



## Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

# Final Fiscal Note

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<b>Drafting Number:</b>	LLS 22-1012	<b>Date:</b>	August 4, 2022
<b>Prime Sponsors:</b>	Sen. Fields; Smallwood Rep. Lontine; Soper	<b>Bill Status:</b>	Signed into Law
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**Bill Topic:** PROGRAM OF ALL-INCLUSIVE CARE FOR THE ELDERLY

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**Summary of Fiscal Impact:**

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill requires the Department of Health Care Policy and Financing to develop a regulatory plan for Program of All-inclusive Care for the Elderly providers by June 30, 2023. It will increase state workload in FY 2022-23 only.

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**Appropriation Summary:** No appropriation is required.

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**Fiscal Note Status:** The fiscal note reflects the enacted bill.

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## Summary of Legislation

The bill requires the Department of Health Care Policy and Financing (HCPF), in conjunction with the Department of Public Health and Environment (CDPHE), to develop a regulatory plan for Program of All-inclusive Care for the Elderly (PACE) providers by June 30, 2023. The bill outlines stakeholders, data, and processes that must be considered in developing the plan.

By March 1, 2024, HCPF must establish, administer, and enforce minimum regulatory standards and rules for PACE and contracted entities. HCPF is required to continually analyze the reimbursement methodology for PACE entities and provide legislative updates on new methodology requirements.

## Background

PACE provides comprehensive health care services to enable older adults to live in the community for as long as possible. A PACE organization is responsible for providing care that meets the needs of each participant across all care settings, 24 hours a day, every day of the year. Services must be furnished in at least the PACE center, the home, and inpatient facilities, up to and including admission to an acute care or long-term care facility when PACE can no longer support the participant safely in the community.

The PACE center includes a primary care clinic and areas for therapeutic recreation, restorative therapies, socialization, personal care, and dining, and serves as the focal point for coordination and provision of most PACE services.

To be eligible to enroll in PACE, an individual must be 55 years of age or older; meet nursing facility level of care; live in the service area of the PACE organization; and be able to live in a community setting without risk to the individual's health or safety at the time of enrollment.

## **State Expenditures**

The bill will increase expenditures in HCPF in FY 2022-23; however, the funding needed to implement this bill has been included in HCPF's Home and Community-Based Services (HCBS) American Rescue Plan Act (ARPA) Spending Plan, for which PACE qualifies. The funding for this spending plan was originally established by Senate Bill 21-286, and is included in HCPF's FY 2022-23 budget. HCPF will use the approved term-limited funding to hire an FTE to manage the contracts, facilitate stakeholder engagement, create reporting requirements, and identify key performance goals for PACE organizations. Therefore, no additional appropriations are required.

Workload will also increase in the CDPHE to collaborate with HCPF, which the fiscal note assumes that the CDPHE can accomplish within existing appropriations.

## **Effective Date**

The bill was signed into law by the Governor on June 8, 2022, and takes effect August 9, 2022, assuming no referendum petition is filed.

## **State and Local Government Contacts**

Health Care Policy and Financing  
Law

Information Technology  
Public Health and Environment