

Testimony on Pennsylvania's Living Independence for the Elderly (LIFE) Program

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**pennsylvania**  
DEPARTMENT OF HUMAN SERVICES

Good morning, Chairwoman Madden, Chairman Mentzer, committee members, and staff. My name is Juliet Marsala, and I serve as the Deputy Secretary for the Office of Long-Term Living (OLTL) in the Department of Human Services (DHS). I appreciate the opportunity to testify today regarding the Department's Living Independence for the Elderly (LIFE) program, which is overseen by OLTL.

The LIFE program, known nationally as the Program of All-Inclusive Care for the Elderly (PACE), is a managed care initiative that enables older Pennsylvanians to live independently within their communities. It is a unique, three-way partnership between the Centers for Medicare and Medicaid Services (CMS), the Commonwealth, and the LIFE Provider Organizations (LIFE-POs). CMS depends on the State Administering Agency as the single point of contact on all state-related requirements. For those dually eligible for Medicare and Medicaid, participation in the LIFE program is funded by capitation payments from Medicare and DHS.

LIFE is an option for older adults to live independently in the community while receiving services that meet their health, social, and personal needs. It serves as an alternative to a nursing facility, and it is an alternative to the Community HealthChoices (CHC) program. LIFE is designed for individuals aged 55 and over who are assessed as eligible for a nursing facility level of care, live in a LIFE service area, and able to be safely served in the community by the LIFE Provider.

LIFE offers fully integrated managed long-term care, acute care, behavioral health, and home and community supports. The model is based on an interdisciplinary team working with the participant and family to develop a care plan tailored to their needs. Some services provided under LIFE include adult day services, dental care, lab and x-ray services, optometry services and eyeglasses, pharmaceuticals, personal care, medical and non-medical transportation, as well

as recreational and socialization activities, social services, durable medical equipment, behavioral health services, emergency care and meals.

As federally required, the LIFE program must provide all necessary medical and supportive services without the benefit limitations and conditions associated with Medicare and Medicaid, such as amount, duration, scope of services, deductibles, copayments, coinsurance, or other cost-sharing. The only services excluded from coverage, as outlined by CMS, are:

(a) Cosmetic surgery, which does not include surgery that is required for improved functioning of a malformed part of the body resulting from an accidental injury or for reconstruction following mastectomy.

(b) Experimental medical, surgical, or other health procedures.

(c) Services furnished outside of the United States, except as follows:

(1) In accordance with 42 CFR § 424.122 and § [424.124](#). (certain emergency and ambulance services)

(2) As permitted under the State's approved Medicaid plan.

The LIFE program currently consists of a network of 19 LIFE-POs managing 57 LIFE Centers across 54 counties. Since its inception in 1998, the program has grown significantly and now serves more than 8,517 participants.

One of the key highlights of the LIFE program is the LIFE Center. At the LIFE Center, participants can meet, socialize, eat meals, receive primary care in a clinic, undergo physical therapy and exercise, and receive assistance with personal care, laundry, and other needs. Transportation to the LIFE Center and to specialists and other services is included in the

program. All of a person's care, including certain assistance to family or caregivers, is managed by a team of medical, social service, and home care professionals headquartered in the LIFE Center. Visiting the LIFE Center a couple days a week allows each person to become well-acquainted with the team, receive care, and enjoy the activities and opportunities for socializing.

### **Investment in LIFE**

OLTL remains committed to presenting the LIFE program as a valuable option for older Pennsylvanians. OLTL has worked with LIFE Providers, along with their representative associations— Pennsylvania LIFE Provider Alliance (PALPA) and LeadingAge PA— to ensure that all OLTL informational materials include a description of the LIFE program and present it as an alternative long-term care enrollment option for eligible individuals.

In May 2021, OLTL began the statewide implementation of streamlined LIFE Program enrollments through a partnership with the Independent Enrollment Broker (IEB). The IEB provides educational information and unbiased choice counseling about CHC and the LIFE program to potential enrollees. If they are interested in the LIFE program, the IEB sends their information to the LIFE Provider for follow up. This process endeavors to provide potential enrollees with an understanding of all OLTL programs, so they can make an informed choice that best meets their needs.

Since the statewide implementation, the IEB has generated an increase in new referrals for Pennsylvania LIFE providers, contributing to about a 6% increase in the program's enrollment. Additionally, since the implementation of CHC, OLTL annually mails a LIFE flyer to CHC participants eligible for the LIFE Program, informing them about the program and their ability to switch if they choose. OLTL closely monitors the education and enrollment of

individuals for the LIFE program and provides quarterly reporting. In accordance with Act 40 of 2018, the Department issues quarterly reports that track enrollment in long-term care service programs, including CHC and LIFE, by county. In accordance with Act 54 of 2022, the Department issues quarterly reports that provide data on LIFE program outreach, communications and trainings.

In the past year, the LIFE Program has seen a 1.8% overall increase in its total census as compared to CHC which grew by less than 1%, showing OLTL that the LIFE Program continues to experience steady growth despite other trends in similar programs. During the same period, OLTL saw a 5.7% increase in disenrollments from the LIFE Program, indicating an area for improvement for the LIFE Providers in regard to their retention of currently enrolled participants. Common reasons for disenrollment reported to OLTL include admission to a nursing facility despite the ability to stay enrolled in LIFE, choice of another medical or service provider participating in CHC, and overall dissatisfaction with the program. To address this further, we are implementing the CAHPS survey about Member Experience to learn more about this and be able to measure experience on par with other OLTL program offerings. LIFE providers are required to cover Nursing Facility admissions as part of the LIFE services. We are evaluating why individuals would leave LIFE and go to CHC after Nursing Facility admission when the LIFE providers are required to cover these services.

OLTL acknowledges several barriers to enrollment in the voluntary LIFE program versus CHC as the mandatory alternative. One that we hear often is that applicants wish to stay with their primary care physician or current network of providers, which is easier with CHC's provider networks compared to LIFE's interdisciplinary team model and much smaller outside networks. Another factor is the federal regulation requiring applicants to be safe to serve in the

community as assessed by the LIFE Provider upon enrollment, which allows LIFE Providers to deny enrollment into their programs, ultimately directing those individuals to CHC.

Over the past several years, OLTL has been working to expand LIFE program services across the Commonwealth. Currently, LIFE services are provided in 54 counties, and 56 out of the 67 counties in the Commonwealth are assigned to a LIFE Provider Organization. OLTL continues to work closely with the LIFE Provider Organization assigned Centre and Wyoming counties, which is not yet active with services. The LIFE Program is available to over 90% of PA's LIFE-eligible population within the current 54-county service area.

In December 2022, OLTL issued a notice of solicitation in the Pennsylvania Bulletin to expand the LIFE program to serve the remaining unassigned 11 counties: Adams, Bradford, Carbon, Huntingdon, Monroe, Pike, Potter, Sullivan, Susquehanna, Tioga and Wayne. No applications were received in response to this solicitation. In an effort to assess the reason for the lack of response, OLTL surveyed its LIFE providers and received the following feedback:

- Rural counties with low population density make business more difficult to sustain;
- These locations are financially not feasible given the current reimbursement – would require a higher reimbursement rate for rural areas;
- Workforce challenges remain everywhere;
- Suggested the need for policy changes in overall expansion approach, and with LIFE enrollments, with no specifics suggestions offered.

- OLTL remains committed to working with its providers and CMS on the development of innovative approaches that would allow us to offer LIFE Program services statewide.

### **Future Evaluation**

As highlighted throughout this testimony, OLTL recognizes the value and benefits of the model of care delivered by the LIFE Program. We remain committed to advancing the program and expanding access to its services for all eligible Pennsylvanians. OLTL performs ongoing monitoring of LIFE Providers in tandem with CMS and has increased onsite auditing activities to identify areas for improvement early on for the overall betterment of the program.

OLTL holds quarterly meetings with all LIFE Providers and their associations, providing an open forum for discussion about program issues, questions, concerns, updates, and goals. These meetings serve as a vehicle for collaboration on joint initiatives, and lines of communication remain open in between meetings, as we are constantly sharing program information, follow-ups and needed next steps.

The LIFE program received a 2% rate increase effective July 2021. DHS has worked with the LIFE providers to evaluate the current rate-setting process for the LIFE program. There has been a request by LIFE providers to evaluate the methodology similar to that of the CHC program. Notably, rates in CHC must be actuarially sound and include an evaluation of encounter data from the CHC-MCOs. Currently, DHS does not receive the Medicaid encounter data on the utilization of services provided by the LIFE program; therefore, the rates cannot be set similarly to other DHS managed care programs.

In addition, OLTL has been working diligently with the LIFE Providers to establish a program-specific rate-setting process, which requires the standardization and validation of both financial and encounter data. Collection of Medicare encounter data is now in full production. Submission and review of standardized financial reporting is underway, but initial analysis shows underreporting of service utilization. The final and most integral step is the collection of Medicaid encounter data, and the kickoff for this initiative was held by OLTL on May 8, 2024. OLTL is pursuing federal approval to use enhanced matching funds made available under the American Rescue Plan Act to expand, enhance, and strengthen home and community-based services (HCBS) to assist LIFE Providers with any technological enhancements necessary to facilitate this initiative.

OLTL continues explore opportunities to further develop, expand, and improve the LIFE Program— from our continual work with the providers, to further streamlining the enrollment process, and being the first state to implement the administration of the HCBS Consumer Assessment of Healthcare Providers and Systems (CAHPS) survey to LIFE participants. OLTL is committed to advancing the LIFE Program initiatives presented here today, and we look forward to future opportunities for quality improvement in this program.