

On Lok Senior Health Services: A “Place of Peace and Happiness” For San Francisco Bay Area’s Frail Seniors

The Challenge:

Many among the rapidly growing senior citizen population prefer to receive home care, but still need comprehensive health care and other services.

The Goal:

Help seniors to live and be part of their communities, enjoying the comforts of home and family, for as long as possible.

An Innovative Solution:

A fully-integrated, licensed health plan delivering medical and long-term, community-based services to those seeking an alternative to entering a nursing home.

Where To Learn More

What It Is

- A network of centers combined with clinics for seniors in San Francisco and Fremont, CA, launched in 1971 as one of the nation’s first senior day health centers. Begun as a modest day health program for homebound seniors in San Francisco’s Chinatown and North Beach areas, it was transformed during the 1980s into a national model for an alternative to nursing home care. Leading the effort was Jennie Chin Hansen, MS, RN, FAAN – an Academy Fellow, now retired as On Lok’s executive director, who serves as President of the 39 million member-AARP.

What It Does

- Provides comprehensive medical and health care, prescription drugs, bilingual case management, home-cooked meals and opportunities to socialize to more than 1,000 elders in seven San Francisco and Bay Area locations.
- An interdisciplinary team of physicians, nurses, physical and occupational therapists, social workers, dietitians, recreational therapists, home care and health workers, and drivers formulates, coordinates and provides the services and activities.

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Edge Runners



How It Stands Out

- Since the early 1980s, federal and state waivers have been provided from Medicare and Medicaid to use a new financing method for long-term care: a form of risk-based capitation. In exchange for fixed monthly payments from Medicare and Medicaid for each enrollee, On Lok is responsible for delivering all health care services, including hospital, community and nursing home care – bearing the full financial risk. The program is the prototype for an actual change in Medicare and Medicaid law (1997), thus a new Medicare program type – the first such change since the Hospice Medicare benefit in the mid-1980s. This has allowed the program to be replicated throughout the United States.
- Cost of care has been cited as being 15 percent lower than under the traditional fee-for-service care system. On Lok has had no cost overruns and has been able to self insure for future needs.
- Since 1986, On Lok's ground-breaking model of coordinated service delivery and innovative financing have been replicated nationwide as the Program of All-inclusive Care for the Elderly (PACE). Today, more than 70 organizations in 30 states are in various stages of the PACE model. In the Balanced Budget Act of 1997, PACE became a permanent provider under Medicare and states gained the option of paying a capitation rate for PACE services under Medicaid. Nationwide – as of April 2007 – 39 organizations operated under dual capitation, seven sites delivered service under Medicaid-only capitation and approximately 25 entities were moving forward with PACE planning and development.
- Concepts and tools such as electronic medical records (implemented since 1993 by all professions), continuity of care, care coordination, geriatric teamwork and training, consumer/participant decision making, benchmarking best practices, cultural competent care, use of protocols, and end of life preparation are intrinsic to the On Lok/PACE model.