

# SENATE BILL REPORT

## EHB 1099

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As Reported By Senate Committee On:  
Labor, Commerce & Financial Institutions, March 22, 2001

**Title:** An act relating to the PACE program.

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

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

**Brief History:**

**Committee Activity:** Labor, Commerce & Financial Institutions: 3/19/01, 3/22/01 [DP].

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### SENATE COMMITTEE ON LABOR, COMMERCE & FINANCIAL INSTITUTIONS

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**Majority Report:** Do pass.

Signed by Senators Prentice, Chair; Benton, Deccio, Fairley, Franklin, Hochstatter, Honeyford, Regala and Winsley.

**Staff:** Joanne Conrad (786-7472)

**Background:** A PACE Program is a program of all-inclusive care for the elderly. As managed care Medicare/Medicaid programs, PACE programs are extensively regulated by the federal government, and operate in Washington State under agreements with the Health Care Financing Administration and the Department of Social and Health Services. In Washington State, a PACE program serves approximately 145 people.

PACE programs are required to demonstrate that they have adequate cash reserves, in case of insolvency. The adequacy is determined by a formula. The programs provide full disclosure to enrollees.

The purpose of PACE programs is to provide a unified care setting that enables older and frail adults to remain in their homes and preserve their family units, to the extent medically possible. Concern exists that PACE programs may have difficulty sustaining the additional and redundant burden of state regulation under health care services contractor statutes. The reserve balance requirement of those statutes was not designed for entities such as PACE programs and may be cost-prohibitive to maintain.

**Summary of Bill:** Statutory definitions of PACE programs and their cash reserve and disclosure requirements are established. PACE programs that meet certain requirements, including cash reserves, are exempt from Title 48 of the Revised Code of Washington, including additional regulation as insurance companies (health care services contractors).

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** The bill contains an emergency clause and takes effect immediately.

**Testimony For:** This bill will help PACE programs, which are beneficial to the frail elderly.

**Testimony Against:** None.

**Testified:** Representative Santos, prime sponsor; Vicki Austin, Providence Health System.