

Beneficiary Eligibility Bulletin

Distribution: Health Care Eligibility Policy 04-06
(Manual Holders)

Issued: November 1, 2004

Subject: Program of All Inclusive Care for the Elderly (PACE) Policy

Effective: Upon Receipt

Programs Affected: Medicaid

The Program of All Inclusive Care for the Elderly (PACE) has moved from a demonstration project to permanent program status with Centers for Medicare and Medicaid Services (CMS). The attached Health Care Eligibility Policy (HCEP) manual pages contain the program requirements. No changes in the program policies have been made.

Manual Maintenance

Retain this bulletin for future reference.

Questions

Any questions regarding this bulletin should be directed to Eligibility Policy, Department of Community Health, P.O. Box 30479, Lansing, Michigan 48909-7979 or e-mail EligibilityPolicy@michigan.gov. When you submit an e-mail, be sure to include your name, affiliation, and phone number so you may be contacted if necessary. Providers may phone toll free 1-800-292-2550.

Approved

A handwritten signature in black ink that reads "Paul Reinhart". The signature is written in a cursive, flowing style.

Paul Reinhart, Director
Medical Services Administration



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LEGAL BASIS

Title XIX of the Social Security Act

Program(s) Affected:
Medicaid

TARGET POPULATION

The Program of All Inclusive Care for the Elderly (PACE) is a managed care program designed for a subset of the older adult population. The program provides a comprehensive array of Medicare and Medicaid institutional and community-based benefits under capitation financing, assuming financial risk for the full range of primary, acute and long-term care services. PACE does not have its own eligibility category. However, there are special eligibility rules for the beneficiaries enrolled in the program:

- Medically qualified; and
- 55 years of age or older; and
- Live within an approved geographic area of the PACE provider; and
- Not residing in a nursing home at the time of enrollment; and
- Not currently enrolled with the Medicaid MIChoice Waiver; and
- Not currently enrolled in an HMO.

ADMINISTRATION OF THE PACE PROGRAM

The Michigan Department of Community Health (MDCH) is designated as the state agency administering the program. The program is regulated through a three-party agreement among Centers for Medicare and Medicaid Services (CMS), Michigan Department of Community Health/Medical Services Administration (MDCH/MSA), and the PACE organization.

REFERRALS FOR PACE PARTICIPATION

The PACE organization receives referrals from providers in the community who believe a person meets Medicaid eligibility and needs nursing facility level of care. The PACE organization will assist prospective enrollees in applying for Medicaid and with collection of asset and income verifications. The PACE organization is responsible for performing the medical/functional assessment that determines if a beneficiary meets the Medicaid Long Term Care eligibility criteria.

PROCESS FOR ENROLLMENT IN PACE

- The beneficiary must meet Medicaid eligibility requirements and is receiving Medicaid at the time of application.
- The PACE organization completes the medical/functional assessment.



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- The beneficiary must meet the Long Term Care eligibility criteria.
- The PACE organization submits an enrollment request to MDCH.
- MDCH processes the enrollment request by inputting the level of care codes, the provider type code, and the PACE organization’s Medicaid provider identification number in the Customer Information Management System (CIMS).
- All new enrollments are entered prospectively.

DISENROLLMENT FROM PACE

Disenrollment requests are submitted by the PACE organization and processed by MDCH. PACE enrollees can be disenrolled for the following:

- Death
- Voluntary disenrollment requests
- Program violations
- No longer meets the Long Term Care eligibility criteria
- No longer resides in the approved geographic area of the PACE provider

ELIGIBLE MONTH DEFINED

An eligible month is a month containing at least one day that the person is (was) approved for enrollment. MDCH determines the enrollment date into the PACE organization.

NOTE: For the purpose of Medicaid eligibility and enrollment in PACE, a month remains an eligible month even if the beneficiary enters a Long Term Care (LTC) facility and/or a hospital.

ASSET ELIGIBILITY

Special Medicaid policies used in the eligibility determination are:

- A PACE enrollee is a group of one, even when they live with their spouse (PEM 211).
- The special Medicaid Asset Rules in PEM 402 apply.
- Medicaid divestment policy in PEM 405 applies to PACE enrollees.



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INCOME ELIGIBILITY

Income for a PACE enrollee must be at or below 300% of the SSI Federal Benefit Rate (FBR). Current Medicaid policies for income and assets are used to determine the net income. Income eligibility cannot be established with a spenddown or a patient-pay amount.

PATIENT-PAY AMOUNT

A patient-pay amount will be calculated if a PACE enrollee is admitted to a nursing facility. The (post eligibility) patient-pay is the enrollee's share of their cost for the long-term care. The amount of the patient-pay is the enrollee's total income minus total need.

The PACE organization is responsible for collecting the patient-pay amount. The PACE organization's capitation rate will decrease to reflect the amount the organization is to collect for the enrollee's patient-pay amount.

IDENTIFYING PACE ENROLLEES

A PACE enrollee can be identified on the Electronic Verification System (EVS) with a Level of Care code of 07, and a unique Provider Identification Number assigned to the PACE organization by MDCH.

NOTICES

PACE services are provided by organizations who have received federal and state approval for administering the PACE program. Therefore, providers can share the following information with a PACE organization without a signed release from the beneficiary:

- A copy of the FIA 3503, Verification checklist
- A copy of the FIA 4598, Medical Program Eligibility Notice (or the LOA equivalent)
- A copy of the FIA 1175, Medicaid Determination Notice
- A copy of the FIA 4588, Initial Asset Assessment Notice

The original FIA 3503, FIA 4598, FIA 1175 and the FIA 4588 must be sent to the beneficiary or the guardian, court, or agency legally responsible for the beneficiary.

NOTE: Only the beneficiary's legal guardian, court, or agency legally responsible for the beneficiary can be entered as a third party type. The above list is not all-inclusive.

ADMINISTRATIVE HEARINGS

The PACE organization is also required to inform a beneficiary of their right to a hearing when any adverse action is taken with the beneficiary's PACE enrollment, program participation, or program services. The PACE organization is MDCH's representative at any PACE administrative hearing.

All hearing requests must be in writing and signed by the beneficiary or a legal guardian.



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For further information, contact the Administrative Tribunal, Michigan Department of Community Health, P.O. Box 30195, Lansing, MI 48909 or through e-mail at administrativetribunal@michigan.gov.