

Subject PACE program implementation

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Overview

This bill provides for the implementation of the Program of All-Inclusive Care for the Elderly (PACE) program.

PACE is a program under Medicare that provides comprehensive medical and social services to certain frail elderly individuals who live in the community, most of whom are dually eligible for Medicare and Medicaid benefits. States can elect to provide PACE services to Medicaid beneficiaries as an optional Medicaid benefit. The PACE program is the sole source of Medicare and Medicaid benefits for PACE participants. In order to be eligible for PACE, an individual must: (1) be age 55 or older; (2) live in a PACE organization service area; (3) be eligible for nursing home care; and (4) be able to safely live in the community. An interdisciplinary team of health professionals provides PACE participants with coordinated care, which enables participants to remain in the community instead of receiving care in a nursing home. A participant may leave the PACE program at any time.

Summary

Section	Description
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1	PACE service delivery system.
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Creates § 256B.6902.

Subd. 1. Establishment. Establishes the PACE program to permit community-based organizations to provide comprehensive health care services on a capitated basis to eligible individuals who are at risk of institutionalization.

Subd. 2. Definitions. Defines the following terms:

- Department;
- PACE organization; and

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- Eligible population.

Subd. 3. Services for eligible persons. Authorizes the commissioner to include any or all of the services in medical assistance (MA) long-term services and supports within the PACE program. Allows an eligible person to elect to receive services under the PACE program. Prohibits an eligible person from remaining eligible for payment through the regular Medicare or Medicaid program if the person chooses to receive services through the PACE program. Allows an eligible person to disenroll from the PACE program at any time. Defines “eligible person.”

Subd. 4. Requirements. Lists requirements of the PACE service delivery system.

Subd. 5. Implementation. Lays out the timeline for the commissioner to: prepare and submit a PACE state plan amendment to the Centers for Medicare and Medicaid Services (CMS) to establish PACE, establish the PACE organization application process for receiving bids for competitive capitated rates, and establish service operations. Lists PACE program responsibilities. Lists federal requirements that are not waived or modified. Applies the MA eligibility requirements and prepaid health plan requirements when determining eligibility for MA of a person receiving PACE services from a PACE organization providing services under this section. Requires provisions for governing the treatment of income and resources of a married couple, for purposes of determining the eligibility of a nursing facility certifiable or institutionalized spouse, to be established to qualify for federal financial participation. Allows the commissioner to seek federal regulatory flexibility from CMS to modernize the PACE program and lists the items to be addressed. Requires each PACE organization to provide DHS with federally required reporting documents.

Subd. 6. Rates of payment. Requires the commissioner to use MA appropriations to fund PACE services. Requires the commissioner to develop and pay capitation rates to organizations contracted to implement the PACE program using actuarial methods. Specifies how the commissioner must develop capitation rates and the features that must be addressed. Requires the rate methodology to be consistent with actuarial rate development principles and provide for all reasonable, appropriate, and attainable costs for each PACE organization within a region. Specifies other requirements related to developing and calculating rates and payments.

Subd. 7. Commissioner’s duties. Requires the commissioner to:

- Provide a reimbursement system for services under the PACE program;
- Develop and implement contracts with organizations and set contractual obligations for the PACE program; and

Section **Description**

- Acknowledge that the department is participating in the national PACE project as initiated by federal law.

Makes DHS responsible for certifying the eligibility for services of all PACE program participants.



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