

## MEMORANDUM

**A.7903 (Gottfried)**

**S.6664 -A (May)**

*AN ACT to amend the public health law, in relation to establishing a state-level program of all-inclusive care for the elderly; to amend the social services law, in relation to making technical corrections such law; and repealing certain provisions of the social services law relating thereto*

The Program of All Inclusive Care for the Elderly (PACE) is a high-touch model of care that integrates Medicare and Medicaid payment to provide all necessary medical and long term care services and supports to make it possible for individuals 55 and older, and in need of nursing home level of care, to remain in their community. Based on their needs and preferences, individuals are served in their home as well as the PACE center, which is a licensed Diagnostic and Treatment Center, where participants may receive therapies and physician services as well as personal care, meals and socialization. This national model has been operating in New York state for decades with 9 PACE organizations currently serving approximately 6,000 participants.

PACE organizations are required to meet federal requirements and are also subject to state oversight. As a provider-based program, a PACE organization is required to be licensed as a home care entity under Article 36 of Public Health Law, be licensed as a managed care entity under Article 44, and have a separate license under Article 28 as a Diagnostic and Treatment Center. Navigating this multiple license process which can be prohibitively slow and cumbersome inhibits the development of new programs and thwarts expansion of existing ones.

This bill would streamline the current need for multiple state licenses by establishing a unified authorization process. It would consolidate the requirements into a single process that would more appropriately recognize PACE as a discrete model comprised of multiple components. Too often PACE has been subject to oversight of its component parts without appropriate recognition of how they fit together in the PACE model. This bill would provide oversight of the overall PACE organization and minimize duplication by requiring that a single process be developed for the completion of all reports, audits, surveys and other information that is collected by federal, state and local authorities. It would also help address rate adequacy by ensuring transparency in the rate setting process.

PACE operates in approximately 30 states and has been shown to provide high participant satisfaction and reduce both preventable hospitalizations and the need for long term nursing home stays. The rate setting methodology requires the Medicaid portion of the rate to be lower than what it would be for a comparable population not participating in PACE, making it implicitly cost effective. PACE is an excellent model of care whose expansion should be encouraged. This legislation would do just that.

**For these reasons, LeadingAge NY supports A.7903 and S.6664-A and urges that it be enacted.**

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