



**Written Testimony Submitted for
Joint Legislative Budget Hearing on Health
State Fiscal Year 2027 Executive Budget Health and Medicaid
February 10, 2026**

Background

WelbeHealth is a Program of All-Inclusive Care for the Elderly (PACE) organization founded by mission-driven physicians to serve the most vulnerable seniors with compassionate and quality care. WelbeHealth exclusively operates PACE, serving over 6,200 participants through 13 centers across the State of California with additional centers under development in New York, New Jersey, Oregon, and other parts of California. WelbeHealth's goal and PACE's mission is to offer an alternative to nursing home care, allowing seniors to age in place in their homes and communities.

WelbeHealth has been working with New York State to develop a PACE program since 2018. Most recently, WelbeHealth received the necessary State approvals to establish a PACE program and has submitted an application to CMS to offer PACE in New York. The PACE program will serve residents of Brooklyn and surrounding areas, with the PACE Center to be located in Sunset Park (Brooklyn). It is anticipated that the PACE program will begin to offer services in 2026.

Comment on the FY 27 Executive Budget

WelbeHealth supports the following proposals included in the FY27 Executive Budget:

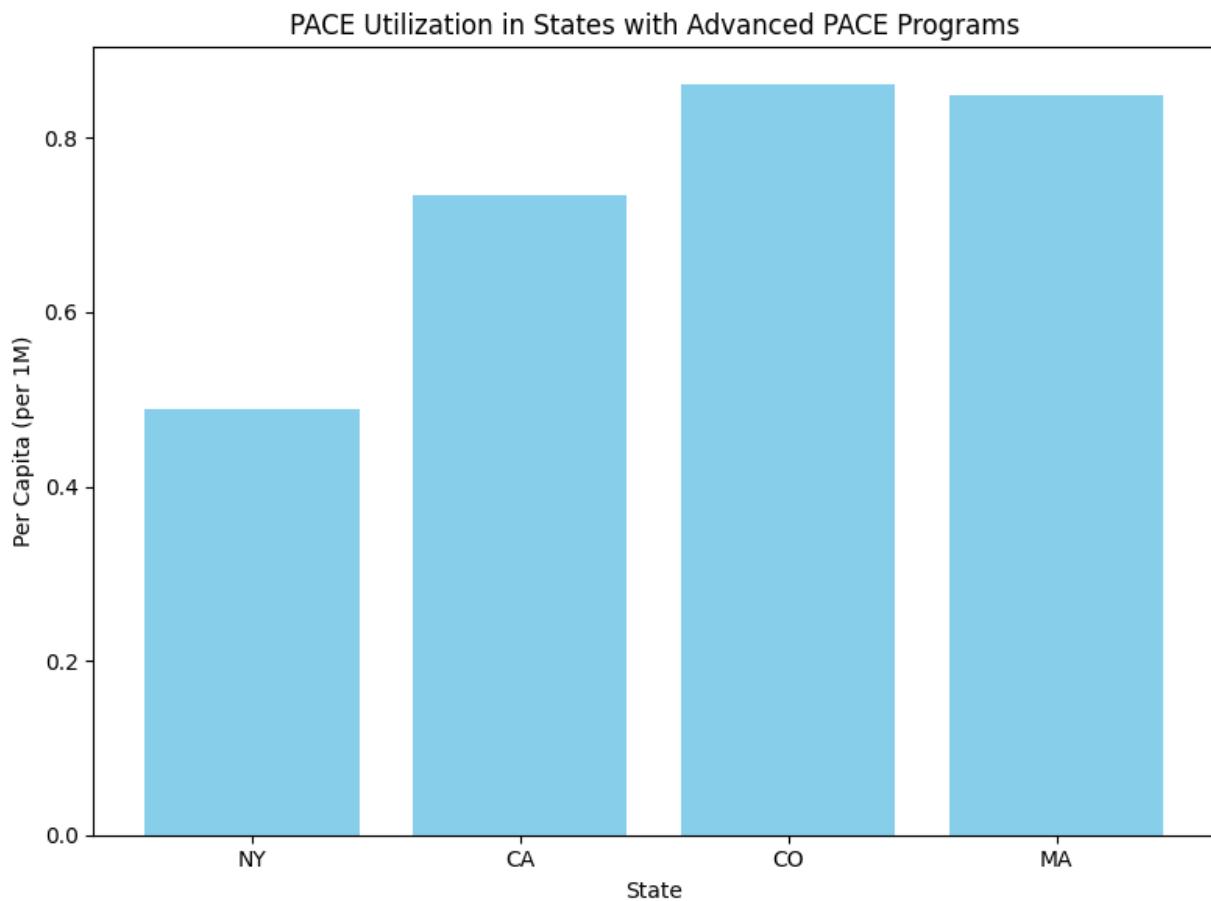
- 1. Medicaid Investments:** WelbeHealth supports the continued investment of MCO Tax revenue for targeted investments and the sustainability of the Medicaid program. WelbeHealth supports the investment of general fund dollars to make permanent increases to Medicaid rates for hospitals and nursing homes.
- 2. Investments in Home and Community-Based Services for Older New Yorkers and Investments in Naturally Occurring Retirement Communities:** WelbeHealth strongly supports the Governor's directive, as outlined in the 2026 State of the State, to increase the availability of opportunities to allow more older adults to age in place, improve health outcomes and reduce social isolation.

Request for the FY 27 Budget

WelbeHealth supports the Governor's stated goals of increasing opportunities that allow more older adults to age in place and encourages the Legislature to advance that commitment. Through PACE, eligible Medicare and Medicaid participants can continue living safely in their own homes while benefiting from the full care and support of an integrated, interdisciplinary team of medical, therapeutic, and social service professionals including physicians, nurses, therapists, social workers, dietitians, and personal care aides who work together

to coordinate and meet each participant's unique needs. However, PACE is significantly underutilized. Only 32 states have PACE programs, and many people simply aren't aware that PACE exists.

We urge the Legislature to take a bold approach and include proposals designed to address significant unmet need for PACE in New York. Despite serving as the gold standard for fully integrated, long-term care, PACE remains severely underutilized in New York with only 9,900 seniors enrolled in PACE statewide – just 11% of an estimated 85,500 eligible seniors. In New York City alone, only 6,500 of the estimated 54,300 eligible seniors are enrolled. Nationally, PACE utilization in New York lags significantly compared to other states with mature PACE programs.



Overcoming Regulatory Barriers to PACE in New York

Despite the clear and growing need for PACE expansion in New York, the State's regulatory structure continues to impose unnecessary barriers that delay implementation and limit access to this fully-integrated care model for frail seniors. WelbeHealth has been actively working with the State since 2018, investing significant resources into developing a culturally-tailored PACE to serve the Chinese-American community in Sunset Park, Brooklyn and surrounding areas. However, despite years of engagement, New York's regulatory environment remains unnecessarily complex and disjointed, delaying implementation and hindering responsible

expansion of PACE services. Unlike other states that have streamlined PACE authorization under a single, cohesive process, New York's approach has been historically disjointed, requiring PACE organizations to obtain multiple, separate licenses under Article 44 (MLTC plan), Article 28 (clinic), and Article 36 (licensed home care agency) with little coordination between the three processes. It is critical to highlight that in addition to the lengthy, multi-division review at the state-level, PACE applicants are subject to an extensive and comprehensive review by CMS before operations can begin.

While the State has made progress towards recognizing PACE as a critical component of its long-term care system, the process for establishing and scaling new programs remains inefficient, slow and burdened by misaligned policies, preventing responsible, efficient, and sustainable paths to address unmet need, despite investments made by the Legislature to support such efforts.

Ensure the Legislative Intent of Article 29-EE is Fully Realized

We commend the Legislature for taking a significant step forward in 2023 with the passage of Article 29-EE, which aimed to streamline PACE licensure and approvals under a single regulatory structure, distinct from New York's MLTC program. However, implementation has been significantly delayed and challenging. Since the enactment of 29-EE, the application and licensure process remains unchanged. Applications submitted prior to its enactment continue to face duplicative licensure requirements and delays, and no new PACE organizations have been approved through this streamlined process, undermining the legislative intent.

Concurrently, thanks to the support of the Legislature, the State invested resources into developing a PACE Special Projects unit intended to streamline oversight and facilitate expansion and growth of the program. **Unfortunately, this investment has yet to materialize in any meaningful way, leaving PACE applicants without a clear or timely path forward.** As a result, PACE remains a severely underutilized model in New York, despite its clear success in delivering high-quality, cost-effective, and fully-integrated care to frail seniors. Unfortunately, New York has yet to implement these legislative and budgetary commitments into meaningful action.

WelbeHealth's Commitment to the Future of PACE in New York

WelbeHealth stands ready to bring its expertise, resources, and commitment to furthering PACE in New York State. We have a proven track record of delivering comprehensive, whole-person care through PACE and are eager to continue working with the State to develop a more effective and sustainable path forward. By leveraging our experience and thought leadership, we can help guide regulatory framework that allows for responsible PACE expansion, ensuring more frail seniors have access to the care they need through this highly effective program.