

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

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House Bill 6551 (H-1) as reported from committee
Sponsor: Rep. Daire Rendon
Committee: Families, Children, and Seniors
Complete to 12-4-18

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

SUMMARY:

House Bill 6551 would amend 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* would be defined as an innovative model of community-based care that would enable elderly individuals, who are certified as needing nursing facility care, to live as independently as possible.

The bill would provide that a prospective PACE organization could 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 would not be required. An unlicensed PACE entity could serve any eligible enrollee. Additionally, a prospective PACE entity would have to meet the federal requirements for a PACE organization, enroll as a Michigan Medicaid provider, and complete a feasibility study.

A prospective PACE organization would have to submit to the Department of Health and Human Services (DHHS) a letter of intent, which would include the service area proposed for the PACE program. DHHS would have to exclude from designation an area that was already covered under another PACE program agreement to avoid unnecessary duplication of services and to avoid impairing the financial and service viability of an existing PACE program.

A prospective PACE organization would also have to 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.

The bill would take effect 90 days after being enacted.

Proposed 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.medicare.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 16 existing and 2 proposed PACE sites.

POSITIONS:

A representative of the Program of All-Inclusive Care for the Elderly (PACE) Association of Michigan testified in support of the bill. (11-29-18)

The following entities indicated support for the bill (11-29-18):

- Department of Health and Human Services
- American Association of Retired Persons (AARP)
- Henry Ford Health System
- Ascension Michigan
- Trinity Health

Legislative Analyst: Emily S. Smith
Fiscal Analyst: Kevin Koorstra

■ 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.