§ 2807-x. Grants for long term care demonstration projects. 1. The commissioner shall establish three demonstration projects to develop, evaluate and implement programs to test new models for the organization and delivery of long term care services to encourage community based programs and smaller residential health care models in order to promote consumer choice, improve the efficiency and appropriateness of the use of state and federal resources and ensure the recruitment, retention and training of health care staff to adequately meet the needs of a community and residential long term care system. Notwithstanding the provisions of section one hundred twelve of the state finance law or any other inconsistent provision of the state finance law or any other law, funds available for distribution pursuant to this section may be allocated and distributed by the commissioner without a competitive bid or request for proposal process.

(a) The following factors shall be considered in approving each demonstration project respectively:

(i) Residential health care demonstration project. (A) the extent to which there is a reduction in the need for skilled nursing beds for a facility that is eligible to replace its existing skilled nursing facility; (B) the potential to design and develop more appropriate smaller residential health care facilities as an alternative to replacing an existing skilled nursing facility; (C) the extent to which the quality, efficiency and continuity of care will be promoted and provided for by the development of integrated long-term care services in the community; (D) the extent to which the project will provide training to health care workers to appropriately staff new community based models of long term care; (E) demonstrate the involvement and support of workforce in the program redesign; (F) the development of a new long-term care reimbursement methodology that encourages care in the least restrictive setting and adequately reflects the resources needed to serve consumers in each level of long term care; (G) and the incorporation of a research component designed to evaluate the project.

(ii) Community based care demonstration project. (A) the extent to which there is a reduction in the need for skilled nursing facility beds on a countywide basis; (B) the development of a new system to inform recently admitted residents of skilled nursing facilities of the availability of community long-term care options; (C) the extent to

which the discharge planning program from skilled nursing facilities will inform, assist and maximize freedom of choice to consumers who choose to move back to the community; (D) the extent to which the project will develop community based long term care services, including funding for the recruitment and retention of direct care health care workers necessary to increase community based services; (E) the extent to which the project will provide training to health care staff; and (F) the incorporation of a research component designed to evaluate the projects.

(iii) Managed long term care project. (A) the extent to which a current operator of skilled nursing facilities possesses the necessary authorizations through a related entity to assume risk and receive capitated payments, pursuant to titles 18 and 19 of the federal social security act, for the purpose of providing and arranging for the care of individuals eligible for admission to a skilled nursing facility, (B) the extent to which such services to individuals eligible for benefits pursuant to both titles 18 and 19 of the federal social security act will be provided through the capitated rate, (C) the extent to which the quality, efficiency and continuity of care will be promoted and provided for by the development of integrated long-term care services in the community, (D) the extent to which the project sponsor will directly or indirectly in association with a joint labor management program, provide for training of health care workers to appropriately staff community based models of long-term care; and (E) the incorporation of a research component designed to evaluate the project, with specific reference to the determination of cost savings to the state, the quality of and satisfaction with services provided to consumers and their families and the satisfaction of direct care workers, with a report of the project's progress and findings submitted annually to the commissioner.

2. The commissioner is authorized to waive, modify or suspend the respective provisions of rules and regulations promulgated pursuant to this chapter if the commissioner determines that such waiver is necessary or appropriate for the successful implementation of a demonstration project and when the health, safety, and general welfare of persons receiving services under such demonstration project will not be impaired as a result of such waiver, modification or suspension,

provided however, that for the managed long term care project pursuant to subparagraph (iii) of paragraph (a) of subdivision one of this section, the method for setting the capitated rate of payment under title 19 of the federal social security act shall be consistent with the method used for all managed long term care plans authorized under subdivision eight of section forty-four hundred three-f of the public health law.

3. The commissioner is authorized to seek federal waivers pursuant to titles XVIII and XIX of the federal social security act when such waivers are necessary to develop cost-effective long term care demonstration projects.