

MEMORANDUM

A.9542(Gottfried)/S.8903 (May)

AN ACT to amend the public health law, in relation to the program of all-inclusive care for the elderly (PACE)

LeadingAge New York supports this legislation, which would allow for the expansion and better use of the Program of All Inclusive Care for the Elderly. The Program of All Inclusive Care for the Elderly (PACE) is a nationwide, high-touch, provider-based model of managed care that integrates Medicare and Medicaid to provide all of the necessary healthcare and support services to enable an individual clinically eligible for nursing home level of care to remain in the community. The PACE model is built around an Interdisciplinary Team of providers and includes coverage for all Medicare and Medicaid services such as prescription drugs, doctor care, transportation, home care, check-ups, hospital visits, therapies, and nursing home stays when necessary. Legislation A.9542(Gottfried)/S.8903 (May) would help grow this model by unifying and streamlining the licensure process by consolidating Article 28, 36, and 44 requirements for PACE into a single process. Additionally, this bill shares similarities with provisions proposed in the FY23 Executive State Budget, as well as those included in the Senate Budget proposal, which LeadingAge NY supported.

Currently, nine PACE Organizations serve approximately 6,500 individuals across New York state. Services are provided both in the PACE participant's home as well as in a PACE center which is a fully licensed clinic. Although PACE has operated in New York for over 30 years and was the home to the largest program in the country, the regulatory framework remains unnecessarily cumbersome, duplicative, and not always appropriate for the model of care. Programs are required to be separately licensed as Article 28 Diagnostic and Treatment Centers, Article 36 Home Care Agencies and Article 44 Managed Care Plans. This regulatory structure has impeded the growth of this highly beneficial model. Additionally, the regulation of PACE under Managed Long Term Care Plan authorizing statute and regulations has caused confusion and has required constant clarification of whether new provisions apply to PACE or not.

The proposed bill, along with implementing regulations, would establish a state PACE regulatory framework separate from other types of managed care. The proposal reaffirms that it does not seek to alter core features of the model nor change the eligible population while facilitating flexibility for future PACE innovation. This legislation would streamline the state approval process and help clarify oversight procedures while the federal process would remain as it currently is. The bill would also help ensure transparency into the rate-setting process.

With the continuing increase in demand for community-based care, PACE provides an option that empowers those over 55 with complex healthcare needs to remain living at home. It does so by

combining a high-touch, interdisciplinary team approach that involves the individual's family or informal caregivers to ensure the individual's services reflect their needs and preferences. Streamlining the current requirements that treat the program as its component parts will ensure that it is regulated as the integrated program that it is and will help ensure that more New Yorkers have access to this excellent model of care.

For these reasons, LeadingAge NY supports A.9542(Gottfried)/S.8903 (May) and urges that it be adopted.

LeadingAge New York represents over 400 not-for-profit and public long-term care providers, including nursing homes, home care agencies, senior housing, retirement communities, assisted living, adult care facilities, adult day health care and managed long term care.

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