
SUBSTITUTE SENATE BILL 5235

State of Washington

57th Legislature

2001 Regular Session

By Senate Committee on Labor, Commerce & Financial Institutions
(originally sponsored by Senators Prentice and Winsley)

READ FIRST TIME 2/05/01.

1 AN ACT Relating to the PACE program; adding a new section to
2 chapter 74.09 RCW; adding a new section to chapter 48.44 RCW; adding a
3 new section to chapter 48.01 RCW; creating a new section; and declaring
4 an emergency.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** The legislature finds that PACE programs
7 provide essential care to the frail elderly in the state of Washington.
8 PACE serves to enhance the quality of life and autonomy for frail,
9 older adults, maximize the dignity of and respect for older adults,
10 enable frail and older adults to live in their homes and their
11 community as long as medically possible, and preserve and support the
12 older adult's family unit.

13 NEW SECTION. **Sec. 2.** A new section is added to chapter 74.09 RCW
14 to read as follows:

15 (1) The definitions in this subsection apply throughout this
16 section unless the context clearly requires otherwise.

17 (a) "PACE" means the program of all-inclusive care for the elderly,
18 a managed care medicare/medicaid program authorized under sections

1 1894, 1905(a), and 1934 of the social security act and administered by
2 the department.

3 (b) "PACE program agreement" means an agreement between a PACE
4 organization, the health care financing administration, and the
5 department.

6 (2) A PACE program may operate in the state only in accordance with
7 a PACE program agreement with the department.

8 (3) A PACE program shall at the time of entering into the initial
9 PACE program agreement, and at each renewal thereof, demonstrate cash
10 reserves to cover expenses in the event of insolvency.

11 (a) The cash reserves at a minimum shall equal the sum of:

12 (i) One month's total capitation revenue; and

13 (ii) One month's average payment to subcontractors.

14 (b) The program may demonstrate cash reserves to cover expenses of
15 insolvency with one or more of the following: Reasonable and
16 sufficient net worth, insolvency insurance, or parental guarantees.

17 (4) A PACE program must provide full disclosure regarding the terms
18 of enrollment and the option to disenroll at any time to all persons
19 who seek to participate or who are participants in the program.

20 NEW SECTION. **Sec. 3.** A new section is added to chapter 48.44 RCW
21 to read as follows:

22 The activities and operations of PACE programs, as defined in
23 section 2 of this act and as authorized under sections 1894, 1905(a),
24 and 1934 of the social security act, when registered, certified,
25 licensed, or otherwise recognized or designated as a PACE program by
26 the Washington state department of social and health services are
27 exempt from the requirements of this title.

28 NEW SECTION. **Sec. 4.** A new section is added to chapter 48.01 RCW
29 to read as follows:

30 The activities and operations of PACE programs, as defined in
31 section 2 of this act and as authorized under sections 1894, 1905(a),
32 and 1934 of the social security act, when registered, certified,
33 licensed, or otherwise recognized or designated as a PACE program by
34 the Washington state department of social and health services are
35 exempt from the requirements of this title.

1 NEW SECTION. **Sec. 5.** This act is necessary for the immediate
2 preservation of the public peace, health, or safety, or support of the
3 state government and its existing public institutions, and takes effect
4 immediately.

--- END ---