

# ASSEMBLY HEALTH COMMITTEE

## STATEMENT TO

[First Reprint]

**SENATE, No. 2051**

# **STATE OF NEW JERSEY**

DATED: NOVEMBER 17, 1997

The Assembly Health Committee reports favorably Senate Bill No. 2051 (1R).

This bill provides that PACE and Pre-PACE programs may operate in the State only in accordance with a contract with the Department of Health and Senior Services, which is prepared in consultation with the Department of Human Services, and pursuant to the provisions of this bill.

PACE, the "Program for All-Inclusive Care for the Elderly," is a program operated by a public, private nonprofit or proprietary entity, as permitted by federal law. The program is a capitated, comprehensive health and social services delivery system that integrates acute and long-term care services to disabled and frail elderly persons who are certified by the State as nursing home eligible in order to maximize their autonomy and continued independence. Pre-PACE is a PACE program in its initial start-up phase and includes the same comprehensive scope of services as a PACE program; however, a Pre-PACE program may contract with the State to provide services to Medicaid-eligible persons on a capitated basis for a limited scope of the PACE service package, with the remaining services reimbursed directly to the service providers by the Medicaid and Medicare programs.

The bill requires a PACE or Pre-PACE program, at the time of entering into the initial contract with the Department of Health and Senior Services, and at each renewal thereof, to demonstrate reasonable cash reserves to cover expenses in the event of insolvency. Also, the bill requires a PACE or Pre-PACE program to provide full disclosure regarding the terms of enrollment and the option to disenroll at any time to all persons who seek to participate or are participants in the program. Finally, the bill specifies that a PACE or Pre-PACE program shall not be subject to the requirements of the "Health Maintenance Organizations Act," P.L.1973, c.337 (C.26:2J-1 et seq.).

As reported by the committee, this bill is identical to Assembly Bill No. 3045 Aca (Vandervalk), which the committee also reported favorably on this date.