

HOUSE BILL NO. 5664

March 17, 2020, Introduced by Reps. Love, Robinson, Tyrone Carter, Byrd, Whitsett, Hope, Vaupel, Berman, Frederick, Sneller, Cherry, Cynthia Johnson and Jones 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: *τ*
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



Legal Division
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1 **most recent United States Census Bureau and the American Community
2 Survey 5-year estimates.**

3 (b) "Program of All-Inclusive Care for the Elderly" or "PACE"
4 means an innovative model of community-based care that enables
5 elderly individuals, who are certified as needing nursing facility
6 care, to live as independently as possible.

7 (2) A prospective PACE organization can be a not-for-profit,
8 for-profit, or public entity that is primarily engaged in providing
9 PACE services and participates in both Medicare and Medicaid.
10 Michigan licensure as a health care entity is not required. An
11 unlicensed PACE entity may serve any eligible enrollee. A
12 prospective PACE entity must meet the federal requirements for a
13 PACE organization, enroll as a Michigan Medicaid provider, and
14 complete a feasibility study.

15 (3) A prospective PACE organization must submit both of the
16 following to the department:

17 (a) Not later than 90 calendar days after submitting a letter
18 of intent, a feasibility study.

19 (b) Not later than 1 year after the department approves the
20 feasibility study, a provider application.

21 (4) When submitting a letter of intent, a prospective PACE
22 entity must state in the application the service area proposed for
23 the PACE program. ~~If the state determines that there is unmet need~~
~~in a designated geographic area already covered by an existing PACE~~
~~organization, the department must notify that PACE organization in~~
~~a reasonable amount of time, and that PACE organization must be~~
~~given the opportunity to submit a plan to expand capacity~~
~~sufficient to accommodate need. The department must give the~~
~~existing PACE program 6 months from notice of the determination of~~



1 unmet need to submit an expansion plan. If the existing PACE
2 organization fails to submit a reasonable plan for expansion within
3 6 months, the state may allow proposals from other PACE
4 organizations. The department shall work with the PACE Association
5 of Michigan and other appropriate provider representatives to
6 develop an acceptable methodology to determine unmet need. An entity
7 may establish a PACE program in a geographic area already
8 designated to and served by an existing PACE organization, if the
9 entity submits to the medical services administration all of the
10 following:

11 (a) Documentation demonstrating that an unmet need exists in
12 the geographic area. An unmet need exists when the percentage of
13 the PACE eligible market size served in a geographic area is equal
14 to or less than 20%.

15 (b) Evidence that the entity has relevant experience and
16 financial resources necessary to operate a PACE program.

17 (c) Evidence that the proposed PACE program will not create an
18 unnecessary duplication of services in the service area.

19 (d) Evidence that the entity's proposed PACE program will not
20 impair the financial and service viability of the existing PACE
21 program.

22 (e) Evidence that the total number of potential PACE eligible
23 clients within the service area is greater than 5,000.

24 (5) The medical services administration shall approve the
25 entity's proposed PACE program within 90 days after receiving the
26 entity's required documentation.

