

FINAL BILL REPORT

EHB 1099

C 191 L 01

Synopsis as Enacted

Brief Description: Outlining requirements for the operation of a PACE program in Washington state.

Sponsors: Representatives Santos, Benson, Tokuda, Bush, DeBolt, Hatfield and McIntire.

House Committee on Financial Institutions & Insurance

Senate Committee on Labor, Commerce & Financial Institutions

Background:

The Program of All-inclusive Care for the Elderly (PACE) is designed to provide an alternative to nursing home care. The PACE program offers a comprehensive package of services to older adults, including primary health care, rehabilitative services, social work, transportation, personal care, meals, and, if necessary, nursing home services. The purpose of the program is to allow the elderly to live independently, as members of the community, to the extent medically possible. The PACE program currently serves approximately 145 persons in Washington.

As managed care Medicare/Medicaid programs, PACE programs are extensively regulated by the federal government and operate in Washington under agreements with the Health Care Financing Administration and the Department of Social and Health Services.

To operate in Washington as a health care service contractor, a PACE program is required to demonstrate that it has a net worth of at least \$3 million.

Summary:

PACE programs are specifically authorized by statute and are subject to regulation by the Department of Social and Health Services. A PACE program must maintain sufficient cash reserves to cover expenses in the event of an insolvency. The required minimum cash reserve is determined by a formula.

PACE programs are granted an exemption allowing them to operate in Washington without meeting the financial solvency requirements applicable to other health care service contractors.

Votes on Final Passage:

House 97 0
Senate 45 0

Effective: May 7, 2001