



MARK B HORTON, MD, MSPH
Director

State of California—Health and Human Services Agency
California Department of Public Health



ARNOLD SCHWARZENEGGER
Governor

December 7, 2009

AFL 09-44

TO: Adult Day Health Centers (ADHCs)
Home Health Agency (HHAs)
Primary Care Clinics (PCCs)

SUBJECT: Programs for All-Inclusive Care of the Elderly (PACE) Regulatory Exemptions

AUTHORITY: Assembly Bill (AB) 577 (Lowenthal, Chapter 456, Statutes of 2009)
Health & Safety Code (HSC) Section 1580.1 and Section 100315

This All Facilities Letter (AFL) is being sent to inform you of newly chaptered legislation, taking effect January 1, 2010.

Assembly Bill (AB) 847 (Berg, Chapter 315, Statutes of 2005) provided to California Department of Health Services (DHS), in coordination with California Department of Aging (CDA) and California Department of Social Services (DSS), authority to grant exemptions to existing regulations for PACE programs in instances where DHS found that the licensing requirements did not fit the PACE model and where granting the exemption did not jeopardize the health and welfare of participants in the PACE Program.

In July 2007, the DHS split into two departments, the California Department of Health Care Services (DHCS) and the California Department of Public Health (CDPH). When this occurred, the responsibilities for the PACE Program were also split between the two departments. However, the statute was not changed to reflect the separation of responsibilities.

AB 577 amends HSC Section 1580.1, properly distinguishing CDPH and DHCS as separate departments. Accordingly, HSC Section 100315 is also amended to acknowledge the split of DHS.

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In addition, AB 577 emphasizes the federal intent of the PACE program and provides that, while state departments may grant exemptions from certain licensing requirements, the state's PACE program must align with the federal purpose for the program.

The statutory changes enacted by AB 577 have no impact on the existing PACE Exemption Request process.

The information provided by this AFL is a summary of the legislative bill. Facilities are responsible for following all applicable laws. California Department of Public Health's failure to expressly notify facilities of legislative changes does not relieve facilities of their responsibility for following all laws and regulations. Facilities participating in the PACE Program should refer to the full text of applicable sections of HSC 1580.1, 100315, and Welfare and Institutions Code Sections 14590, 14591, and 14598 to ensure compliance.

Sincerely,

Original Signed by Kathleen Billingsley, R.N.

Kathleen Billingsley, R.N.
Deputy Director
Center for Health Care Quality