MONTH

## WHERE IS PACE?

**11 counties served in New Jersey**

As of January 2025, PACE in New Jersey serves almost **1,235 participants**.

Nationally, there are **188 PACE organizations across 33 states** plus the District of Columbia serving more than **80,000 individuals** and their families.

- » The monthly payments to PACE organizations must, by federal law, be lower than the state would otherwise pay for a comparable population.
- » Based on the state's estimates for the dual-eligible (Medicare and Medicaid) population, New Jersey spending on PACE is estimated to be 16 percent less than what Medicaid otherwise would have spent.

## PACE Reduces New Jersey Costs by almost \$10 Million Annually

- » PACE saves the Medicaid program \$655 per individual enrolled in PACE. Since PACE serves more than 1,235 dual eligible individuals, PACE is annually saving the NJ Medicaid program almost \$10 million on the care and services for this population.

## PACE Provides High Quality Care

- » Research consistently shows lower rates of hospitalizations and readmission among PACE enrollees than in similar populations.
- » A Department of Health and Human Services found PACE to be a "consistently 'high performer; ... [F]ull-benefit dual eligible beneficiaries in PACE are significantly less likely to be hospitalized, to visit the emergency department, or be institutionalized, while their mortality risk is not greater despite their higher frailty levels, when compared to regular MA enrollees."<sup>1</sup>
- » A Bipartisan Policy Center report found that "PACE is thus well designed to cost-effectively address the needs of populations with high rates of chronic illness."<sup>2</sup>

<sup>1</sup> Health and Human Services. "Comparing Outcomes for Dual Eligible Beneficiaries in Integrated Care: Final Report." October 2021.

<sup>2</sup> Bipartisan Policy Center. "Improving Access to and Enrollment in Programs of All-Inclusive Care for the Elderly." October 2022.

Limiting or reducing access to PACE would increase Medicaid costs for New Jersey. In addition, older adults and people with disabilities would lose access to a highly effective care model that supports them to live safely in their homes and communities. Any reduction in access to PACE would also negatively affect caregivers' ability to support family members and other loved ones in the community and likely result in greater use of institutional care in hospitals and nursing homes.