

PACE SERVICES

Name and address of State Administering Agency, if different from the State Medicaid Agency.

N/A

Regular Post Eligibility

The state applies post-eligibility treatment of income rules to PACE participants who are eligible under section 1902(a)(10)(A)(ii)(VI) of the Act (42 C.F.R. §435.217 of the regulations).

Yes ☐ No ☒

Post-eligibility for states that have elected to apply the rules to PACE participants

Note: Section 2404 of the Affordable Care Act mandated that, for the five-year period beginning January 1, 2014, the definition of an “institutionalized spouse” in section 1924(h)(1) of the Social Security Act include all married individuals eligible for certain home and community-based services (HCBS), including HCBS delivered through 1915(c) waivers. As of this writing, the ACA provision has been extended through December 31, 2019. This means that married individuals eligible in the eligibility group described at 42 C.F.R. §435.217 must have their post-eligibility treatment-of-income rules determined under the rules described in section 1924(d). Because states that elect to apply post-eligibility treatment-of-income rules to PACE participants may only do so to the same extent the rules are applied to individuals eligibility under 42 C.F.R. §435.217, application of the post-eligibility treatment-of-income rules must be applied to married individuals receiving PACE services consistent with the provisions described herein under “Spousal post-eligibility” so long as the amendment to section 1924 of the Act made by the ACA remains in effect.

1. 1634 and SSI States

The State applies the post-eligibility rules to individuals who are receiving PACE services and are eligible under 42 C.F.R. §435.217 consistent with the rules of 42 C.F.R. §435.726, and, where applicable, section 1924 of the Act. Payment for PACE services is reduced by the amount remaining after deducting the following amounts from the PACE enrollee’s income.

1. Allowances for the maintenance needs of the individual (check one):
 1. The amount deducted is equal to:
 - (a) ☐ The SSI federal benefit rate
 - (b) ☐ Medically Needy Income Level (MNIL)
 - (c) ☐ The special income level standard for the institutionalized individuals eligible under section 1902(a)(10)(A)(ii)(V) of the Act
 - (d) ☐ Percentage of the Federal Poverty Level: %
 - (e) ☐ Other (specify):
 2. ☐ The following dollar amount: \$
Note: If this amount changes, this item will be revised.
 3. ☐ The following formula is used to determine the needs allowance:

Note: If the amount protected for a PACE enrollee in item 1 is equal to, or greater than, the PACE enrollee's income, enter N/A in items 2 and 3.

2. Allowance for the maintenance needs of the spouse:
The amount deducted for the PACE enrollee's spouse is equal to:
 1. ☐ The SSI federal benefit rate
 2. ☐ Optional State Supplement Standard
 3. ☐ Medically Needy Income Level Standard
 4. ☐ The following dollar amount (provided it does not exceed the amount(s) described in 1-3): \$
 5. ☐ The following percentage of the following standard that is not greater than the standards above: % of standard.
 6. ☐ Not applicable (N/A)
3. Allowance of the maintenance needs of the family (check one):
 1. ☐ AFDC need standard
 2. ☐ Medically needy income standard

The amount specified below cannot exceed the higher of the need standard for a family of the same size used to determine eligibility under the State's approved AFDC plan or the medically needy income standard established under 435.811 for a family of the same size.

3. ____ The following dollar amount: \$ ____
Note: If this amount changes, this item will be revised.
4. ____ The following percentage of the following standard that is not greater than the standards above: ____ % of ____ standard.
5. ____ The amount is determined using the following formula:

6. ____ Other _____
7. ____ Not applicable (N/A)

4. Allowance for medical and remedial care expenses, as described in 42 CFR 435.726(c)(4).

2. 209(b) States,

The State applies the post-eligibility rules to individuals who are receiving PACE services and are eligible under 42 C.F.R. §435.217 consistent with the rules of 42 C.F.R. §435.735, and, where applicable, section 1924 of the Act. Payment for PACE services is reduced by the amount remaining after deducting the following amounts from the PACE enrollee's income.

1. Allowances for the maintenance needs of the individual (check one):
1. The amount deducted is equal to:
- (a) ____ The SSI federal benefit rate
- (b) ____ Medically Needy Income Level (MNIL)
- (c) ____ The special income level standard for the institutionalized individuals eligible under section 1902(a)(10)(A)(ii)(V) of the Act
- (d) ____ Percentage of the Federal Poverty Level: ____ %
- (e) ____ Other (specify): _____
2. ____ The following dollar amount: \$ ____
Note: If this amount changes, this item will be revised.
3. ____ The following formula is used to determine the needs allowance:

Note: If the amount protected for a PACE enrollee in item 1 is equal to, or greater than, the PACE enrollee's income, enter N/A in items 2 and 3.

2. Allowance for the maintenance needs of the spouse:

The amount deducted for the PACE enrollee's spouse is equal to:

1. _____ The more restrictive income standard established under 42 C.F.R. §435.121
2. _____ Optional State Supplement Standard
3. _____ Medically Needy Income Level Standard
4. _____ The following dollar amount (provided it does not exceed the amount(s) described in 1-3): \$ _____
5. _____ The following percentage of the following standard that is not greater than the standards above: _____ % of _____ standard.
6. _____ Not applicable (N/A)

3. Allowance of the maintenance needs of the family (check one):

1. _____ AFDC need standard
2. _____ Medically needy income standard

The amount specified below cannot exceed the higher of the need standard for a family of the same size used to determine eligibility under the State's approved AFDC plan or the medically needy income standard established under 435.811 for a family of the same size.

3. _____ The following dollar amount: \$ _____
Note: If this amount changes, this item will be revised.
4. _____ The following percentage of the following standard that is not greater than the standards above: _____ % of _____ standard.
5. _____ The amount is determined using the following formula:

6. _____ Other _____
7. _____ Not applicable (N/A)

4. Allowance for medical and remedial care expenses, as described in 42 CFR 435.735 (c)(4).

Spousal Post Eligibility

State uses the post-eligibility rules of Section 1924 of the Act (spousal impoverishment protection) to determine the individual's contribution toward the cost of PACE services if it determines the individual's eligibility under section 1924 of the Act. There shall be deducted from the individual's monthly income a personal needs allowance (as specified below), and a community spouse's allowance consistent with the minimum monthly maintenance needs allowance described in section 1924(d), a family allowance, for each family member, calculated as directed by section 1924(d)(1)(C), and an amount for incurred expenses for medical or remedial care, as specified in the State Medicaid plan.

Yes ____ No ____

Note: states must elect the use the post-eligibility treatment-of-income rules in section 1924 of the Act in the circumstances described in the preface to this section.

(a.) Allowances for the needs of the:

1. Individual (check one)

(A). ____ The following standard included under the State plan (check one):

1. ____ SSI

2. ____ Medically Needy

3. ____ The special income level for the institutionalized

4. ____ Percent of the Federal Poverty Level: ____ %

5. ____ Other (specify): _____

(B). ____ The following dollar amount: \$ _____

Note: If this amount changes, this item will be revised.

(C). ____ The following formula is used to determine the needs allowance:

If this amount is different than the amount used for the individual's maintenance allowance under 42 CFR 435.726 or 42 CFR 435.735, explain why you believe that this amount is reasonable to meet the individual's maintenance needs in the community:

II. Rates and Payments

- A. The State assures CMS that the capitated rates will be less than the cost to the agency of providing State plan approved services to an equivalent non-enrolled population group based upon the following methodology. Please attach a description of the negotiated rate setting methodology and how the State will ensure that rates are less than the amount the state would have otherwise paid for a comparable population.

1. X Rates are set at a percent of the amount that would otherwise been paid for a comparable population.
2. Experience-based (contractors/State's cost experience or encounter date) (please describe)
3. Adjusted Community Rate (please describe)
4. Other (please describe)

The Kentucky Department for Medicaid Services provides their rate setting vendor with their most recent statewide FFS claims data, and enrollment information for the same period for the nursing home certifiable population in the state. This included both the nursing home and waiver populations in the state (institutional and non-institutional).

The PACE comparable population is then identified by limiting to members that are at least 55 years of age and reside in counties within the PACE service area. Once the PACE comparable population is identified, the PACE amounts that would otherwise have been paid (AWOPs) are developed using the appropriate rating cohorts.

AWOP Development

The state's rate setting vendor, with assistance from an actuarial firm uses the most recent available claims as the base data for the AWOP development. The base data is summarized by rating cohort and category service and then several adjustments are applied to ensure the data reflects the expected experience in the upcoming contract period. The adjustments that are made to the data to arrive at the projected AWOPs include but are not limited to:

- IBNR
- Nursing Facility Reimbursement Adjustment
- Prospective Trend
- Patient Liability Reduction
- Administrative Loading

Once the above adjustments are made to the data, a regional analysis is conducted to split the experience between the counties within the PACE service area. Finally, the nursing home and waiver AWOPs are blended to create separate PMPMs by age category for each county. The Kentucky Department for Medicaid Services establishes the Medicaid rates at a percentage of the calculated AWOPs.

- B. The State Medicaid Agency assures that the rates were set in a reasonable and predictable manner.

- C. The State will submit all capitated rates to the CMS Regional Office for prior approval, and will include the name, organizational affiliate of any actuary used, and attestation/description of the capitation rates.

III. Enrollment and Disenrollment

The State assures that there is a process in place to provide for dissemination of enrollment and disenrollment data between the State and the State Administering Agency. The State assures that it has developed and will implement procedures for the enrollment and disenrollment of participants in the State's management information system, including procedures for any adjustment to account for the difference between the estimated number of participants on which the prospective monthly payment was based and the actual number of participants in that month.