§ 367-v. County long-term care financing demonstration program. 1. Notwithstanding any inconsistent provision of law, the commissioner is authorized to establish a long-term care financing demonstration program, to operate in up to five counties, for the purpose of creating incentives and funding for the transformation of county nursing home beds into other long-term care settings.

2. (a) The demonstration program established pursuant to this section shall permit a participating county to reduce its county nursing home bed capacity, or to close a county nursing home, and to invest any resulting demonstrated savings in programs or services that will, to the extent feasible, encourage the use of community-based long-term care alternatives to institutional care.

(b) Such programs or services may include, but are not limited to:

(i) expansion of community-based services such as the program for all-inclusive care for the elderly (PACE), the long term home health care program, the managed long term care program, adult day care services, and caregiver support services;

(ii) expansion of senior housing;

(iii) assisted living program;

(iv) payment of subsidies to encourage assisted living programs, adult care facilities, and non-public nursing homes to accept hard-to-serve residents; and

(v) contracts with non-public nursing homes to guarantee beds for those hard-to-serve persons who choose nursing home care or for whom other community-based options are not feasible or are unavailable.

3. A county wishing to participate in the demonstration program established pursuant to this section shall develop a plan and submit an application for participation to the commissioner of health detailing such plan at a time and in a manner to be determined by such commissioner. The commissioner is authorized to approve or disapprove any such application and to certify the amount of demonstrated savings.

4. Notwithstanding the cap on social services district shares of medical assistance expenditures established pursuant to section one of part C of chapter fifty-eight of the laws of two thousand five, the

director of the division of the budget is authorized, in his or her sole discretion, to adjust a district's cap amount to account for changes in the non-federal share of medical assistance resulting from any approved demonstration plan.

5. The commissioner of health is authorized to submit any amendments to the state plan for medical assistance and any waivers of the federal social security act that such commissioner determines to be necessary to obtain federal financial participation in the costs of services provided pursuant to this section.

6. The commissioner of health shall submit a report to the governor, temporary president of the senate and speaker of the assembly by the first day of November, two thousand fifteen, on the implementation of this section. Such report shall include identification of the counties approved to participate in the demonstration, a description of such counties' approved demonstration plans, an analysis of the impact of the demonstration on long-term care costs and service delivery, any recommendations for legislative action, and such other matters as may be pertinent.