<u>Private, For-Profit Demonstration Project for the Program of All-Inclusive Care for the Elderly (PACE)</u>

Sections 1894(h) and 1934(h) of the Social Security Act provide authority to conduct ten for-profit PACE demonstrations in order to assess the comparability of access, cost and quality of services with existing not-for profit PACE providers over a 3-year period. The demonstration requires that each applicant meet and operate under the standards set forth in the regulations for the not-for-profit PACE program. Two sites have been approved. The first site, Life at Home LLC began operations on July 1, 2007 in Chester and Delaware counties in Pennsylvania. The demonstration projects to serve an average of 288 enrollees over the 3 years of the demonstration. Pennsylvania PACE, Inc. is expected to begin operating during the fourth quarter of 2007. It anticipates serving 296 members over the 3 year demonstration.