

HOUSE BILL REPORT

SHB 1499

As Passed House:
March 11, 2013

Title: An act relating to the program of all-inclusive care for the elderly.

Brief Description: Concerning the program of all-inclusive care for the elderly.

Sponsors: House Committee on Appropriations Subcommittee on Health & Human Services (originally sponsored by Representatives Jinkins, Harris, Cody, Fitzgibbon, Ryu, Roberts, Fey and Pollet).

Brief History:

Committee Activity:

Health Care & Wellness: 2/12/13, 2/15/13 [DP];

Appropriations Subcommittee on Health & Human Services: 2/20/13, 2/25/13 [DPS].

Floor Activity:

Passed House: 3/11/13, 98-0.

Brief Summary of Substitute Bill

- Requires the Department of Social and Health Services (DSHS) to allow clients enrolled in the Program for All-Inclusive Care for the Elderly (PACE) to elect to remain in the program despite improved functional status.
- Directs the DSHS to develop and implement a PACE education plan for case managers and other staff who make eligibility determinations.

HOUSE COMMITTEE ON HEALTH CARE & WELLNESS

Majority Report: Do pass. Signed by 15 members: Representatives Cody, Chair; Jinkins, Vice Chair; Schmick, Ranking Minority Member; Hope, Assistant Ranking Minority Member; Angel, Clibborn, Green, Harris, Manweller, Morrell, Riccelli, Ross, Short, Tharinger and Van De Wege.

Staff: Chris Blake (786-7392).

HOUSE COMMITTEE ON APPROPRIATIONS SUBCOMMITTEE ON HEALTH & HUMAN SERVICES

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Morrell, Chair; Harris, Ranking Minority Member; Cody, Green, Jinkins, Kagi, Ormsby, Ross and Schmick.

Staff: James Kettel (786-7123).

Background:

The Program for All-Inclusive Care for the Elderly (PACE) is one of several long-term care services programs offered by the Department of Social and Health Services to help elderly clients remain in the community. The PACE is a capitated benefit that may be offered under a state's Medicaid program. The PACE integrates necessary long-term care, medical services, mental health services, and alcohol and substance abuse treatment services. The PACE is available to people who:

1. are (a) age 65 or older or (b) age 55 or older and blind or disabled;
2. need nursing facility level of care;
3. live within a PACE provider's designated service area; and
4. are not enrolled in any other Medicare or Medicaid prepayment plan or optional benefit.

Individuals enrolled in PACE must agree to receive services exclusively through the PACE provider and its network of providers. The available long-term care services under PACE include care coordination, home and community-based services, and nursing facility care. The medical care services available under PACE include primary medical care, vision care, end of life care, restorative therapies, oxygen therapy, audiology, transportation, podiatry, durable medical equipment, dental care, pharmaceutical products, immunizations and vaccines, and emergency care and inpatient hospital stays.

Individuals may voluntarily end enrollment in PACE at any time. Under state law, individuals may also be involuntarily disenrolled from PACE under several circumstances, including if they no longer meet the nursing facility level of care requirement.

Summary of Substitute Bill:

The Department of Social and Health Services (DSHS) must allow long-term care clients who are enrolled in the Program for All-Inclusive Care for the Elderly (PACE) to remain in PACE, if the client so chooses, despite having improved status related to functional criteria for nursing facility level of care.

The DSHS must develop and implement a coordinated plan for educating others about PACE site operations. The plan must include a strategy to assure that case managers and other staff who make eligibility determinations discuss with potentially eligible clients PACE as an option and the potential benefits of participating. The plan must also require that referrals for an evaluation are made to a PACE provider for all clients who are eligible for the Community Options Program Entry System waiver program, are 55 years old or over, and live in a PACE service area. Lastly, the plan must require additional and ongoing training related to informing clients of the benefits of remaining in PACE. The DSHS must identify a private

entity that operates PACE program sites in Washington to provide the training at no cost to the state.

Appropriation: None.

Fiscal Note: Preliminary fiscal note available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony (Health Care & Wellness):

(In support) The Program for All-Inclusive Care for the Elderly (PACE) keeps people out of nursing homes. The program costs about 54 percent of what a day in a nursing home would be. This bill will put more people in the program and save more money. This bill will avoid the situation in which people improve to the point that they are no longer eligible for PACE and lose the services that had been keeping them healthy. The Department of Social and Health Services has not been talking to patients about the PACE as an option. Once case managers are trained in PACE, adding this to the discussion of options should be relatively seamless. The PACE assumes all of the costs for the clients in their program which provides an incentive to PACE provider to see high-risk clients stabilize and get healthier and prevent more costly services. This is a program that is a model for the changes that everyone wants to see in the way that health care is delivered because it is evidence-based, preventative, and patient focused. The PACE has excellent outcomes compared to Medicare. This bill provides access to PACE for all eligible beneficiaries. Private providers are willing to provide the training at no cost to the state. When patients are released from PACE, they can destabilize and become much sicker.

(Opposed) None.

Staff Summary of Public Testimony (Appropriations Subcommittee on Health & Human Services):

(In support) Providence is the only provider for the Program for All-Inclusive Care for the Elderly (PACE) in Washington. The PACE serves individuals at a capitated payment of \$90 per day to cover all necessary client services, including hospitalization and nursing care. The PACE daily rate is about half the daily rate of an average nursing home. Over 400 enrollees are functioning well in the program. This bill has been introduced to help additional clients enroll in PACE. Providence has worked with the Department of Social and Health Services on potential amendatory language for the bill. Language could be added to clarify that federal rules allow a state to permanently waive annual recertification of functional eligibility for a client. Referencing the federal register should eliminate the fiscal impact of the bill.

(Opposed) None.

Persons Testifying (Health Care & Wellness): Representative Jinkins, prime sponsor; Kristen Rogers, Providence Health Services; and Susan Tuller, Program for All-Inclusive Care for the Elderly.

Persons Testifying (Appropriations Subcommittee on Health & Human Services): Representative Jinkins, prime sponsor; and Vicki Christopherson, Providence Health and Services.

Persons Signed In To Testify But Not Testifying (Health Care & Wellness): None.

Persons Signed In To Testify But Not Testifying (Appropriations Subcommittee on Health & Human Services): None.