

CERTIFICATION OF ENROLLMENT

**ENGROSSED HOUSE BILL 1099**

Chapter 191, Laws of 2001

57th Legislature  
2001 Regular Legislative Session

PACE PROGRAMS

EFFECTIVE DATE: 5/7/01

Passed by the House February 20, 2001  
Yeas 97 Nays 0

FRANK CHOPP  
**Speaker of the House of Representatives**

CLYDE BALLARD  
**Speaker of the House of Representatives**

Passed by the Senate April 9, 2001  
Yeas 45 Nays 0

BRAD OWEN  
**President of the Senate**

Approved May 7, 2001

GARY LOCKE  
**Governor of the State of Washington**

CERTIFICATE

We, Timothy A. Martin and Cynthia Zehnder, Co-Chief Clerks of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED HOUSE BILL 1099** as passed by the House of Representatives and the Senate on the dates hereon set forth.

CYNTHIA ZEHNDER  
**Chief Clerk**

TIMOTHY A. MARTIN  
**Chief Clerk**

FILED

May 7, 2001 - 1:33 p.m.

**Secretary of State  
State of Washington**

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**ENGROSSED HOUSE BILL 1099**

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Passed Legislature - 2001 Regular Session

**State of Washington                      57th Legislature                      2001 Regular Session**

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

Read first time 01/17/2001.      Referred to Committee on Financial Institutions & Insurance.

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

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

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

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

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

16            (a) "PACE" means the program of all-inclusive care for the elderly,  
17 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 48.01 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.** This act is necessary for the immediate  
29 preservation of the public peace, health, or safety, or support of the  
30 state government and its existing public institutions, and takes effect  
31 immediately.

Passed the House February 20, 2001.

Passed the Senate April 9, 2001.

Approved by the Governor May 7, 2001.

Filed in Office of Secretary of State May 7, 2001.