



Medicaid, HCBS, and PACE Weekly Recap

January 30, 2026

Next PACE Network Call: Tuesday February 17, 2026 @ 1 p.m. ET; Register [here](#)

Next Adult Day Network Call: February 26, 2026 @ 1 p.m. ET; Register [here](#)

Weekly National Policy Pulse Calls. Join more than 1000 of your LeadingAge peers for our National Policy Pulse calls where we keep members equipped to navigate the ever-evolving landscape of aging services national policy. The calls are on Mondays at 3:30 p.m. ET. If you're interested in signing up for these members-only calls, please sign up using [the link on our National Policy Pulse webpage](#).

LeadingAge Offers Wide-ranging Comments on CY27 MA Proposed Rule and Related RFIs. On Monday, January 26, LeadingAge submitted a 20-page [comment letter](#) to CMS in response to its Calendar Year (CY) 2027 proposed Medicare Advantage (MA) policy and technical rule making numerous ties to the PACE program. The proposed rule contained numerous requests for information including ideas for the future of MA. In the letter, we reiterated many previous comments about how the MA program could be improved and also offered new suggestions in response to CMS's interest in rethinking the MA Star Rating system including the bonus payment and quality measures. In addition, we weighed in on concerns CMS expressed about the fact that institutional and chronic condition special needs plans (I-SNPs and C-SNPs) are enrolling high proportions of dual eligibles and the fact that these plans are not currently integrated with Medicaid. To read our full letter and recommendations, click [here](#).

CMS Posts Final Healthcare Tax Rule. On January 29, the Centers for Medicare and Medicaid Services (CMS) posted the Medicaid Program; Preserving Medicaid Funding for Vulnerable Populations- Closing a Health Care-Related Tax Loophole Final Rule to the Federal Register. This rule codifies concepts initially introduced in the May 15, 2024 proposed rule under the same name, then enacted into the federal statute with passage of the Working Families Tax Cut Law (WFTCL), also known as HR1 or the One Big Beautiful Bill. The rule is being finalized with meaningfully similar intent to the proposed rule which is to limit states' abilities to use waivers of uniformity or broad basedness to unduly burden the Medicaid program. From the inception of provider taxes, their purpose was to be 'generally redistributive' to state Medicaid programs, meaning the burden of the tax falls on a broad scope of providers or services, not only those in or participating in Medicaid. In the final rule, CMS takes additional steps in the definitions section to outline instances of taxes that do not meet generally redistributive principles. CMS added two nursing facility taxes to its analysis of non-compliance, but provided no other information in the body in the rule. LeadingAge is working to get more information about this and will report out when we know more. Additionally, the rule finalizes slightly more generous timelines for state compliance efforts on taxes currently presumed out of compliance than was offered in their November 14th "Dear Colleague [letter](#)." The earliest compliance date is now January 1, 2027 for taxes on managed care organizations with waivers approved within the last 2 years. Other taxes see slightly longer runways. The effective date of the rule is April 3, 2026. LeadingAge commented on the proposed rule [here](#) and will continue to review the rule and provide more comprehensive analysis in the coming days. The rule is available for review [here](#).

Technology Companies Vow No and Low-Cost Medicaid IT Updates for States. On January 29, the Centers for Medicare and Medicaid Services (CMS) announced information from ten technology companies that have existing contracts with state Medicaid agencies for eligibility and enrollment (E&E) IT systems. These companies have promised more than \$600 million in no-cost or reduced cost services to support states in making IT updates to comply with community engagement requirements in HR1. participating companies include Accenture, Acentra Health, Conduent, GDIT, Deloitte, Gainwell, Maximus, Curam by Merative, Optum, and RedMane. CMS is taking additional steps to support states in procuring additional IT solutions to support outreach, community-based referral coordination, and data sharing by partnering with the federal General Services Administration to limit barriers that have historically slowed state procurement and contracting. More information on how CMS and private industry are supporting states is available in the CMS [press release](#).

CMS Updates Federal Poverty Level Guidelines. Each year the Centers for Medicare and Medicaid Services (CMS) release updates to the federal poverty level standards upon which states base Medicaid eligibility. On January 23, CMS released the 2026 Standards outlining income and asset thresholds for individuals, and families. The update includes a 2.6% increase from calendar years '24 and '25. The informational [bulletin](#) contains additional information on 2026 eligibility for Medicare Savings Program (MSP) categories. The full guidelines are available in the [federal register](#).

Last Week's Weekly: [January 23 Medicaid, HCBS, and PACE Weekly](#)