



Medicaid, HCBS, and PACE Weekly Recap

June 18, 2026

Next Adult Day Network Call: June 25, 2026 @ 1 p.m. ET; Register [here](#)

Next PACE Network Call: July 21 @ 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](#).

New Section 1115 Guidance Released. On June 11, the [Centers for Medicare and Medicaid Services \(CMS\) released a state Medicaid director's letter on budget neutrality and section 1115 waivers](#). One-third of Medicaid spending runs through section 1115 waivers. HR 1 required that the CMS Chief Actuary certifies that Medicaid section 1115 waivers are budget neutral compared to the cost of running a Medicaid program absent the waiver. CMS says in the letter: "Overall, CMS's intended approach to implementing section 1115(g) is tied to CMS's current policy goals: ideally, section 1115 demonstrations should deliver better outcomes and operate as, or more, efficiently than the existing Medicaid program. This includes an approach to budget neutrality that is expected to reduce overall expenditures in section 1115 demonstrations, thereby reducing federal outlays." This appears to deviate from the existing approach of budget neutrality with a greater focus on achieving cost savings, but CMS notes there will be additional guidance, details and technical assistance prior to their change in approach which starts Jan 1, 2027. LeadingAge is reviewing the letter in more detail and will provide more analysis as needed.

HHS OIG Focus: Duplicate VA and Medicaid Payments. On June 10, the Department of Health and Human Services (HHS) Office of Inspector General (OIG) announced a new work plan project focusing on the potential for duplicative payment by Medicaid for covered services in the Veteran's Administration (VA) Community Care Benefit. Because Medicaid is the payer of last resort, VA should be billed for services where a veteran is dually eligible for VA and Medicaid benefits. While it is unlikely that provider members receive reimbursement from both programs, it is foreseeable that a provider would select to bill Medicaid instead of VA because of challenges with service authorizations and the VA's third-party administrators. This creates a challenge for the VA and state Medicaid agencies, though could also have provider-level implications. We will watch for more from the OIG on this [work-plan item](#).

MACPAC Sends June Report to Congress with PACE and Administrative Burden Reduction

Recommendations. The Medicaid and CHIP Payment Access Commission (MACPAC) met their statutory deadline of June 15 to send a biannual report to congress. Commissioners are tasked with providing non-partisan recommendations to the administration and congress on Medicaid policies and payments that is supported by staff researchers that develop recommendations to improve Medicaid efficiency, economy, and quality. The seven-chapter report spans the gambit of provider member interests, with attention to Medicaid prior authorization and automation, PACE program quality measures, and community engagement requirement implementation. The first chapter focuses on the implementation of community engagement requirements from HR 1, making the case for timely guidance to states from the Centers for Medicare and Medicaid Services (CMS) and public data transparency at the state level as communications and requirements are deployed. Chapter two addresses

the use of prior authorization in Medicaid and urges increased state oversight of prior authorization use and improved disclosure of use by managed care organizations which leads fittingly into chapter 3: State and Federal Tools for Ensuring Accountability of Medicaid Managed Care Plans. In this chapter, the Commission seeks to better understand managed care plan performance data and better assess ways to hold plans accountable for fulfillment of contract obligations. Chapter four and five focus on populations and services beyond the normal scope of members. Chapter six provides positive attention to the Program of All-Inclusive Care for the Elderly (PACE). Commissioners and staff note that PACE programs provide abundant data to CMS, though no data is publicly available for assessing PACE programs. As such, the commission requests that CMS publish already submitted data and develop PACE-specific quality measures to support benchmarking and comparison of programs across geographies. Additionally, MACPAC directs CMS to consider ways to align state and federal audits to reduce duplication of effort and administrative burden on all parties. Chapter seven assesses states' approaches to provider enrollment and credentialing and how policies contribute to administrative burden on states and providers along with the respective impacts on program integrity. While MACPAC Reports are non-binding and informational-only, the attention of commissioners and staff to these areas is welcome and timely. The full report is available [here](#).

Take Action: Urge Your Senators to Protect Older Adults' Housing Assistance. Congress is drafting funding bills for the U.S. Department of Housing and Urban Development (HUD) for fiscal year 2027 (FY27). [Take action](#) now to support a strong Senate HUD funding bill and reject funding reductions proposed by the House. The House has advanced harmful cuts to rental assistance and housing supply programs at HUD—but the Senate can still take action to save and expand housing assistance for the next fiscal year! Act now to urge your Senators to make strong and smart investments in programs our communities rely on. You can personalize your [messages](#) to Congress with stories of how HUD funding directly supports residents and affordable housing communities.

Last Weekly: [Medicaid, HCBS, and PACE Weeklies](#)