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Why PACE Is the Elder Care Model We Should Be Building Around

A data-backed resource for PACE leaders heading into 2027



Executive Summary

This paper gives PACE executive directors the data, talking points and strategies to secure legislative support, influence state policy, strengthen funding requests and build community partnerships in 2027.

The United States is aging quickly, and more older adults want to stay at home. PACE, the Program of All-Inclusive Care for the Elderly, makes that possible. It brings medical care, long-term services and supports, transportation, meals, medications and social support together under one interdisciplinary team and one capitated payment. Every participant qualifies for nursing home-level care, yet 97% live in the community.

In 2026, PACE reached about 100,000 participants, a milestone worth celebrating and a measure of how far the model still has to go. An estimated 96% of Americans who could benefit from PACE don't have a program available, and 17 states have none at all. The bipartisan PACE Access Improvement Act, introduced in the House in September 2026 with a Senate companion expected in November, is designed to change that.

PACE at a Glance

Measure	Figure
PACE PROGRAMS	205, in 33 states and DC
PARTICIPANTS	About 100,000
LIVE IN THE COMMUNITY	97%
MEDICAID COST COMPARED WITH ALTERNATIVES	12% less, on average
FAMILY CAREGIVERS WHO WOULD RECOMMEND PACE	95%
AMERICANS WHO COULD BENEFIT BUT LACK ACCESS	About 96%

The Moment: Demand is Rising Faster Than Access

An aging nation. The share of Americans age 65 and older grew from 12.4% to 18% between 2004 and 2024. By 2030, all baby boomers will be over 65 and one in five Americans will be of retirement age, and older adults are projected to outnumber children for the first time in U.S. history in the next decade.

Families carrying more of the load. 63 million Americans, about one in four adults, are family caregivers, up 45% in ten years. Nearly one in four provide 40 or more hours of care a week, six in ten also hold a job, and 20% report fair or poor health tied to caregiving.

Waiting for home- and community-based care. In 2026, 649,905 people were on waiting or interest lists for Medicaid home- and community-based services, including 205,137 older adults and people with physical disabilities. That's more than six times the number of PACE participants.

High costs for the alternative. The national median cost of a private nursing home room reached $129,575 a year in 2025, and $114,975 for a semi-private room.

Growth that hasn't kept pace with need. PACE enrollment grew 111% between 2015 and 2025, from 42,727 to 89,945 participants. Yet the model still serves only about 1% of the nation's 9.1 million full-benefit dually eligible individuals.



What Makes PACE Different

PACE serves adults age 55 and older who live in a PACE service area, are certified to need nursing home-level care and can live safely in the community with PACE support. Instead of navigating separate Medicare and Medicaid benefits and multiple providers, participants get one interdisciplinary team responsible for all their care.

PACE organizations receive a capitated payment for each participant and take responsibility for the full cost of their care. That structure rewards prevention, early intervention and coordination over volume.

PACE is built for people with complex needs:

- **80.5%** of participants are dually eligible for Medicare and Medicaid
- Participants average **6.1** chronic conditions, and **46%** have dementia
- In an average month, each participant makes **4** visits to a PACE center, takes 10 trips and fills **6** prescriptions

The Outcomes Case: PACE Works

It keeps people at home. Only 3% of PACE participants live in a nursing home, though all are eligible for one.

It reduces avoidable hospital use. PACE participants have a 24% lower hospitalization rate than dually eligible beneficiaries receiving Medicaid nursing home services, a rehospitalization rate 16% below the national rate for dually eligible beneficiaries 65 and older, and fewer than one emergency room visit per year on average. Recent analyses also find PACE participants less likely to be hospitalized or visit the emergency department than dually eligible individuals in D-SNPs and FIDE-SNPs.

It supports quality of life. In one study, 27% of new enrollees screened as depressed before enrollment. Nine months later, 80% of them no longer did.

It helps close gaps in care. In an early study of PACE demonstration sites, Black participants enrolled with greater functional needs than white participants, yet went on to have lower mortality, with a survival advantage emerging about a year after enrollment. Researchers linked the result to the access and coordination PACE provides. More recent research describes PACE as an effective way to improve care quality and delay nursing home admission, especially for Black and Hispanic older adults, who have seen a disproportionate rise in nursing home use.

It supports families. More than 95% of family caregivers would recommend their PACE program to others in a similar situation.

It's a responsible use of public dollars. States pay PACE programs, on average, 12% less than the cost of caring for a comparable population through other Medicaid services. Evidence on savings varies across studies, but some research shows potential savings of about $2,800 per month per enrollee compared with average nursing home costs.

The Policy Moment: The PACE Access Improvement Act

In September 2026, Reps. Debbie Dingell (D-MI) and John Moolenaar (R-MI) introduced the bipartisan PACE Access Improvement Act in the House. Sen. Mark Warner (D-VA) is expected to introduce a Senate companion bill in November.

The legislation would:

- Expand PACE nationwide
- Allow eligible individuals to enroll in PACE at any time
- Streamline PACE application and approval processes
- Improve awareness of local PACE organizations among prospective participants

The awareness provision matters. Research with Black and Hispanic older adults and their families found that limited information about PACE was a key barrier to enrollment, along with the need for staff who are responsive to participants' cultural and disability differences.

The bill also has a strong rural dimension. As Rep. Moolenaar noted at its introduction, long-term care options can be especially limited in rural communities, where PACE could bring care closer to home.



What PACE Leaders Can Ask for in 2027

Much of PACE's growth is shaped at the state level, and the barriers are practical. Launching a new PACE organization generally requires around $8 million before reimbursement begins, and CMS accepts applications only one day per quarter. Priorities to raise with state partners include:

- Expand availability in underserved and rural regions
- Streamline enrollment so eligible older adults can start care sooner
- Support fair, sustainable Medicaid rates that reflect the needs of a complex population
- Invest in workforce and transportation, the infrastructure PACE depends on
- Support technology modernization and data sharing so programs can measure and report outcomes
- Include PACE in state aging, Medicaid and LTSS strategies, including the Rural Health Transformation Program, which provides $50 billion to states from 2026 through 2030. Pennsylvania specifically named PACE expansion in its application.



The Operational Case: Growth Depends on Sustainable Operations

Expanding access is only half the equation. Every new program and participant depends on organizations that can operate efficiently under a fixed, capitated payment, often in states where rates and enrollment slots are tightly constrained.

Jan Werner Adult Day Care, a PACE organization in Texas, illustrates the reality. Executive Director Krissy Hurt describes PACE growth in Texas as stagnant for years, with state budget pressures, including slot and rate cuts, defining what's feasible. For a smaller organization in that environment, lean administrative costs are essential.

> “Having that support allows me to keep administrative costs down and use the limited funds we have on what we truly want to use it on — our patients."
>
> **Krissy Hurt,**
> **Executive Director,**
> **Jan Werner Adult Day Care**

When clinical, claims and compliance work run efficiently, more of every capitated dollar goes to participant care, and programs are better positioned to grow when policy opens the door.

The Financial Case for PACE, $90K to $240K in Annual Value

For PACE organizations operating on thin, capitated margins, administrative overhead directly reduces what's available for participant care. For a modeled 100-participant organization with about $4 million in annual Medicare revenue, CollabriosONE delivers value through three drivers.

Lower IT costs: up to $60,000
CollabriosONE replaces legacy analytics infrastructure, including servers, separate reporting tools and the technical support they require, with a single platform.

Greater efficiency: $50,000 to $100,000
Automating claims, reporting, reconciliation and scheduling frees up roughly one full-time administrative position, so organizations can redeploy that time or absorb growth without new hires.

Revenue protection: $40,000 to $80,000
Better risk capture, encounter accuracy and compliance oversight help reimbursement reflect true participant acuity. A 1% to 2% improvement on $4 million in Medicare revenue protects $40,000 to $80,000 a year.

Value Driver	Estimated Annual Impact
LOWER IT COSTS	UP TO $60,000
GREATER EFFICIENCY	$50,000 TO $100,000
REVENUE PROTECTION	$40,000 TO $80,000
TOTAL	$90,000 TO $240,000

Estimates are illustrative, based on a representative 100-participant PACE organization. Actual results depend on existing infrastructure, how recovered staff time is used and baseline risk-capture performance.



An Advocacy Playbook for Executive Directors

Policy outcomes in 2027 will be shaped by PACE leaders who show up with clear priorities, credible data and real stories. A government affairs function doesn't require a large team. It can start with one experienced leader, supported by state and national trade associations.

01 **Start with your strategic plan.**
Tie your advocacy agenda to your organization's goals, whether that's a new service area, more enrollment slots or sustainable rates. Then decide what's realistic this year and build an engagement plan around it.

02 **Match your approach to your audience.**
Legislators think about their districts, constituents and coalitions, so bring local participant stories, jobs and community impact. Regulators, like CMS and state Medicaid agencies, work within statutes, procedures and administration priorities, so bring data, operational detail and specific solutions.

03 **Use the data in this paper.**
Pair these national figures with your own numbers, like participants served, the share living at home and waiting lists in your area.

04 **Build a culture of advocacy.**
Advocacy is most powerful when it's shared across the organization. Equip staff, participants and caregivers with key messages, and invite policymakers to see your PACE center in person.

05 **Join the national effort.**
Work with the National PACE Association and your state PACE association to support the PACE Access Improvement Act and align your state priorities with the national agenda.



Stories to Collect

The strongest advocacy pairs data with people. Consider gathering stories from:

- A participant who was able to stay at home instead of moving to a nursing home
- A family caregiver describing what changed after enrollment
- A clinician explaining how the interdisciplinary team catches issues early
- A driver or home care coordinator whose daily touchpoints reveal risk before it becomes a crisis



Building Around What Works

PACE already does what the elder care system says it wants: it coordinates care, supports families, reduces avoidable institutional care and helps older adults live with dignity in their communities. The opportunity in 2027 is to make it available to everyone who needs it.

Add your voice in support of the PACE Access Improvement Act through the National PACE Association's Action Center.

About Collabrios Health

Collabrios Health delivers comprehensive technology across two markets: PACE organizations and the broader community care ecosystem. For PACE, Collabrios combines more than 30 years of PACE expertise with a modern, AI-enabled operating platform, CollabriosONE, designed to help organizations simplify complexity, improve performance and confidently navigate the future of care. Learn more at collabrios.com.

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