

PACE Organization Update

May 14, 2021



Enhanced HCBS FMAP Guidance: On May 13, CMS published its guidance for state Medicaid directors on the enhanced (ten point) FMAP increase for Medicaid home and community-based services, which includes PACE. States have until March 31, 2024 to spend the funds, and within the next 30 days must submit reports to CMS estimating how much FMAP they anticipate claiming and how they intend to use the dollars. Notably, as a condition of this support states that receive it cannot restrict eligibility for HCBS, narrow the scope of HCBS service categories, or cut provider rates until any and all enhanced funds are spent down. States are allowed to use these funds to **increase** PACE rates, with the following written into the guidance:

Payment Rates:

- Increase rates for home health agencies, PACE organizations, and agencies or beneficiaries that employ direct support professionals (including independent providers in a self-directed or consumer-directed model) to provide HCBS under the state Medicaid program.
- CMS expects that the agency, organization, beneficiary, or other individuals that receive payment under such an increased rate will increase the compensation it pays its home health workers or direct support professionals.
- An increase to the PACE Medicaid capitation rate can be implemented as part of the state's regular annual rate update or on a temporary basis as an interim rate increase, but must comply with existing submission, review, and approval requirements. States are not permitted to provide supplemental funding to PACE organizations outside of the PACE Medicaid capitation payment due to regulatory requirements.

Here is an article from LeadingAge about the guidance: <https://www.medicaid.gov/federal-policy-guidance/downloads/smd21003.pdf>

Here is the guidance document: <https://leadingage.org/regulation/cms-publishes-guidance-hcbs-fmap-increase>

Guidance for State and Local Funds: On May 11, Treasury issued its guidance for state and local governments on how these entities can/cannot use the dollars allocated (\$350 billion total) for them by the American Rescue Plan. States and localities have broad leeway with how to spend the money, and **can** use them to support aging services providers, including through essential worker premium pay programs and direct aid to nonprofits/businesses. We are studying how the guidance interacts with regulatory requirements specific to state payments to PACE organizations and will share as we learn more.

Here is an article from LeadingAge about the guidance: <https://leadingage.org/regulation/treasury-publishes-state-and-local-aid-guidance-can-support-aging-services>

Here is the Treasury landing page with the guidance and with specific allocations for states and local governments: <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds>

New Action Alert on Blueprint for a Better Aging Infrastructure: This week, all LeadingAge members received an action alert urging them to contact Congress regarding infrastructure. This action alert highlights our Blueprint for Building a Better Aging Infrastructure and includes a call for long-term, increases in funding for home and community-based services. Check out the action alert here: <https://mobilize4change.org/YDk7UAr>

LeadingAge Participates in Congressional Roundtable: The House Democratic Caucus on Aging and Families convened a roundtable on May 12 to discuss home and community-based services and the care infrastructure. Among expert panelists was Ruth Katz, SVP for Policy at LeadingAge. Ruth spoke to the need to invest in aging services across all settings including PACE. You can watch the livestream here: <https://www.youtube.com/watch?v=fJAbT6TBoc0>. Ruth speaks at about the 25 minute mark of the video.

CMS Interim Final Rule (IFR) for Long-term Care: CMS issued an IFR this week specifying requirements of long-term care facilities with respect to vaccine access. While PACE organizations are not directed to do anything in the guidance, they should be aware of the IFR because in addition to setting new policy it also requests information from providers and stakeholders from other settings. For example, it seeks information on state or local policies on vaccinations for non-LTC facility providers, which could include PACE organizations, as well as insights as to whether states prioritized community-based providers and/or staff in vaccine distribution. LeadingAge comments will speak across the continuum and will highlight access issues experienced by some PACE organizations and additional settings. Comments are due to CMS in mid-July. See guidance here: <https://www.federalregister.gov/documents/2021/05/13/2021-10122/medicare-and-medicaid-programs-covid-19-vaccine-requirements-for-long-term-care-ltc-facilities-and>

New CDC guidance on Masking: CDC issued revised guidance this week on what people can do “When You’ve Been Fully Vaccinated.” The guidance states that people who have been fully vaccinated can “start to do some things that they had stopped doing because of the pandemic.” Fully vaccinated people can resume indoor and outdoor activities without wearing a mask or staying 6 feet apart, except where federal, state, local, tribal, or territorial laws, rules or regulations or local business or workplace guidance is different. No testing is required for travel within the US, unless required by the destination. International travelers are advised to get tested 3-5 days after finishing the travel. Vaccinated people exposed to those with COVID do not need to quarantine or be tested unless they have symptoms. Health care organizations, however, are expressly NOT included in this guidance and may continue to need to continue mask usage for the time being. Specific to PACE organizations, masking policies would continue to come from the states. We look forward to hearing from LeadingAge members about their reaction to this news, and questions and issues that come up as organizations review their own policies and procedures and state requirements (or lack thereof). See guidance here: <https://www.cdc.gov/coronavirus/2019-ncov/vaccines/fully-vaccinated.html#vaccinated>

Should we be jumping back to “normal” so quickly? Another point of view. Join us for the LeadingAge Coronavirus Update Call this Monday, May 17 as we talk with Dr. Ali Mokdad from the Institute of Health Metrics Evaluation from the University of Washington. Dr. Mokdad predicted this week that as vaccinations continue, confirmed cases and deaths will decline into the summer, leading many to assume “COVID-19 is gone,” even as outbreaks in places like India carry the potential to fuel new, more virulent variants. He said “the race is to vaccinate as much as we can before we go into the winter,” adding that the current percentage of the population vaccinated is not high enough to stop another wave of infections. He will provide updates on his group’s analysis of trends in coronavirus cases and

what the trends seem to be indicating. If you haven't signed up for Update Calls yet, you can do so here: <https://register.gotowebinar.com/#register/2218416852977539339>

Update archive

- May 7: <https://leadingage.org/sites/default/files/PACEupdate5721.pdf>
- April 30: <https://leadingage.org/sites/default/files/PACEupdate43021.pdf>
- April 23: <https://leadingage.org/sites/default/files/PACEupdate42321.pdf>
- April 16: <https://leadingage.org/sites/default/files/PACEupdate41621.pdf>
- April 9: <https://leadingage.org/sites/default/files/PACEupdate4921.pdf>
- April 2: <https://leadingage.org/sites/default/files/PACEupdate4221.pdf>
- March 26: <https://leadingage.org/sites/default/files/PACEupdate32621.pdf>