

**Subject** PACE Funding  
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## Summary

This bill requires the commissioner of human services to: (1) work with stakeholders to develop recommendations for financing mechanisms to complete the actuarial work and cover the administrative costs of a program of all-inclusive care for the elderly (PACE); (2) recommend a financing mechanism that could begin by July 1, 2024; and (3) inform the legislature on the commissioner's progress toward developing a recommended financing mechanism by December 15, 2023.

In addition, the bill appropriates \$265,000 in fiscal year 2024 from the general fund to the commissioner of human services to complete the initial actuarial and administrative work necessary to recommend a financing mechanism for the operation of PACE.

PACE is a program under Medicare that provides comprehensive medical and social services to certain frail elderly individuals who live in the community, most of whom are dually eligible for Medicare and Medicaid benefits. States can elect to provide PACE services to Medicaid beneficiaries as an optional Medicaid benefit. The PACE program is the sole source of Medicare and Medicaid benefits for PACE participants. In order to be eligible for PACE, an individual must: (1) be age 55 or older; (2) live in a PACE organization service area; (3) be eligible for nursing home care; and (4) be able to safely live in the community. An interdisciplinary team of health professionals provides PACE participants with coordinated care, which enables participants to remain in the community instead of receiving care in a nursing home. A participant may leave the PACE program at any time.