



2018 SEP 17 AM 9:07
OFFICE OF THE
SECRETARY

MURIEL BOWSER
MAYOR

SEP 17 2018

The Honorable Phil Mendelson, Chairman
Council of the District of Columbia
1350 Pennsylvania Avenue, NW, Suite 504
Washington, DC 20004

Dear Chairman Mendelson:

Enclosed for consideration and approval by the Council of the District of Columbia ("Council") is the "Program of All-Inclusive Care for the Elderly Establishment Act of 2018." The purpose of this bill is to establish a Program of All-Inclusive Care for the Elderly ("PACE") program in the District and provide the Department of Health Care Finance with the authority to manage and oversee the program.

The PACE program is a nationally recognized model for providing medical and social services to elderly individuals. By using an interdisciplinary team of health care professionals, PACE provides its participants with all of their primary, acute and long-term care services. These services are received at either the participant's home or in a community or PACE center. This cost-effective alternative to nursing facility care results in the PACE participant being able to continue to stay in the community, and for an increased availability of community-based options in the District.

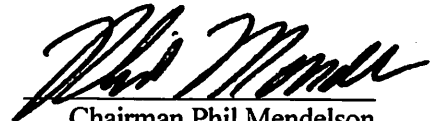
Under the PACE program, providers approved by both DHCF and the Centers for Medicare and Medicaid Services (CMS) would provide all-inclusive, community-based care to individuals residing in designated parts of the District. Thirty-two states already have PACE programs in place. Approval of this legislation will allow the District to become the next jurisdiction to provide its residents with comprehensive community health care options.

I look forward to a favorable consideration of this legislation.

Sincerely,

A handwritten signature in black ink, appearing to read "Muriel Bowser".

Muriel Bowser


Chairman Phil Mendelson
at the request of the Mayor

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7 A BILL
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10 IN THE COUNCIL OF THE DISTRICT OF COLUMBIA
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14 To establish a Program of All-Inclusive Care for the Elderly program in the District.
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16 BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this
17 Act may be cited as the “Program of All-Inclusive Care for the Elderly Establishment Act of
18 2018”.

19 Sec. 2. Establishment of PACE; purpose.

20 (a) The Mayor may establish a Program of All-Inclusive Care for the Elderly (“PACE”) in
21 order to meet the health care and support needs of eligible District residents who are capable of safely
22 residing in the community, despite meeting the level of care for nursing home placement.

23 (b) The goals of PACE shall include:

- 24 (1) Enhancing the quality of life and autonomy for frail, older adults;
25 (2) Maximizing the dignity of, and respect for, older adults;
26 (3) Enabling frail, older adults to live in the community as long as medically and
27 socially feasible; and
28 (4) Preserving and supporting the older adult’s family unit.

29 Sec. 3. Provision of services through PACE organizations.

30 (a) To carry out PACE, the Mayor shall certify entities to serve as PACE organizations, as
31 provided in section 6.

32 (b) Each PACE organization certified by the Mayor shall provide to eligible, enrolled
33 individuals a program of community-based, comprehensive health care services designed to meet the
34 goals of PACE.

35 (c) The health care and support services provided by a PACE organization shall include
36 multidisciplinary assessment and treatment planning; primary care services, including physician and
37 nursing services; social work services; restorative therapies; personal care and support services;
38 nutritional counseling; recreational therapy; transportation; meals; medical specialty services;
39 laboratory tests; drugs and biologicals; prosthetics and durable medical equipment; acute inpatient,
40 ambulatory, and emergency care; and nursing facility care.

41 Sec. 4. Eligibility requirements for PACE enrollees.

42 The standards for determining the eligibility of an individual to enroll in PACE shall be
43 established by the Mayor pursuant to section 7 and in accordance with 42 C.F.R. Part 460.150.

44 Sec. 5. PACE administration.

45 (a) The Mayor shall administer PACE and certify and oversee PACE organizations operating
46 in the District.

47 (b) The Mayor may limit the number of PACE organizations approved to operate in the
48 District in accordance with the number and needs of eligible residents.

49 (c) The Mayor may designate the service area of a PACE organization.

50 (d) PACE organizations shall be exempt from regulation as insurers by the Department of
51 Insurance, Securities, and Banking.

52 Sec. 6. PACE organization certification process.

53 (a) In order to be certified as a PACE organization by the District, an entity shall:

- 54 (1) Demonstrate enrollment as a District Medicaid provider, in accordance with
55 Chapter 94 of Title 29 of the District of Columbia Municipal Regulations;
- 56 (2) Demonstrate compliance with all federal requirements contained in 42 C.F.R. Part
57 460;
- 58 (3) Enter into a PACE Program Agreement with the District and CMS in accordance
59 with 42 C.F.R. Part 460.30; and
- 60 (4) Demonstrate compliance with all additional requirements imposed by the Mayor.

61 Sec. 7. Rules.

62 The Mayor may issue rules, pursuant to the District of Columbia Administrative Procedure
63 Act, approved October 21, 1968 (82 Stat. 1204; D.C. Official Code § 2-501 *et seq.*), and promulgate
64 policies and procedures to implement this act, including rules, policies, and procedures that establish
65 PACE organization provider requirements, fiscal soundness and solvency requirements,
66 reimbursement methodologies, sanctions, enforcement actions, and standards for the termination of a
67 PACE program agreement.

68 Sec. 8. Applicability.

69 This act shall apply upon the inclusion of its fiscal effect in an approved budget and financial
70 plan, as certified by the Chief Financial Officer to the Budget Director of the Council in a certification
71 published by the Council in the District of Columbia Register.

72 Sec. 9. Fiscal impact statement.

73 The Council adopts the fiscal impact statement in the committee report as the fiscal impact
74 statement required by section 602(c)(3) of the District of Columbia Home Rule Act, approved
75 December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(3)).

76 Sec. 10. Effective date.

77 This act shall take effect following approval by the Mayor (or in the event of veto by the
78 Mayor, action by the Council to override the veto), a 30-day period of congressional review as
79 provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December 24,
80 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of Columbia
81 Register.

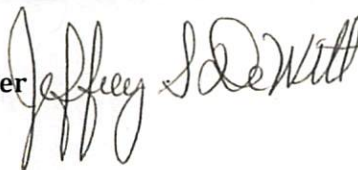
Government of the District of Columbia
Office of the Chief Financial Officer



Jeffrey S. DeWitt
Chief Financial Officer

MEMORANDUM

TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Jeffrey S. DeWitt
Chief Financial Officer 

DATE: February 7, 2018

SUBJECT: Fiscal Impact Statement - Program of All-Inclusive Care for the Elderly
Establishment Act of 2018

REFERENCE: Draft introduction as shared with the Office of Revenue Analysis on
January 31, 2018

Conclusion

Funds are sufficient in the proposed fiscal year 2018 through fiscal year 2021 budget and financial plan to implement the bill.

Background

The bill allows the District to create within the Medicaid program a program called PACE¹ – the Program of All-Inclusive Care for the Elderly. PACE aims to keep people aged 55 and older out of institutions like nursing homes by providing them with care in their homes and at day centers.

Financial Plan Impact

Funds are sufficient in the proposed fiscal year 2018 through fiscal year 2021 budget and financial plan to implement the bill. The bill will cost \$90,000 in fiscal year 2018 and \$10.5 million over the four-year financial plan. The bill, as drafted, is subject to appropriation, but the Department of Health Care Finance (DHCF) budget has sufficient funding to cover the cost of the bill.

The Department of Health Care Finance (DHCF) plans to approve the first PACE center to open in fiscal year 2019 and allow the center to enroll an estimated 135 people in the program by the end of the fiscal year. In fiscal year 2018, DHCF received funding to support one FTE to implement the PACE

¹ Pursuant to Section 1934 of the Social Security Act (42 U.S.C. § 1396u-4), states may offer PACE under the Medicaid program.

The Honorable Phil Mendelson

FIS: "Program of All-Inclusive Care for the Elderly Establishment Act of 2018," Draft introduction as shared with the Office of Revenue Analysis on January 31, 2018.

program. In fiscal year 2020 and the years that follow, DHCF expects PACE organizations to serve around 200 people a year.

DHCF believes it will cost about \$76,000 a year, on average, to provide each PACE participant with care.² The District will be responsible for only about 30 percent of this cost—or \$23,000 per person, per year—since the federal government pays roughly 70 percent of the District's Medicaid expenses.

Serving 200 people per year will cost the District about \$10.5 million. During the first year of implementation, fiscal year 2019, costs will be much less—about \$1.3 million—since the program that year will last for only 9 months and enrollment will grow from zero to 135 participants. During fiscal year 2020, when enrollment will grow from 135 to 200 participants, the program will cost \$4.4 million. When DHCF fully implements the program in fiscal year 2021, costs will be around \$4.8 million.

Program of All-Inclusive Care for the Elderly Establishment Act of 2018					
Total Fiscal Impact					
	FY 2018	FY 2019	FY 2020	FY 2021	Four-Year Total
Cost paid by the federal government	\$39,458	\$886,915	\$3,077,134	\$3,329,084	\$7,332,591
Cost paid by the District	\$50,591	\$380,106	\$1,318,772	\$1,426,750	\$3,176,219
Total Fiscal Impact	\$90,049	\$1,267,021	\$4,395,906	\$4,755,834	\$10,508,810

² DHCF based the cost estimate on the PACE upper payment limit for Medicaid. Costs for people who qualify for both Medicaid and Medicare will be lower than costs for people who qualify for Medicaid only, since Medicare covers part of the costs.

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE ATTORNEY GENERAL



ATTORNEY GENERAL
KARL A. RACINE

Legal Counsel Division

MEMORANDUM

TO: Alana Intrieri
Executive Director
Office of Policy and Legislative

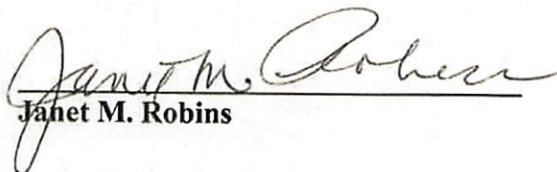
FROM: Janet M. Robins
Deputy Attorney General
Legal Counsel Division

DATE: June 14, 2018

SUBJECT: Legal Sufficiency Review of the "Program of All-Inclusive Care for the Elderly Establishment Act of 2018"
(AE-18-075B)

This is to Certify that this Office has reviewed the above-referenced legislation and that we have found it to be legally sufficient.

If you have any questions in this regard, please do not hesitate to call me at 724-5524.


Janet M. Robins