

MEDICAID POLICY INFORMATION SHEET

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Initial

Public Comment

Final

Brief description of policy:

This policy addresses the process for determining unmet need for the Program of All-Inclusive Care for the Elderly (PACE).

Reason for policy (problem being addressed):

To comply with Public Act 447 of 2018.

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:

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:	

DRAFT FOR PUBLIC COMMENT Michigan Department of Health and Human Services		
	Project Number: 2128-PACE	Date: June 14, 2021

Comments Due: July 19, 2021
Proposed Effective Date: October 1, 2021
Direct Comments To: Jacob Robinson
Address:
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Fax:

<p>Policy Subject: Program of All-Inclusive Care for the Elderly (PACE) Unmet Need Process</p> <p>Affected Programs: Medicaid</p> <p>Distribution: PACE Providers</p> <p>Summary: This policy addresses the PACE unmet need process.</p> <p>Purpose: The Michigan Department of Health and Human Services (MDHHS) is implementing this policy to fulfill requirements outlined in Public Act 447 of 2018.</p> <p>Cost Implications: Budget neutral.</p> <p>Potential Hearings & Appeal Issues: None.</p>

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 No - Date:

THIS SECTION COMPLETED BY RECEIVER

<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

Signature:	Phone Number
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Signature Printed:

Bureau/Administration <i>(please print)</i>	Date
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Proposed Policy Draft

Michigan Department of Health and Human Services
Medical Services Administration

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

Issued: September 1, 2021 (Proposed)

Subject: PACE Unmet Need Process

Effective: October 1, 2021 (Proposed)

Programs Affected: Medicaid

This bulletin addresses Public Act 447 of 2018 and the process of determining unmet need when a prospective PACE entity submits a letter of intent for a geographic area that already has a PACE organization serving the requested area.

Definition

An unmet need is established when the number of true potential PACE beneficiaries (TPPB) is greater than zero.

Methodology

Data from the Michigan Department of Health and Human Services (MDHHS) Data Warehouse will be used to determine unmet need when a prospective PACE entity is requesting an area being served by an existing PACE organization. MDHHS will pull the following data on a quarterly basis:

- The number of beneficiaries in each county with an active Level of Care Determination (LOCD) and the number of beneficiaries currently in a PACE organization within each county.
- To determine if there is unmet need, MDHHS will multiply the number of beneficiaries with an active LOCD by 11.25%.
- MDHHS will remove current PACE beneficiaries and subtract the remaining enrollment capacity assigned to the current PACE organization to find the TPPB.
- If the number of TPPB is greater than zero, there is an unmet need; if not, the need is met.

The National PACE Association (NPA) indicates 9% as the average national PACE market penetration rate (MPR). This rate is defined as the percentage of dual Medicare and Medicaid and Medicaid-only eligible beneficiaries needing long-term services and supports (LTSS) in the service area of a PACE organization who are enrolled in PACE according to the NPA. While the NPA indicates 9% as the MPR, MDHHS will use a higher MPR than the national average.

Number of beneficiaries who meet nursing facility level of care
X 11.25% (MPR)
= number of potential PACE beneficiaries (PPB)

Number of (PPB)
- Current PACE beneficiaries and remaining capacity of current PACE organizations
= number of (TPPB)

If the number of TPPB is greater than zero = unmet need.

If the number of TPPB is less than zero = no unmet need.

The data used in the methodology described above will be pulled quarterly and posted on the MDHHS PACE website. MDHHS will also conduct an ongoing analysis to determine the effectiveness of the methodology.

If an unmet need is determined, the current PACE organization will have the opportunity to submit expansion plans for review. If the current PACE organization fails to submit a plan for expansion, MDHHS will allow proposals from other organizations.

Unmet Need Process

1. A prospective PACE entity must submit a letter of intent to MDHHS that includes:
 - a. Name of organization
 - b. Location of the PACE center
 - c. Service area by county and/or zip code (if applicable)
2. MDHHS will confirm whether there is an unmet need by utilizing existing methodology.

If an unmet need is determined:

- MDHHS will send a letter within 14 business days to the prospective PACE entity to confirm the receipt of their letter of intent. The letter will confirm whether there is an unmet need and the next steps for right of refusal.
- MDHHS will send a letter to the current PACE provider within 14 business days that an unmet need was determined, and a prospective PACE entity has requested their current service area. The current PACE provider will be given the opportunity to submit a plan to expand capacity sufficient to accommodate need and will have six (6) months from the notice of determination of unmet need to submit an expansion plan.

- An expansion plan from a current PACE provider must include:
 - Letter of Intent
 - Location (if applicable)
 - Service Area
 - Capacity increase
 - Estimated timeline
- If the current PACE provider's expansion plan is approved by MDHHS, they will have 90 calendar days to submit a feasibility study. Once the feasibility study is received, current policy timelines will be followed. Current expansion timelines can be found in the PACE chapter of the [Medicaid Provider Manual](#).
 - The current PACE provider must provide quarterly updates to MDHHS that their plan is continuously being worked on.
- If the current PACE provider chooses to not submit an expansion plan within six (6) months, MDHHS will move forward with requesting the prospective PACE entity's submission of a feasibility study within 90 calendar days of notice.

If an unmet need is not determined:

MDHHS will send a letter within 14 business days of notice to the prospective PACE entity that an unmet need was not determined and, therefore, will not be accepting their letter of intent.