

# STATE OF NEW YORK

11329

## IN ASSEMBLY

May 11, 2026

Introduced by COMMITTEE ON RULES -- (at request of M. of A. Paulin) --  
read once and referred to the Committee on Health

AN ACT to amend the public health law, in relation to licensure of PACE  
organizations

The People of the State of New York, represented in Senate and Assem-  
bly, do enact as follows:

1 Section 1. Section 2999-u of the public health law, as amended by  
2 chapter 90 of the laws of 2023, is amended to read as follows:  
3 § 2999-u. Licensure. 1. The commissioner shall license an entity  
4 applying for licensure as a PACE organization if the applicant demon-  
5 strates to the satisfaction of the commissioner that the applicant will:  
6 (a) comply with the requirements of a PACE organization under applica-  
7 ble federal law and regulations;  
8 (b) provide a facility or facilities at which primary care and other  
9 services are furnished to enrollees;  
10 (c) provide an interdisciplinary team approach to care management,  
11 care delivery and care planning;  
12 (d) comply with this article~~[, the applicable provisions of articles~~  
13 ~~twenty-eight, thirty-six and forty-four of this chapter and regulations~~  
14 ~~thereunder,]~~ and regulations of the commissioner under this article; and  
15 (e) enter into a PACE organization contract and agreement with the  
16 department and CMS.  
17 2. (a) A PACE organization shall serve an approved geographic service  
18 area.  
19 (b) A PACE organization and its incorporators, directors, sponsors,  
20 stockholders, members, and operators shall have the experience, compe-  
21 tence, and standing in the community as to give reasonable assurance of  
22 their ability to operate the organization to provide a consistently high  
23 level of care for enrollees and comply with this article. A PACE organ-  
24 ization shall demonstrate that where any incorporator, director, spon-  
25 sor, stockholder, member, or operator of the organization holds, or  
26 within the past seven years has held, a controlling interest or been a  
27 controlling person in an organization or facility licensed under this

EXPLANATION--Matter in italics (underscored) is new; matter in brackets  
[-] is old law to be omitted.

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1 chapter, a consistently high level of care has been rendered in each  
2 such organization or facility.

3 (c) A PACE organization shall not be required to meet requirements for  
4 financial solvency [~~under paragraph (c) of subdivision one of section~~  
5 ~~forty-four hundred three of this chapter, including a contingent reserve~~  
6 ~~requirement which may, by regulations of the commissioner, be different~~  
7 ~~from that required by that paragraph] in excess of federal requirements  
8 regarding fiscal soundness of PACE programs.~~

9 (d) A PACE organization shall be deemed to be a health maintenance  
10 organization under article forty-four of this chapter for purposes of  
11 subdivision one of section sixty-five hundred twenty-seven of the educa-  
12 tion law.

13 3. (a) The commissioner shall establish in regulation a streamlined  
14 and unified licensure process for PACE organizations that includes the  
15 applicable program requirements of this article and [~~articles twenty-~~  
16 ~~eight, thirty-six and forty-four of this chapter] reflects applicable  
17 federal regulations and process.~~

18 (b) A license under this article shall require approval of the public  
19 health and health planning council.

20 § 2. Section 2999-y of the public health law, as amended by chapter 90  
21 of the laws of 2023, is amended to read as follows:

22 § 2999-y. Regulations and applicable laws. 1. The commissioner shall  
23 make regulations and take other actions reasonably necessary to imple-  
24 ment this article, including the establishment of any rules and proc-  
25 esses appropriate for the safe, efficient and orderly administration of  
26 the program and for the maintenance and revocation of licensure under  
27 this article. While awaiting finalization of regulations pursuant to  
28 this article, the commissioner shall continue to process applications in  
29 a timely manner and may apply policies regarding PACE that were in  
30 effect prior to June thirtieth, two thousand twenty-three for such  
31 applications except where such policies are in direct conflict with the  
32 plain language of this article, as amended.

33 2. [~~(a)~~] Licensure granted under this article may, in accordance with  
34 the approval by the commissioner, entitle the PACE organization to act  
35 in the capacity and perform the activities of a diagnostic and treatment  
36 center, home care services agency, health maintenance organization, or  
37 managed long term care plan for which licensure or certification is  
38 otherwise required under article twenty-eight, thirty-six, or forty-four  
39 of this chapter as applicable without such separate license or certif-  
40 ication for purposes relating to the PACE.

41 [~~(b) To the extent that a PACE organization is acting in the capacity~~  
42 ~~or performing an activity for which licensure or certification is other-~~  
43 ~~wise required under article twenty-eight, thirty-six, or forty-four of~~  
44 ~~this chapter, the PACE organization shall comply with the applicable~~  
45 ~~requirements of such articles and any applicable regulations adopted~~  
46 ~~thereunder, except that where such requirements are inconsistent with~~  
47 ~~the requirements of this article or regulations adopted by the commis-~~  
48 ~~sioner under this article, the requirements of this article and such~~  
49 ~~regulations shall apply.]~~

50 3. The commissioner may apply for federal waivers under Medicaid or  
51 demonstration programs under Medicare relating to the PACE program,  
52 provided that the waiver or demonstration shall not diminish any right  
53 or benefit of enrollees under this article.

54 § 3. This act shall take effect immediately.