

CHANGE NOTICE FOR MANUAL NO. 05-08, PROGRAM OF ALL-INCLUSIVE CARE FOR THE ELDERLY (PACE)

DATE: JANUARY 28, 2008

Manual: Family and Children's Medicaid
Change No: 05-08
To: County Directors of Social Services
Effective: February 1, 2008

I. BACKGROUND

Program of All-Inclusive Care for Elderly (PACE) is a federal program administered by the Centers for Medicare and Medicaid Services (CMS). PACE was authorized under the Balanced Budget Act of 1997 (P.L. 105-33), under which:

- Section 4801 authorizes Medicare coverage of PACE services; and
- Section 4802 authorizes the establishment of PACE as a state option under Medicaid.

The State of North Carolina has received approval from the CMS to amend the state plan to include PACE as a state plan option. House Bill 1414 of the 2004-2005 Session of the North Carolina General Assembly mandated the development of PACE programs.

II. INTRODUCTION

The Program of All-Inclusive Care for the Elderly (PACE) is a managed care program that enables elderly individuals, who are certified to need nursing facility care to live as independently as possible. PACE providers receive monthly Medicare and/or Medicaid capitation payments for each eligible enrollee. PACE providers assume full financial risk for participants' care without limits on amount, duration, or scope of services.

A. Description of PACE

The PACE program is a unique managed care benefit for the frail elderly provided by a not-for-profit or public entity. The PACE model is centered on the belief that it is better for the well-being of seniors with chronic care needs and their families to be served in the community whenever possible.

B. PACE Provider Activity

The first North Carolina PACE organization to be developed and receive approval by CMS is Elderhaus, Inc. of Wilmington. Individuals residing in New Hanover County and a small portion of Brunswick County are eligible to apply for PACE enrollment with Elderhaus.

C. PACE Enrollment Eligibility

To be eligible for PACE enrollment, an individual must:

- Be 55 years of age or older;
- Certified by the State to require nursing facility level of care;
- Able to live safely in the community at the time of enrollment; and
- Reside in the service area of the PACE organization.

D. PACE Services

Services provided directly by the PACE Provider including;

- Interdisciplinary Team Case Management;
- Adult Day Health Program;
- Skilled Nursing Care;
- Primary Care Physician Services;
- Specialized Therapies;
- Personal Care Services;
- Nutrition Counseling;
- Meals;
- Transportation; and
- Prescriptions.

III. MEDICAID AND PACE COMMUNICATION AND REFERRALS

A. Individuals requesting PACE services must be referred to the PACE organization to apply for enrollment into the program.

B. PACE centers/providers will refer PACE applicants to the department of social services when financial assistance is requested or needed.

- C. Although application processing times apply to PACE, the State encourages the Medicaid PACE authorization process be expedited. Communication between the department of social services and the PACE organization is crucial in order to coordinate beginning and end dates for PACE authorization in Medicaid.**
- D. To be eligible for PACE services, the applicant/recipient must be eligible in the Aged, Blind, and Disabled aid program/categories. Refer to MA-2275, Program of All-Inclusive Care for the Elderly, for information regarding eligibility requirements for the PACE Program.**

IV. EIS POLICY AND PROCEDURES

Although the EIS manual policy is not updated at this time, the Eligibility Manual policy provides references and links to the EIS policy for use in the future. EIS policy will be incorporated into the EIS manual in the near future. Until that time, use EIS Administrative Letter 02-08 as guidance. The EIS Administrative Letter will be issued in early February.

V. EFFECTIVE DATE AND IMPLEMENTATION

This policy is effective February 1, 2008. This policy applies to any applications for PACE services taken on or after this date.

VI. MAINTENANCE OF MANUAL

Insert: New manual section [MA-3270](#), Program of All-Inclusive Care for the Elderly (PACE).

If you have any questions regarding this information, please contact your Medicaid Program Representative. For any issues that are not able to be handled through that venue, Mrs. Angela Floyd, Assistant Director for Recipient and Provider Services, will be your point of contact and can be reached at (919) 855-4000.

Dr. William W. Lawrence, Jr., M.D.
Acting Director

[This material was written by Charlotte Gibbons, Policy Consultant, Medicaid Eligibility Unit.]