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## **SENATE JOINT RESOLUTION NO. 343**

Offered January 20, 1997

Memorializing Congress to proceed immediately with an extension of waivers to the PACE program or to pass S. 999, extending provider status to the PACE program.

Patrons—Schrock, Bolling, Gartlan, Lambert, Walker and Woods; Delegates: Baker, Brickley, Connally, DeBoer, Hall, Heilig, Melvin and Morgan

## Referred to the Committee on Rules

WHEREAS, community-based services to the frail and chronically ill, especially to that category of elderly, are often uncoordinated, fragmented, inappropriate, or insufficient to meet the needs of the frail and chronically ill who are at risk of institutionalization, often resulting in unnecessary placement in nursing homes; and

WHEREAS, steadily increasing health care costs for the frail, chronically ill, and especially the frail elderly provide incentives to develop programs providing quality services at reasonable costs; and

WHEREAS, capitated, risk-based financing provides an alternative to the traditional fee-for-service payment system by providing a fixed, per capita monthly payment for a package of health care and social services and requires the provider to assume financial responsibility for cost overruns; and

WHEREAS, On Lok Senior Health Services of San Francisco, California, began as a federal and state demonstration program in 1973 to test whether comprehensive community-based services could be provided to the frail elderly at no greater cost than nursing home care; and

WHEREAS, since 1983, On Lok Senior Health Services of San Francisco, California, has successfully provided a comprehensive package of services and operated within a cost-effective, capitated risk-based financing system; and

WHEREAS, recognizing On Lok's success, Congress passed legislation in 1986, 1987, and 1990 encouraging the expansion of capitated long-term care programs by permitting federal Medicare and Medicaid waivers to be granted indefinitely to On Lok and authorizing the Health Care Financing Administration to grant waivers in up to 15 new sites throughout the nation in order to replicate the On Lok model and entitled this program as Program for All Inclusive Care for the Elderly (PACE); and

WHEREAS, in Virginia, the intent to develop programs similar to On Lok has been established by Chapter 628 (1996), which created insurance regulatory exemptions for certain health plans, and by the Budget Bill of 1995 I-92, 396-A-B; and

WHEREAS, pre-PACE sites can only transition to PACE if the program receives federal approval and no federal waivers are currently available; and

WHEREAS, Virginia's Medicaid program is currently in a contract with Sentara to offer services to Medicaid clients; now, therefore, be it

RESOLVED by the Senate, the House of Delegates concurring, That it is the intention of the General Assembly of Virginia to encourage the Congress of the United States to proceed immediately with an extension of waivers to the PACE program or to pass S. 999, extending provider status to the PACE program; and, be it

RESOLVED FURTHER, That the Clerk of the Senate transmit copies of this resolution to the Speaker of the United States House of Representatives, the President of the United States Senate, and the members of the Virginia Congressional Delegation in order that they may be apprised of the sense of the General Assembly in this matter.