



MEDICARE DRUG & HEALTH PLAN CONTRACT ADMINISTRATION GROUP

DATE: June 24, 2011

TO: All PACE Organizations

FROM: Danielle R. Moon, J.D., M.P.A.
Director

SUBJECT: Issuance of Publication 100-11 (PACE Manual) for Programs of All-Inclusive Care for the Elderly (PACE)

Included with this memorandum is the new PACE Manual, (Publication 100-11) which provides guidance specific to PACE organizations and State Administering Agencies. This publication may also be accessed online at <http://www.cms.hhs.gov/Manuals/IOM>. As this is our first iteration of the PACE Manual, we limited the scope to the policy areas of the current PACE regulations at 42 CFR §460. We intend to expand the scope in future manual updates as needed to address policy issues and/or provide clarification.

We received more than 400 comments on the draft PACE Manual from 17 organizations. We accepted and incorporated more than half of those comments. We deferred a number of comments that were operational in nature, i.e., pertained to marketing, care planning, enrollment/disenrollment, training, and competencies, payment, and alternative care settings for inclusion in separate operational guidance documents that are being developed for future release.

The most significant visual change from the draft to the final is the reformatting of section and paragraph numbering prescribed for internet-only manual documents. The major contextual differences between the draft and final versions of the PACE Manual are:

- **Chapter 2: Administrative Requirements**
Fiscal Soundness - We clarify the requirements of when to submit financial statements and which elements for those reports are required.
- **Chapter 4: Enrollment and Disenrollment**
Eligibility Criteria – We clarify and provide an example of how the dates of retroactive enrollments pertaining to Part D eligibility are determined.
ESRD - We further clarify and describe the ESRD risk-adjusted capitation model implemented by CMS in January 2005, as discussed in 71 FR 71310.
Retroactive Enrollment for Medicare Payment and Retroactive Disenrollment for Medicare Entitled Participants - We added sections to further explain and clarify the process for retroactive enrollment and disenrollment. The information was extracted from the CMS HPMS Memo titled “Retroactive Enrollment/Disenrollment Implementation Guidance for PACE Organizations” issued on December 22, 2009.

- **Chapter 8: IDT, Assessment & Care Planning**
Progress Notes – We replaced the draft section, “Differentiating Progress Notes and Care Plan Contents” with a new section titled “Progress Notes” where we define a progress note, explain its purpose, and suggest how it may be formatted and provide examples.
- **Chapter 13: Payments to PACE Organizations**
General Payment Principles – We included a bullet for pre-Affordable Care Act (ACA) rates unadjusted for Indirect Medical Education (IME), and adjusted for risk and frailty.
Payment Methodology – We revised the section titled “Part A and Part B of Medicare” to include three additional sections in which the differences between PACE and other Medicare Advantage (MA) plans payment is discussed. The sections include: County Rates, Risk Adjustment, and Additional Payment Information).
- **Chapter 14: Coordination of Benefits**
 - **Dual Eligible Beneficiaries** – We expanded this section to include TrOOP costs for the dual eligible beneficiary.
- **Chapter 17: Application and Waiver Processes, and Program Agreement Requirements**
 - **Part D Application** – We added to the Manual; the Part D program did not exist, and thus, was not addressed when the current PACE regulation was released.
- **Glossary**
We added a variety of terms and acronyms to provide additional clarity.

We thank the various stakeholders who submitted comments for their feedback and assistance in creating the first iteration of the PACE Manual. PACE organizations with questions about the policies articulated in the manual should contact their Regional Office Account Manager. CMS and external agencies and organizations should contact the CMS Project Lead, Jack Healey, at Jackie.Healey@cms.hhs.gov or (410) 786-3683.