

# Imagine

## PACE & Adult Day

Visioning Synthesis



progressive|ae

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# Executive Summary

## **How can we provide care for the rising number of seniors desiring to remain at home?**

This is a question plaguing many of our communities today. To create change and find solutions requires that a collective body of individuals come together and envision the future. Select a destination, identify the date and seek out those who are ready to craft and embrace change. This is exactly what Progressive AE and LifeCircles had in mind when they scheduled a day-long PACE forum, an ideation session in which conceptual thinking, collaboration and lively dialogue transpired.

## **We began with a discussion facilitated by Larry Yachcik of Porter Hills. He presented “State Of Aging-Coming Changes”**

Conclusions:

- Transformation of reimbursement is required to provide growth to meet demand.
- Collaboration between providers should be a focus in the immediate future.

**We created the persona of the participant of the future:** developing their life story. An empathic link was developed prior to creating a list of participants needs. We used these filters while producing the needs list: Physical | Cognitive | Cultural | Emotional | Social

## **Michele McIsaac, Porter Hills facilitated a discussion on “Social Impact Bonds”**

Key Points: The different types of SIB, impact of SIB, how they work.

The synthesis of this package summarizes the outcomes of that day and provides you, the reader, with an inside view into what the future could hold.



# Key Points

## Demographic of the US

- Currently there are 43 million people over the age of 65
- By 2030 it is estimated that there will be 72 million people over the age of 65
- Approximately 10,000 people are turning 65 on a daily basis
- Citizens over the age of 65 between the years of 2000 and 2010 grew at a rate of 15.1% compared to the general population that grew at a rate of 9.7%.
- It is estimated that those over the age of 65 will equate to 19.5% of the total population by 2030.
- 45,000 elders live in over 5,000 licensed home for the aged and adult foster care homes in Michigan.
- In 2030, China will have more people over 65 than the entire population of the United States.

## State of Michigan

- Nursing Home Costs
  - Today \$8,300
  - By 2025 \$11,700 (estimate)
- Assisted Living Costs
  - Today \$3,500
  - Today Tiered program \$4,214
  - By 2030 projected to be \$6,000

# State of Aging-Coming Changes

Larry Yachcik, Porter Hills

## Alzheimer's disease is rapidly growing

- In the year 2000 there were 4.5 million people afflicted with Alzheimer's
- By 2030 it is estimated that 8.6 million (13-14%) of the population will be afflicted with Alzheimer's.

## Trends impacting healthcare

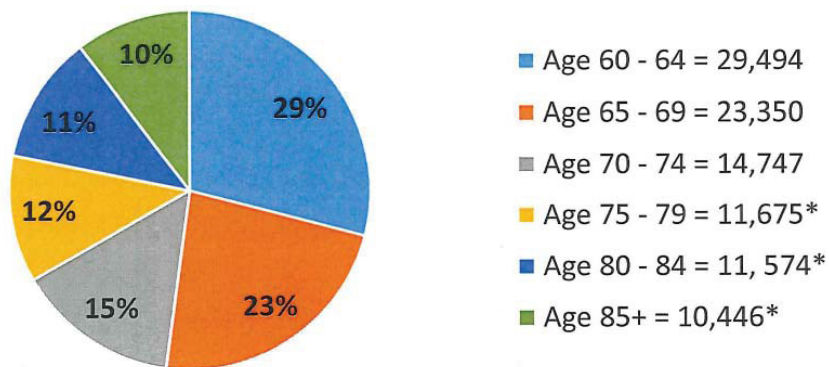
- Technology
  - Seniors today prefer individual attention rather than technology
  - Changes in attitude will move slowly over the next 16 years
- Labor
  - Wages rising faster due to labor shortage
  - Nursing shortages
  - Rising costs of benefits
- Regulation and Aging Issues
  - Health care reform
  - Centers for Medicare and Medicaid Services finding less costly "alternatives"
  - Increased acuity beyond PACE (6%)
- People use 60-70% of their total life healthcare costs in the last 6 months of life.
- "Medisharing" <https://mychristiancare.org/medi-share/>
- Transportation plays a key role in the success of any healthcare system

## What are barriers to the growth of PACE and Adult Day programs?

- Financing and reimbursement - 43 million over the age of 65 today; by 2030 that number will rise to 72 million
- Non Medicaid - out of pocket costs (high)
- PACE as a long term care insurance option
- Part health plan - part health care provider
- TANDEM365 "like model"
- Community based physicians
- Wage inflation - low birthrate - labor
- MEDPAC - drive costs down
- Improve quality - improve access
- The Triple Aim

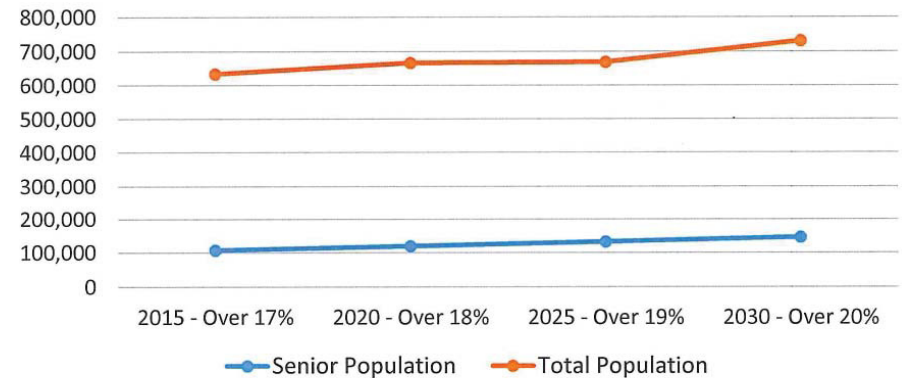
## Kent County 2012 Census by Age (60+)

16.9% of the total population

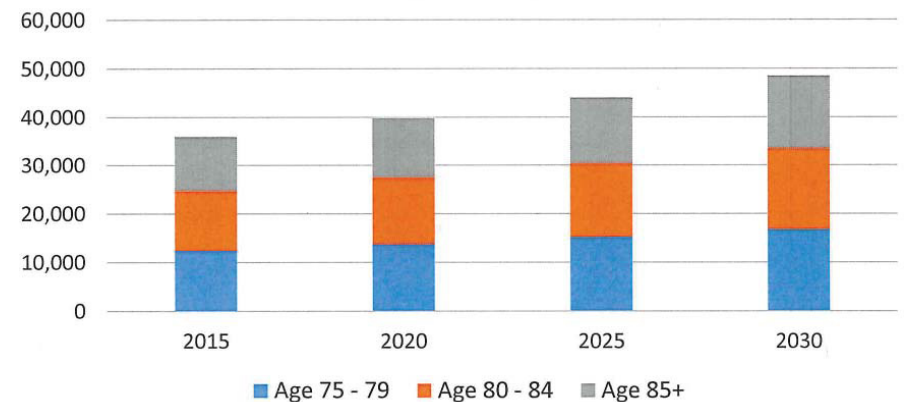


\*Kent County seniors likely to need services in the next 1-3 years. Total 33,695

## Kent County Population 2015-2030, Total vs. Seniors



## Kent County Likely Projected Population for Services



# Key Points

**Impact investing is one form of socially responsible investing and serves as a guide for various investment strategies.**[1] According to the definition of the Global Impact Investing Network (GIIN): “Impact investments are investments made into companies, organizations, and funds with the intention to generate a measurable, beneficial social or environmental impact alongside a financial return. Impact investments can be made in both emerging and developed markets, and target a range of returns from below-market to above-market rates, depending upon the circumstances.”[2] Impact investing tends to have roots in either social issues or environmental issues, and has been contrasted with microfinance. [3] Impact investors actively seek to place capital in businesses, nonprofits, and funds that can harness the positive power of enterprise. Impact investing occurs across asset classes; for example, private equity/venture capital, debt, and fixed income.

**Impact investors are primarily distinguished by their intention to address social and environmental challenges through their deployment of capital.** For example, criteria to evaluate the positive social and/or environmental outcomes of investments are an integrated component of the investment process. In contrast, practitioners of socially responsible investing also include negative (avoidance) criteria as part of their investment decisions.

# Social Impact Bonds

Michele McIsaac, Porter Hills

**A Social Impact Bond, also known as a Pay for Success Bond or a Social Benefit Bond, is a contract with the public sector in which a commitment is made to pay for improved social outcomes that result in public sector savings.**[1] The first Social Impact Bond was launched by Social Finance UK in September 2010.[2]

**Advocates of these performance-based investments claim that they encourage innovation and tackle challenging social issues.** According to advocates, new and innovative programs have potential for success, but often have trouble securing government funding because it can be hard to rigorously prove their effectiveness. This form of financing allows the government to partner with innovative and effective service providers and, if necessary, private foundations or other investors willing to cover the upfront costs and assume performance risk to expand promising programs, while assuring that taxpayers will not pay for the programs unless they demonstrate success in achieving the desired outcomes.[3] The expected public sector savings are used as a basis for raising investment for prevention and early intervention services that improve social outcomes.



## How do Social Impact Bonds work?

- A SIB begins with a social challenge. Take, for example, the issue of prison recidivism in the US. Over the past 40 years, the country's total incarcerated population has grown by more than 700 percent to 2.24 million mostly minority and poorly educated men. After their release, 50 percent of former prisoners are unemployed and more than 50 percent will return to prison within three years.
- Based on a desire to ameliorate this problem, a partnership forms to include an intermediary, best-in-class service providers, government, and investors.
- Partners agree on an investment structure, including desired program outcomes. In the recidivism example, targeted outcomes could include the number of prisoners staying out of jail and finding gainful employment over a period of time.
- Private investors provide up-front working capital to service providers. The funds can be used, for instance, to scale up prisoner re-entry services, including workforce skills coaching, stable housing, and employment services.
- Independent validators conduct a rigorous program assessment to determine whether the target outcomes have been achieved.
- Government pays back principal and provides a rate of return to investors based on the program's successful delivery of pre-agreed outcomes; if these outcomes are not achieved, investors risk losing their capital.

## References

"Social impact investing"

[http://en.wikipedia.org/wiki/Impact\\_Investing](http://en.wikipedia.org/wiki/Impact_Investing)

"Social impact bond"

[http://en.wikipedia.org/wiki/Social\\_impact\\_bond](http://en.wikipedia.org/wiki/Social_impact_bond)

"How do Social Impact Bonds work" [http://www.ssireview.org/blog/entry/the\\_social\\_impact\\_bond\\_market\\_three\\_scenarios\\_for\\_the\\_future](http://www.ssireview.org/blog/entry/the_social_impact_bond_market_three_scenarios_for_the_future)



# visioning

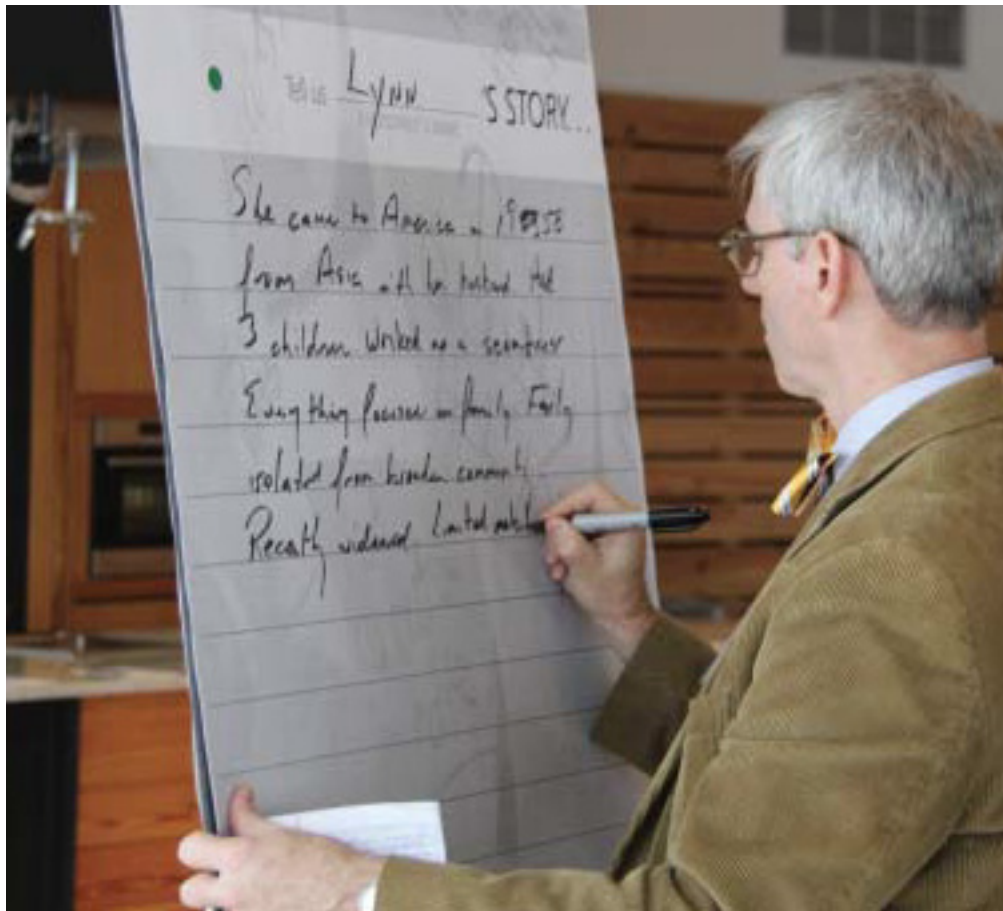
Visioning is an **immersive engagement** where key individuals collaborate to set priorities, understand goals and what **drives success**. Through dialogue and activities we draw upon knowledge and insights to **uncover the essence** of the issue. We **drive alignment** and develop creative and value-driven ideas and opportunities.





# Visioning Exercise

**In this visioning session,** leaders from the healthcare community formed teams. They were asked to select a participant and create their persona and life story. The teams then listed their participant's needs in various categories: social, cognitive, cultural, physical, and emotional. Lastly, the teams were tasked with a quadrant exercise and answered: **based on my participant's needs, their healthcare requirements will be met if we....** The following section will guide you through each participant and their healthcare needs based on individual lifestyles.



## **Persona: Jane**

Deanna L. Mitchell | Jim Horman | John Stauffer  
Larry Yachcik | Steve Zuiderveen

## **Persona: Bruce**

Jo Ver Beek | Kathy Harmon | Laurie Placinski  
Luke Reynolds | Michele McIsaac

## **Persona: Theodore**

Bob Schmidt | Jeffrey G. Hagen | Kelly Hopkins  
Lon Morrisson | Tom Muszynski

## **Persona: Gwen**

Karen Messick | Karl Kowalske | Laura Funsch  
Rod Auton | Sister M. Gabriela

## **Persona: Lin**

Bob Mills | Kasia Roelant | Ken Greshak  
Travis Pohl | Sister Mary Anne Barrett



Jane

## Who

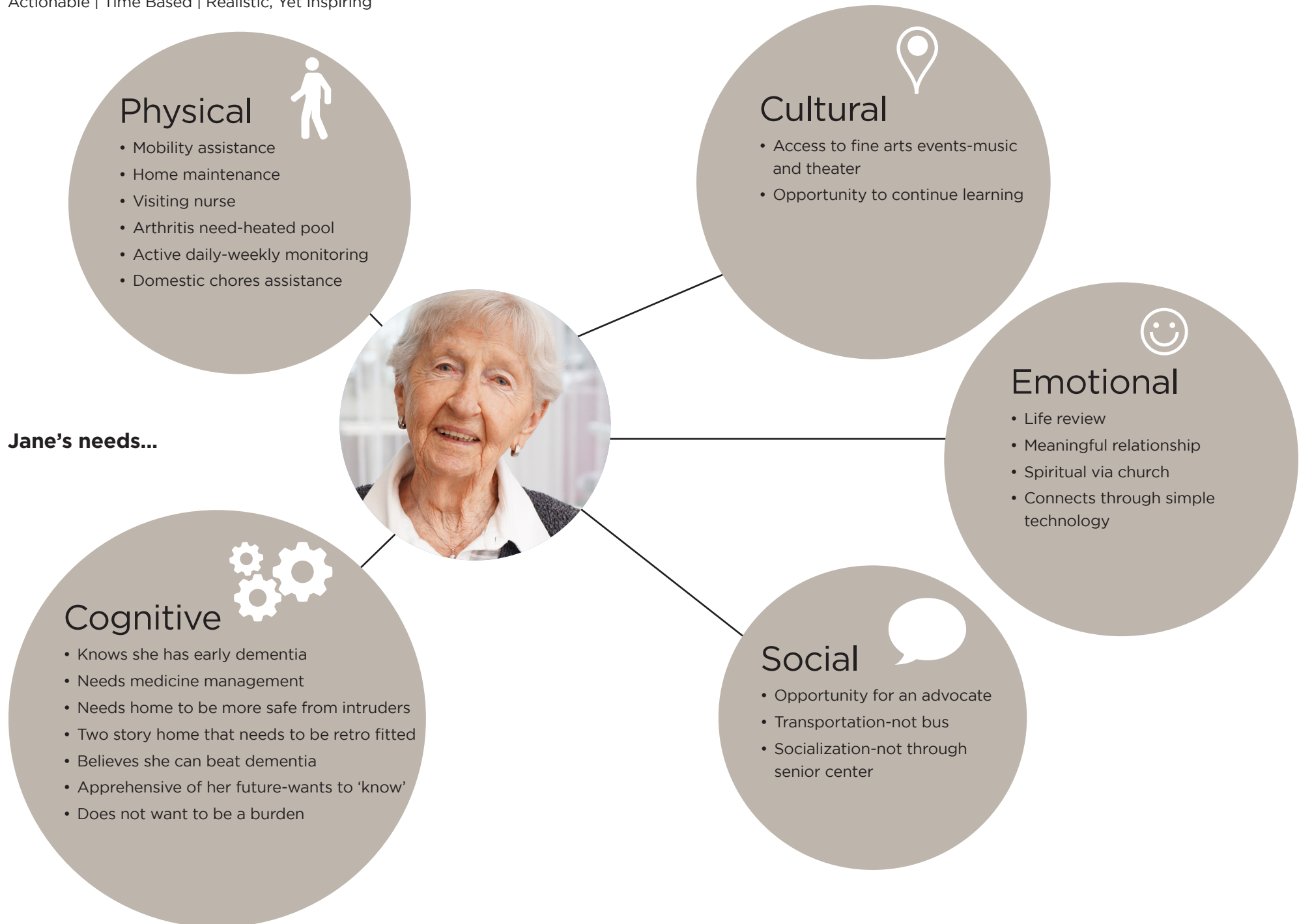
Actionable | Time Based | Realistic, Yet Inspiring

## Jane's Story

- Eighty-five year old woman
- Made munitions in a concentration camp during the war
- Has a PhD in history and worked as a professor
- Widowed
- Two children – one in Florida and one in France
- Active in liberal politics and local synagogue
- Has money in the bank but concerned for the future
- Recently lost the ability to drive
- Likes to teach children
- Moved to a smaller house
- Person of strong opinion
- Fiercely independent
- More forgetful and is aware of this happening
- Uses computers, enjoys art and opera
- Three comorbidities: arthritis, congestive heart failure and mild dementia

## Why

Actionable | Time Based | Realistic, Yet Inspiring



## How

Encourage Wild Ideas | Go For Quantity | Be Visual

### Jane's healthcare requirements will be met if we...



#### Enhance

- Community relationship
- Awareness of existing healthcare resources
- Access to dementia professional for advanced planning
- At least one or two close relationships
- Advance care planning knowledge
- Social and cultural connection to reduce depression
- Non invasive monitoring
- Happiness



#### Create

- Trust
- Lifelong advocate regardless of pay
- Personal facilitator (advocate)
- Medicine management
- Transportation
- University connection to reconnect her past (intellectual stimulus)



#### Reduce

- Cascade health
- ER visits/hospitalization via enhanced non invasive monitoring
- Misinformation via better navigator service
- Medicine dispense errors



#### Eliminate

- Desperation
- Medicine mismanagement
- Current system of reimbursement
- Regulation-money follows the person





## Who

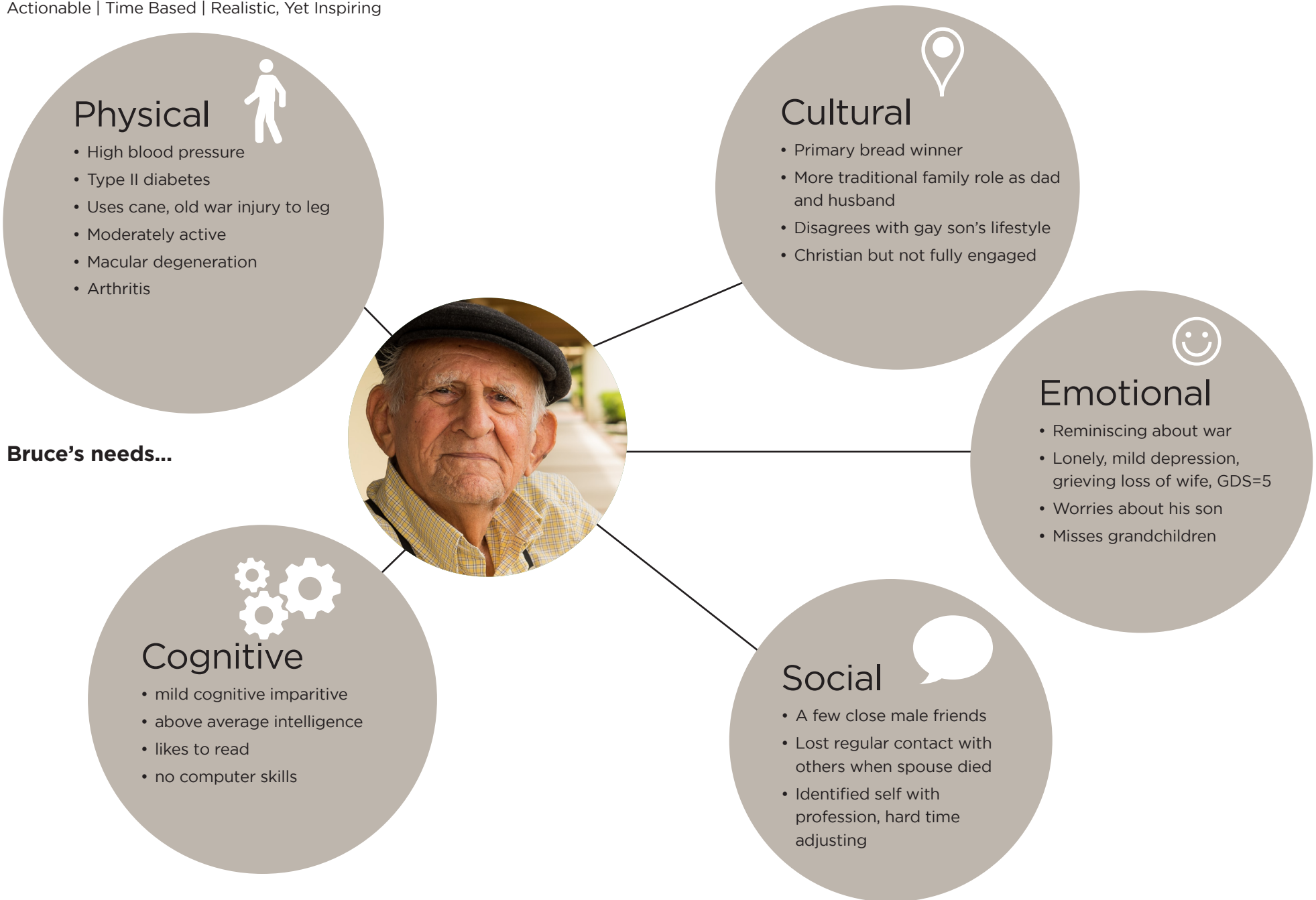
Actionable | Time Based | Realistic, Yet Inspiring

## Bruce's Story

- Eighty year old man of Western European decent
- Married 60+ years, now widowed
- Lives in West Michigan
- Middle income; was a salesman for a small business
- Receives \$1,800/month from social security
- Has \$80,000 in savings
- Owns home
- Christian; attends church on holidays only
- Two sons, one daughter and four grandchildren; one son lives locally; all children are in their 50's and 60's; one son is gay
- Still drives, only locally
- Veteran; connected to his fellow veterans
- Has coffee with the guys at McDonalds twice a week
- Likes to tinker with old cars
- Very introverted

# Why

Actionable | Time Based | Realistic, Yet Inspiring



# How

Encourage Wild Ideas | Go For Quantity | Be Visual

## Bruce's healthcare requirements will be met if we...



### Enhance

- Self care
- Family interaction
- Spiritual support
- Exercise
- Relationships with veterans-organize activities
- Functional abilities
- Transportation options
- Treatment and support for dementia
- Safety in home environment



### Create

- Opportunities for computer use/skill development
- Social network, more male specific activities
- Large print books
- Effective methods to support dementia behaviors
- Opportunities for volunteering
- Opportunities for grief support-wife/son
- Opportunities for counseling or mental health care
- Affordable option for housing/assisted living



### Reduce

- Progression of cognitive decline
- Mobility deficits
- Loneliness
- Likelihood of missed medical appointments



### Eliminate

- Depression
- Fluctuating blood sugars
- Unhealthy behaviors contributing to diabetes, high blood pressure, depression





Theodore

## Who

Actionable | Time Based | Realistic, Yet Inspiring

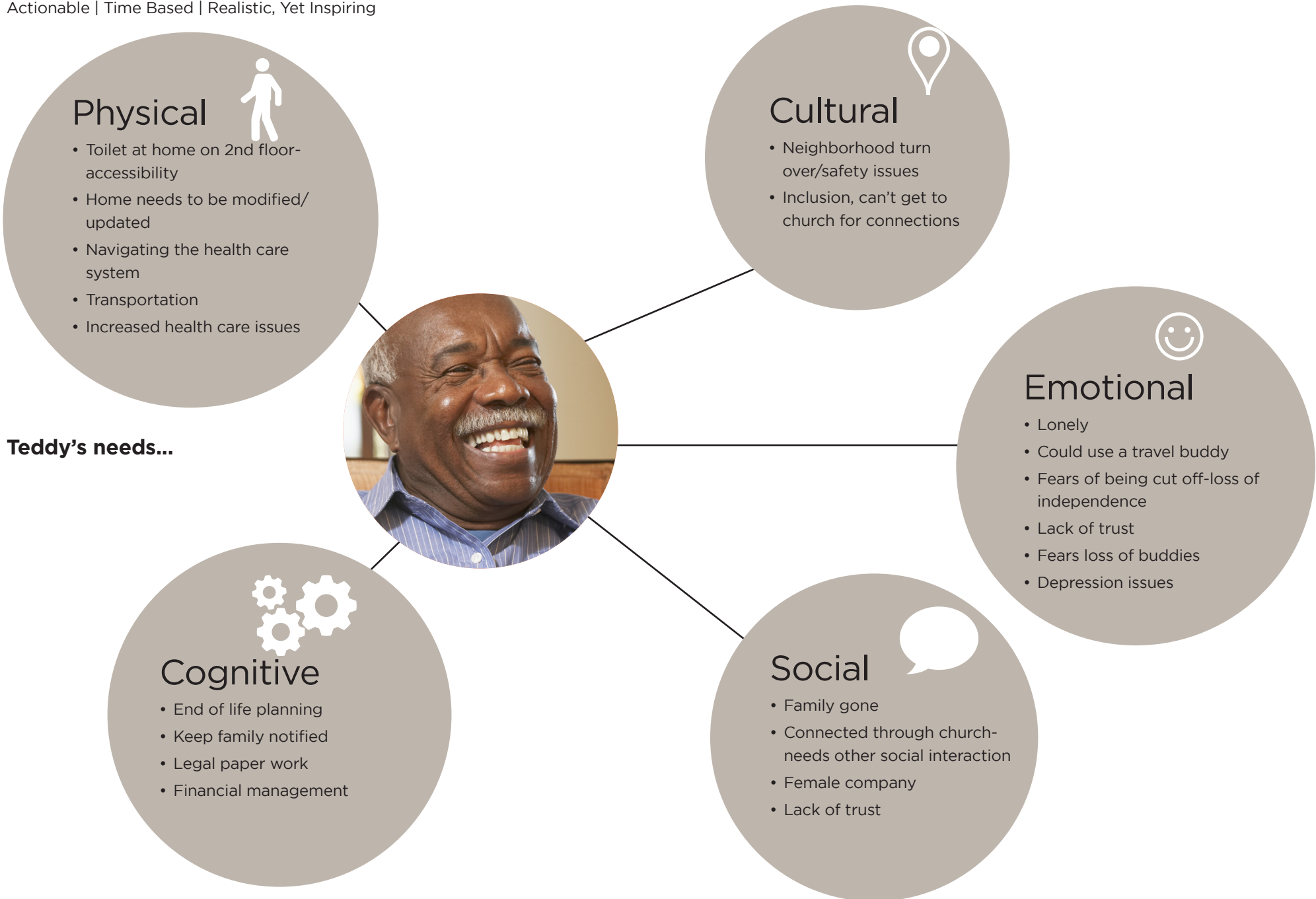
## Teddy's Story

- Eighty-three year old African American man
- High school graduate with trade school background
- Veteran
- GM employee with a good pension and benefits
- Has lived in the same house for 30 years
- Two-story house with a second floor bathroom only
- Widowed; three daughters and three grandchildren
- All children live out of state
- Enjoys life; likes to travel and fish
- Active with the church community
- Independent; drives himself in his own car
- Hangs out with the guys at the barbershop
- Play lotto and enjoys going to the casino
- High blood pressure and cholesterol



# Why

Actionable | Time Based | Realistic, Yet Inspiring



# How

Encourage Wild Ideas | Go For Quantity | Be Visual

## Teddy's healthcare requirements will be met if we...



### Enhance

- Support system
- New hobbies
- Knowledge of health care benefits-service to seniors
- Accessibility to home
- Family communication-visitation
- Options for living
- Social connectivity
- Ability to travel as his ability to drive decreases
- His ability to use technology



### Create

- Social circle, will, trust
- Transportation other than car
- Technology/connectivity for health care
- Similar hobby experiences
- Financial support mechanisms-veteran benefits
- First floor bathroom in home
- Family gathering
- Durable power of attorney advocate-legal



### Reduce

- Home barriers
- Cholesterol and blood pressure
- Vulnerability
- House maintenance



### Eliminate

- Second floor bathroom



Gwen

## Who

Actionable | Time Based | Realistic, Yet Inspiring

## Gwen's Story

- Sixty-five year old woman
- Connected to family and community
- Widowed; two professional children and grandchildren
- Children live in New York and California; no daily support
- Professionally engaged and educated
- Recently retired, lots of extra time
- Physically active; very mobile and independent
- Still driving; not housebound
- Reflective, thinker, Type-A personality
- Modern/progressive style
- Resists aging with style and class
- Attitude of interest and engagement
- Wise; not impulsive and appreciates quality of life
- Introverted; likes coffee – gives time to reflect and think 'how do I handle the day?'

# Why

Actionable | Time Based | Realistic, Yet Inspiring

## Gwen's needs...



### Physical



- Doesn't appear to have physical limitations, recognizes need to stay active and stimulated
- Personal appearance is important

### Cultural



- Transportation to church and events
- Relaxed to where she is living as she ages
- Wants access to things that are important to her

### Emotional



- Would like a good listener available
- Driving in MI in winter is not always an option-isolation
- Needs connections with others
- Worried-needs comfort, re-assurance, decision making, and problem solving support

### Cognitive



- Cares about continued learning, engagement, stimulation
- Not suffering from cognitive loss

### Social



- Widowed, concerned about holidays-isolation from family and friends
- Lives in MI and has to drive-isolated during winter-community support on bad weather days
- How does she stay connected as she ages and her living situation changes? Will people know where she is and her health condition?



# How

Encourage Wild Ideas | Go For Quantity | Be Visual

## Gwen's healthcare requirements will be met if we...



### Enhance

- Social network
- Access to transportation
- Connection with children
- Knowledge of care options
- Financial planner
- Ability to stay connected
- Home environment to age in place
- Understanding of durable power of attorney
- Control of health decisions with advance directives
- Quality of life



### Create

- More opportunities to socialize with community
- Volunteer opportunities
- A process to navigate the local community college
- Opportunities for engaging with companionship
- Collaboration of transportation resources for seniors
- Funding sources to ensure access to care
- Access for questions, advice, and support
- Aging in place management, personal preferences



### Reduce

- Anxiety
- Situations for isolation
- Confusion around care options
- Financial concerns for future care needs
- Care costs



### Eliminate

- Barriers to learning
- Barriers inhibiting local community engagement
- Barriers from isolation
- Misconceptions/mistruths about senior care
- Regulations that create barriers for quality of life



Lin

## Who

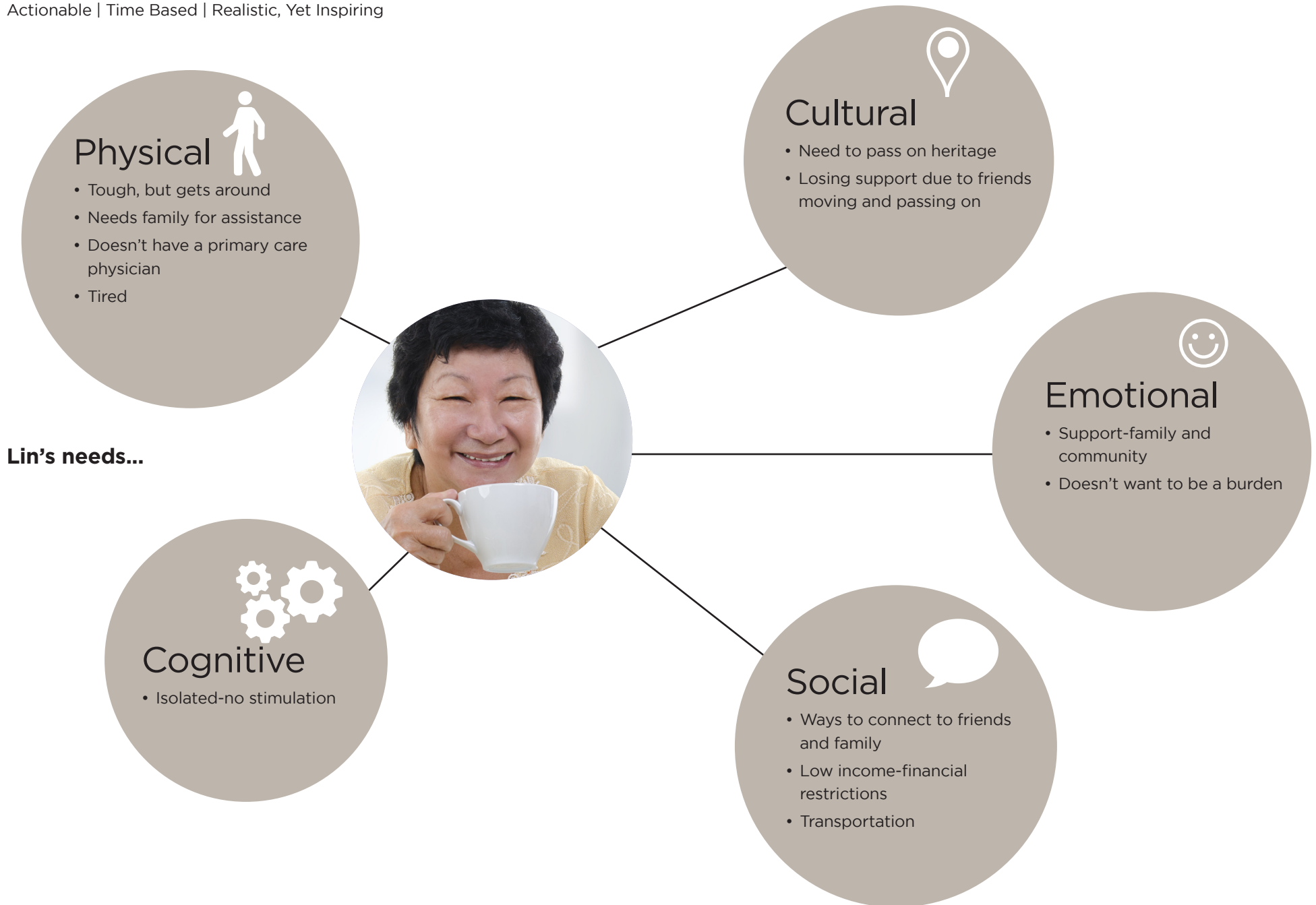
Actionable | Time Based | Realistic, Yet Inspiring

## Lin's Story

- Seventy-five year old woman
- Came to America in 1958 from Asia with her husband
- Recently widowed; has three children
- Limited opportunities due to grade school education
- Worked as a seamstress
- Everything is focused on family
- Fairly isolated from broader community
- Limited mobility due to no drivers license
- Emotionally tired and lonely
- Wants to continue heritage with grandchildren through family traditions and food
- Most family and friends have moved out of state
- Doesn't know anyone anymore

# Why

Actionable | Time Based | Realistic, Yet Inspiring



**Lin's needs...**

# How

Encourage Wild Ideas | Go For Quantity | Be Visual

**Lin's healthcare requirements will be met if we...**



## Enhance

- Quality family time-connection via skype
- Romantic partner opportunities
- Physical well-being/gym YMCA
- Social events
- Transportation door to door
- Activities/social and cultural
- Home visitors
- Calendar of events



## Create

- Physician who understands her culture
- Purpose and trust in her life
- Support group
- Volunteer opportunities, discover a hobby
- Program to mentor next generation-culture/foods
- New social networks and friends
- Mental toughness
- Program to commemorate heritage
- Education program for families



## Reduce

- Stress
- Healthcare costs
- Financial constraints



## Eliminate

- Social isolation and loneliness
- Old routines
- Fear of the unknown



# What We Heard

## Collaboration

- Passionate about the story development exercise, individual focused.
- Lifestyle-centric conversations: dignity, meaning, worth.
- There needs to be a stronger tie and more collaboration between Adult Day and PACE centers. In most instances they are viewed as competitors, whereas in reality they can support and feed each other's programs.
- To further develop what has already been established, there is an increased need for additional collaborative events. An increase in the number of meetings with narrowed focal points makes achieving an end result realistic.
- Aging is a real situation in our lives which we must address and find ways to best provide care for those individuals in the time of need. We can accomplish this task by developing additional strategic meetings to tackle challenges we see today and foresee in the future.

## State of the Business

- PACE is a pure risk model
- \$3.5-5 million to start a PACE
  - Capital dependent
  - Need to be a large organization now
  - Organizations like CHE/Trinity are banking on this program working.
- Michigan is progressive with its support of PACE
- Many senior living communities are branching out to support and/or fund PACE and Adult Day programs

# Group Highlights

## Forward Thinking

- The nursing home model is not what it was 20 years ago.
- Diversity of clientele continues to grow.
- Accessible transportation will continue to be an essential key resource in the future. If seniors feel trapped within their homes without a way to access care or socialization then their health and mental well-being will only continue to degrade.
- Seniors that choose and are able to stay in their own home may require resources to create a safe and accessible setting. The majority of current homes are older and multiple stories; modifications are needed. This would require a greater resource than we have in place today.
- Firm belief that PACE has the potential to be the future of elderly care and that we must face real challenges today before being passed.
- Elderly individuals do not want to place a burden on their children or those younger who are given the role of being caretakers. Elderly individuals tend to be caught in the same day-to-day routine (or lack thereof).
- Communication must increase. Raise awareness by providing more clear and concise communication on how the elderly individual is feeling and what could best suit him/her at that time in their life. By "confronting reality" and realizing that you are not as mobile as you once were, while understanding help is okay, some care can be provided at a certain percentage rather than 100% of the time. That is directly related to overall costs.

# Participants



## **ALFA Day Center/LAP Respite Center**

John Stauffer..... john@laprespitcenter.org

## **Care Resources PACE**

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## **CHE/Trinity Health**

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## **Friendship Village**

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## **Pilgrim Manor**

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Bob Schmidt

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