HOUSE BILL NO. 4432

March 04, 2021, Introduced by Reps. Whitsett, Aiyash, Young, Peterson, Garza, Kuppa, Cambensy, Coleman, Cavanagh, Tyrone Carter, Neeley, Hope, Brixie, Thanedar, O'Neal, Scott, Berman, Frederick, LaFave, Allor, Eisen, Jones and Yancey and referred to the Committee on Health Policy.

A bill to amend 1939 PA 280, entitled

"The social welfare act,"

by amending section 22 (MCL 400.22), as added by 2018 PA 447.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1   Sec. 22. (1) As used in this section: ~~,~~

2   **(a) "PACE eligible client market size" means the total number**

3   **of noninstitutionalized individuals reporting a disability over the**

4   **age of 65, with an income less than $25,000.00 as measured by the**

5   **most recent United States Census Bureau and the American Community**

1 **Survey 5-year estimates.**

2   **(b)** "Program of All-Inclusive Care for the Elderly" or "PACE"

3 means an innovative model of community-based care that enables

4 elderly individuals, who are certified as needing nursing facility

5 care, to live as independently as possible.

6   (2) A prospective PACE organization can be a not-for-profit,

7 for-profit, or public entity that is primarily engaged in providing

8 PACE services and participates in both Medicare and Medicaid.

9 Michigan licensure as a health care entity is not required. An

10 unlicensed PACE entity may serve any eligible enrollee. A

11 prospective PACE entity must meet the federal requirements for a

12 PACE organization, enroll as a Michigan Medicaid provider, and

13 complete a feasibility study.

14   (3) A prospective PACE organization must submit both of the

15 following to the department:

16   (a) Not later than 90 calendar days after submitting a letter

17 of intent, a feasibility study.

18   (b) Not later than 1 year after the department approves the

19 feasibility study, a provider application.

20   (4) When submitting a letter of intent, a prospective PACE

21 entity must state in the application the service area proposed for

22 the PACE program. ~~If the state determines that there is unmet need~~

23 ~~in a designated geographic area already covered by an existing PACE~~

24 ~~organization, the department must notify that PACE organization in~~

25 ~~a reasonable amount of time, and that PACE organization must be~~

26 ~~given the opportunity to submit a plan to expand capacity~~

27 ~~sufficient to accommodate need. The department must give the~~

28 ~~existing PACE program 6 months from notice of the determination of~~

29 ~~unmet need to submit an expansion plan. If the existing PACE~~

1 ~~organization fails to submit a reasonable plan for expansion within~~

2 ~~6 months, the state may allow proposals from other PACE~~

3 ~~organizations. The department shall work with the PACE Association~~

4 ~~of Michigan and other appropriate provider representatives to~~

5 ~~develop an acceptable methodology to determine unmet need.~~**An entity**

6 **may establish a PACE program in a geographic area already**

7 **designated to and served by an existing PACE organization, if the**

8 **entity submits to the medical services administration all of the**

9 **following:**

10 **(a) Documentation demonstrating that an unmet need exists in**

11 **the geographic area. An unmet need exists when the percentage of**

12 **the PACE eligible client market size served in a geographic area is**

13 **equal to or less than 20%.**

14 **(b) Evidence that the entity has relevant experience and**

15 **financial resources necessary to operate a PACE program.**

16 **(c) Evidence that the proposed PACE program will not create an**

17 **unnecessary duplication of services in the service area.**

18 **(d) Evidence that the entity's proposed PACE program will not**

19 **impair the financial and service viability of the existing PACE**

20 **program.**

21 **(e) Evidence that the total number of potential PACE eligible**

22 **clients within the service area is greater than 5,000.**

23 **(5) The medical services administration must approve the**

24 **entity's proposed PACE program within 90 days after receiving the**

25 **entity's required documentation.**