

PROGRAM OF ALL-INCLUSIVE CARE FOR THE ELDERLY (PACE)

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<http://www.house.mi.gov/hfa>

House Bill 6551 as enacted

Public Act 447 of 2018

Sponsor: Rep. Daire Rendon

House Committee: Families, Children, and Seniors

Senate Committee: Families, Seniors and Human Services

Complete to 6-20-19

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

House Bill 6551 amends the Social Welfare Act to add statutory requirements and procedures for organizations seeking to participate as providers under the *Program of All-Inclusive Care for the Elderly (PACE)*.¹

Program of All-Inclusive Care for the Elderly or *PACE* is defined as an innovative model of community-based care that enables elderly individuals, who are certified as needing nursing facility care, to live as independently as possible.

The bill provides that a prospective PACE organization may be a not-for-profit, for-profit, or public entity that is primarily engaged in providing PACE services and participates in both Medicare and Medicaid. Michigan licensure as a health care entity is not required. An unlicensed PACE entity may serve any eligible enrollee. Additionally, a prospective PACE entity must meet the federal requirements for a PACE organization, enroll as a Michigan Medicaid provider, and complete a feasibility study.

A prospective PACE organization must submit both of the following to DHHS:

- A feasibility study, within 90 days after submitting a letter of intent.
- A provider application, within one year after DHHS approves the feasibility study.

When submitting a letter of intent, a prospective PACE organization must state in the application the service area proposed for the PACE program. If the state determines that there is unmet need in a designated geographic area already covered by an existing PACE organization, DHHS must notify that PACE organization in a reasonable amount of time and the organization must be given the opportunity to submit a plan to expand capacity sufficient to meet the need. DHHS must give the existing PACE program six months from the date of the notice to submit an expansion plan. If the organization fails to submit a reasonable expansion plan within six months, the state may allow proposals from other PACE organizations. DHHS must also work with the PACE Association of Michigan and other appropriate provider representatives to develop an acceptable methodology to determine unmet need.

The bill took effect March 21, 2019.

MCL 400.22

¹ State site: https://www.michigan.gov/mdhhs/0,5885,7-339-71547_4860_78446_78448-87437--,00.html
Federal site: <https://www.medicaid.gov/medicaid/ltss/pace/index.html>

FISCAL IMPACT:

The bill would have no fiscal impact on the state or local units of government. The FY 2018-19 DHHS budget includes \$141.3 million Gross (\$50.2 million GF/GP) to support the Medicaid costs for 17 existing and 1 planned PACE sites.

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.