

MEDICAID POLICY INFORMATION SHEET

Policy Analyst: Jacob Robinson

Phone Number:

Initial

Public Comment

Final

Brief description of policy:

This policy outlines the requirements for existing PACE organizations when submitting feasibility studies for an expansion.

Reason for policy (problem being addressed):

To clarify policy by adding expanded detail to feasibility study requirements.

Budget implication:

budget neutral

will cost MDHHS \$, and (select one) budgeted in current appropriation

will save MDHHS \$

Is this policy change mandated per federal requirements?

No

Does policy have operational implications on other parts of MDHHS?

No

Does policy have operational implications on other departments?

No

Summary of input:

controversial

acceptable to most/all groups

limited public interest/comment

Supporting Documentation:

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|----------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|
| State Plan Amendment Required: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | Public Notice Required: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| If Yes, please provide status: | If yes, Submission Date: |
| <input type="checkbox"/> Approved <input type="checkbox"/> Pending <input type="checkbox"/> Denied | |
| Date: Approval Date: | |

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| DRAFT FOR PUBLIC COMMENT Michigan Department of Health and Human Services | | |
| | Project Number: 2407-PACE | Date: April 18, 2024 |

Comments Due: May 23, 2024
Proposed Effective Date: July 1, 2024
Direct Comments To: Jacob Robinson
Address:
E-Mail Address: RobinsonJ34@michigan.gov
Phone: **Fax:**

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| Policy Subject: Program of All-Inclusive Care for the Elderly (PACE) Expansion Criteria Affected Programs: Medicaid Distribution: PACE Providers Summary: This policy addresses the feasibility study requirements for a PACE expansion. Purpose: To clarify requirements for each expansion. Cost Implications: Budget neutral Potential Hearings & Appeal Issues: N/A |
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| State Plan Amendment Required: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If yes, date submitted: | Public Notice Required: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Submitted date: |
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| Tribal Notification: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> - Date: |
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| THIS SECTION COMPLETED BY RECEIVER |
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|---------------------------------------------|------------------------------------------------------|
| <input type="checkbox"/> Approved | <input type="checkbox"/> No Comments |
| <input type="checkbox"/> Disapproved | <input type="checkbox"/> See Comments Below |
| | <input type="checkbox"/> See Comments in Text |

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| Signature: | Phone Number |
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| Bureau/Administration <i>(please print)</i> | Date |
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Proposed Policy Draft

Michigan Department of Health and Human Services
Behavioral and Physical Health and Aging Services Administration

Distribution: Program of All-Inclusive Care for the Elderly (PACE) Providers

Issued: May 31, 2024 (Proposed)

Subject: PACE Expansion Criteria

Effective: July 1, 2024 (Proposed)

Programs Affected: Medicaid

This policy addresses the feasibility study requirements for PACE organizations when submitting expansion applications to the Michigan Department of Health and Human Services (MDHHS).

Expansion Applications

An expansion application is for existing PACE organizations that are seeking to expand.

Types of expansions include:

- A PACE organization requests to expand its geographic service area without building additional sites.
- A PACE organization requests to open another physical site in the existing geographic service area.
- A PACE organization requests to expand its geographic service area and open another physical site in the expanded area.
- A PACE organization requests to increase its current capacity.
- A PACE organization requests to expand its current building or change to a new address.

Expansion applications will not be accepted by MDHHS until the first Centers for Medicare & Medicaid Services (CMS) audit has been completed with good standing and the organization is fiscally sound. A PACE organization will not be considered if the PACE organization has active sanctions, as defined in the Code of Federal Regulations (42 CFR Part 460 Subpart D).

Letter of Intent

An existing PACE provider must submit a letter of intent to MDHHS that includes:

- Name of organization;
- Location of potential PACE center (if applicable);

- Service area that is being requested by county and/or zip code (if applicable); and
- Capacity increase (if applicable).

For budget consideration, a letter of intent must be received by MDHHS prior to August 1 (14 months) in advance of the fiscal year in which the program plans to open. If MDHHS receives multiple letters of intent for the same service area, the feasibility studies will be reviewed in the order in which the letters of intent are received.

Within 14 business days of receiving the letter of intent, MDHHS will send a letter to the PACE program to confirm the receipt of their letter of intent and notify the PACE program that a feasibility study must be submitted to MDHHS within 90 calendar days from the date of the letter.

Feasibility Study

PACE organizations requesting an expansion must submit a feasibility study that includes:

- A PACE organization requests to expand its geographic service area without building additional sites.
 - Identifies the proposed service area
 - Shows evidence of demand for PACE services in the proposed service area
 - Documents the organization's timeline
 - Identifies the anticipated source of referrals for potential participants
 - Includes assurance of adequate financial capacity to fund program development and start-up costs, including identification of participant capacity and break-even consideration
 - Shows evidence of the proposed provider network and assurance that the organization will have staff and professionals experienced in providing care to the participants
 - Demonstrates the ability to meet state and federal PACE requirements
 - Demonstrates organizational commitment to principles consistent with the PACE model
 - Shows evidence that the organization has the depth in leadership and experience required to develop and implement PACE successfully
- A PACE organization requests to open another physical site in the existing geographic service area.
 - Identifies the proposed service area
 - Shows evidence of demand for PACE services in the proposed service area
 - Documents the organization's timeline for development and anticipated costs
 - Includes assurance of adequate financial capacity to fund program development and start-up costs, including identification of participants capacity and break-even consideration
 - Shows evidence that the key positions will be staffed on-site
 - Demonstrates the ability to meet state and federal PACE requirements

- Demonstrates organizational commitment to principles consistent with the PACE model
- Demonstrates that the organization has the depth in leadership and experience required to develop and implement PACE successfully
- A PACE organization requests to expand its geographic service area and open another physical site in the expanded area.
 - Identifies the proposed service area
 - Shows evidence of demand for PACE services in the proposed service area
 - Documents the organization's timeline for development and anticipated costs
 - Identifies the anticipated source of referrals for potential participants
 - Includes assurance of adequate financial capacity to fund program development and start-up costs, including identification of participant capacity and break-even consideration
 - Shows evidence of the proposed provider network and assurance that the organization will have staff and professionals experienced in providing care to the participants
 - Demonstrates the ability to meet state and federal PACE requirements
 - Demonstrates organizational commitment to principles consistent with the PACE model
 - Shows evidence that the organization has the depth in leadership and experience required to develop and implement PACE successfully
- A PACE organization requests to increase its current capacity.
 - Current capacity
 - Current enrollment
 - Proposal for why increase is needed
 - Physical capacity determined by fire marshal for
 - Building
 - Day Center
 - Clinic
 - Current average daily attendance for participants and staff
 - Building
 - Day Center
 - Clinic
 - Projected daily attendance for participants and staff
 - Building
 - Day Center
 - Clinic
- A PACE organization requests to expand its current building or change of address.
 - Information will be available to organizations that file a letter of intent with MDHHS.

Other evaluation criteria may be considered and will be available to organizations that file a letter of intent with MDHHS to become a PACE organization. Once MDHHS has approved the PACE program's feasibility study, MDHHS will send an approval letter and the PACE program will have one year from date of the letter to submit a PACE application to MDHHS and CMS. Prior to the submission, MDHHS will provide a State Assurance document in support of the application.