

The Honorable Kathy Hochul
Governor
NYS State Capitol
Albany, NY 12224

Re: A.9542(Gottfried)/S.8903 (May)

Dear Governor Hochul,

LeadingAge New York and its not-for-profit, mission-driven aging services members write to you today in strong support of legislation A.9542(Gottfried)/S.8903 (May), a bill which would promote the expansion and more efficient oversight of the Program of All Inclusive Care for the Elderly.

The Program of All Inclusive Care for the Elderly (PACE) is a nationwide, high-touch, provider-based model of managed care that integrates Medicare and Medicaid to provide all of the necessary healthcare and support services a person may need, enabling an individual who is clinically eligible for nursing home level care to remain in the community. The PACE model is built around an Interdisciplinary Team of providers and includes coverage for all Medicare and Medicaid services such as prescription drugs, doctor care, transportation, home care, check-ups, hospital visits, therapies, and nursing home stays when necessary. This bill [A.9542(Gottfried)/S.8903 (May)] would help grow this model by unifying and streamlining the licensure process by consolidating Article 28, 36, and 44 requirements for PACE into a single process. Additionally, this bill shares similarities with provisions proposed in the FY23 Executive State Budget, as well as those included in the Senate Budget proposal, which LeadingAge NY supported.

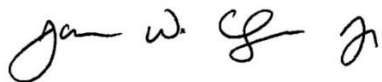
Currently, nine PACE Organizations serve over 8,000 individuals across New York state. Services are provided both in the PACE participant's home as well as in a PACE center which is a fully licensed clinic. Although PACE has operated in New York for over 30 years and was the home to the largest program in the country, the regulatory framework remains unnecessarily cumbersome, duplicative, and not always appropriate for the model of care. Programs are required to be separately licensed as Article 28 Diagnostic and Treatment Centers, Article 36 Home Care Agencies and Article 44 Managed Care Plans. This regulatory structure has impeded the growth of this highly beneficial model. Additionally, the regulation of PACE under Managed Long Term Care Plan authorizing statute and regulations has caused confusion and has required constant clarification of whether new provisions apply to PACE or not.

This bill, along with implementing regulations, would establish a state PACE regulatory framework separate from other types of managed care. The proposal reaffirms that it does not seek to alter core features of the model nor change the eligible population, but rather, it would facilitate flexibility for future PACE innovation which is a necessary action. This legislation would streamline the state approval process and help clarify oversight procedures while the federal process would remain as it currently is. The bill would also help ensure transparency in the rate-setting process.

With the continuing increase in demand for community-based care, PACE provides an option that empowers those over 55 with complex healthcare needs to remain living at home. It does so by combining a high-touch, interdisciplinary team approach that involves the individual's family or informal caregivers to ensure the individual's services reflect their needs and preferences. Streamlining the current requirements will ensure that PACE is regulated as the integrated program that it is and will help ensure that more New Yorkers have access to this excellent model of care.

For these reasons, LeadingAge NY supports A.9542(Gottfried)/S.8903 (May) and urges that it be approved and signed into law.

Sincerely,

A handwritten signature in black ink, appearing to read "James W. Clyne, Jr.", written in a cursive style.

James W. Clyne, Jr.
President and CEO
LeadingAge New York