

SENATE SUBSTITUTE FOR  
HOUSE BILL NO. 6551

A bill to amend 1939 PA 280, entitled  
"The social welfare act,"  
(MCL 400.1 to 400.119b) by adding section 22.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1           SEC. 22. (1) AS USED IN THIS SECTION, "PROGRAM OF ALL-  
2 INCLUSIVE CARE FOR THE ELDERLY" OR "PACE" MEANS AN INNOVATIVE MODEL  
3 OF COMMUNITY-BASED CARE THAT ENABLES ELDERLY INDIVIDUALS, WHO ARE  
4 CERTIFIED AS NEEDING NURSING FACILITY CARE, TO LIVE AS  
5 INDEPENDENTLY AS POSSIBLE.

6           (2) A PROSPECTIVE PACE ORGANIZATION CAN BE A NOT-FOR-PROFIT,  
7 FOR-PROFIT, OR PUBLIC ENTITY THAT IS PRIMARILY ENGAGED IN PROVIDING  
8 PACE SERVICES AND PARTICIPATES IN BOTH MEDICARE AND MEDICAID.  
9 MICHIGAN LICENSURE AS A HEALTH CARE ENTITY IS NOT REQUIRED. AN

1 UNLICENSED PACE ENTITY MAY SERVE ANY ELIGIBLE ENROLLEE. A  
2 PROSPECTIVE PACE ENTITY MUST MEET THE FEDERAL REQUIREMENTS FOR A  
3 PACE ORGANIZATION, ENROLL AS A MICHIGAN MEDICAID PROVIDER, AND  
4 COMPLETE A FEASIBILITY STUDY.

5 (3) A PROSPECTIVE PACE ORGANIZATION MUST SUBMIT BOTH OF THE  
6 FOLLOWING TO THE DEPARTMENT:

7 (A) NOT LATER THAN 90 CALENDAR DAYS AFTER SUBMITTING A LETTER  
8 OF INTENT, A FEASIBILITY STUDY.

9 (B) NOT LATER THAN 1 YEAR AFTER THE DEPARTMENT APPROVES THE  
10 FEASIBILITY STUDY, A PROVIDER APPLICATION.

11 (4) WHEN SUBMITTING A LETTER OF INTENT, A PROSPECTIVE PACE  
12 ENTITY MUST STATE IN THE APPLICATION THE SERVICE AREA PROPOSED FOR  
13 THE PACE PROGRAM. IF THE STATE DETERMINES THAT THERE IS UNMET NEED  
14 IN A DESIGNATED GEOGRAPHIC AREA ALREADY COVERED BY AN EXISTING PACE  
15 ORGANIZATION, THE DEPARTMENT MUST NOTIFY THAT PACE ORGANIZATION IN  
16 A REASONABLE AMOUNT OF TIME, AND THAT PACE ORGANIZATION MUST BE  
17 GIVEN THE OPPORTUNITY TO SUBMIT A PLAN TO EXPAND CAPACITY  
18 SUFFICIENT TO ACCOMMODATE NEED. THE DEPARTMENT MUST GIVE THE  
19 EXISTING PACE PROGRAM 6 MONTHS FROM NOTICE OF THE DETERMINATION OF  
20 UNMET NEED TO SUBMIT AN EXPANSION PLAN. IF THE EXISTING PACE  
21 ORGANIZATION FAILS TO SUBMIT A REASONABLE PLAN FOR EXPANSION WITHIN  
22 6 MONTHS, THE STATE MAY ALLOW PROPOSALS FROM OTHER PACE  
23 ORGANIZATIONS. THE DEPARTMENT SHALL WORK WITH THE PACE ASSOCIATION  
24 OF MICHIGAN AND OTHER APPROPRIATE PROVIDER REPRESENTATIVES TO  
25 DEVELOP AND ACCEPTABLE METHODOLOGY TO DETERMINE UNMET NEED.

26 Enacting section 1. This amendatory act takes effect 90 days  
27 after the date it is enacted into law.