

**Table of Contents**

1.0 Description of the Procedure, Product, or Service..... 1  
1.1 Definitions ..... 1

2.0 Eligibility Requirements ..... 1  
2.1 Provisions..... 1  
2.1.1 General..... 1  
2.1.2 Financial Eligibility ..... 1  
2.1.3 Federal Eligibility Requirements ..... 2  
2.1.4 Specific ..... 2  
2.2 Special Provisions..... 2  
2.2.1 EPSDT Special Provision: Exception to Policy Limitations for a Medicaid Beneficiary under 21 Years of Age ..... 2  
2.2.2 EPSDT does not apply to NCHC beneficiaries ..... 3  
2.2.3 Health Choice Special Provision for a Health Choice Beneficiary age 6 through 18 years of age ..... 3

3.0 When the Procedure, Product, or Service Is Covered..... 3  
3.1 General Criteria Covered ..... 3  
3.2 Specific Criteria Covered..... 4  
3.2.1 Specific criteria covered by both Medicaid and NCHC ..... 4  
3.2.2 Medicaid Additional Criteria Covered..... 4  
3.2.3 Continuation of Service in the Absence of Criteria ..... 4  
3.2.4 NCHC Additional Criteria Covered ..... 4

4.0 When the Procedure, Product, or Service Is Not Covered..... 4  
4.1 General Criteria Not Covered ..... 4  
4.2 Specific Criteria Not Covered..... 5  
4.2.1 Specific Criteria Not Covered by both Medicaid and NCHC..... 5  
4.2.2 Medicaid Additional Criteria Not Covered..... 5  
4.2.3 NCHC Additional Criteria Not Covered..... 5

5.0 Requirements for and Limitations on Coverage ..... 5  
5.1 Prior Approval ..... 5  
5.2 Enrollment Requirements ..... 5  
5.2.1 Enrollment Agreement..... 5  
5.2.2 Enrollment Documentation..... 5  
5.2.3 Effective Date of Enrollment..... 5  
5.2.4 Continuation of Enrollment ..... 6  
5.3 Sole Source of Services ..... 6  
5.4 Participant Disenrollment from PACE ..... 6  
5.4.1 Voluntary Disenrollment ..... 6  
5.4.2 Involuntary Disenrollment..... 6  
5.4.3 Procedures for Involuntary Disenrollment..... 7  
5.4.4 Effective Date of Disenrollment ..... 7  
5.5 Nursing Facility Level of Care Review ..... 7

5.5.1	Initial Level of Care Review.....	7
5.5.2	Annual Level of Care Review .....	7
5.6	Assessments.....	7
5.6.1	Physical, Functional, and Psychosocial Assessment .....	7
5.6.2	Health and Safety Assessment.....	8
5.7	Plan of Care .....	8
5.8	Benefit Package .....	8
5.9	In-Home and Referral Services.....	9
5.10	Emergency Care Services .....	9
5.10.1	Emergency Services Care Plan.....	9
5.10.2	Access to Emergency Care .....	9
5.10.3	Out-of-Service-Area Emergency Care.....	9
5.10.4	Out-of-Service-Area Follow-up Care .....	9
5.10.5	Retrospective Reviews of Emergency Care.....	9
5.10.6	Cost of Emergency Care .....	9
6.0	Provider(s) Eligible to Bill for the Procedure, Product, or Service .....	10
6.1	PACE Regulations .....	10
6.2	Certification Requirements.....	10
6.3	Capitated Payment and Amounts.....	10
6.3.1	Payment for PACE Participants.....	10
6.3.2	Payment for Medicare and Medicaid Dually Eligible Beneficiaries .....	10
6.3.3	Private Pay Participants .....	11
7.0	Additional Requirements .....	11
7.1	Compliance .....	11
7.2	Reports to DMA.....	11
7.3	Provision of Service.....	11
7.3.1	Service Area.....	11
7.3.2	PACE Center .....	11
7.3.3	Interdisciplinary Care and Case Management .....	11
7.4	Quality Assessment and Performance Improvement Program .....	12
7.5	Medical Record Documentation .....	12
7.6	Medical Record Retention .....	12
7.7	Claims and Encounter Forms.....	12
7.7.1	Claims .....	12
7.7.2	Encounter Forms.....	13
8.0	Policy Implementation/Revision Information.....	13
Attachment A: Claims-Related Information .....		14
A.	Claim Type .....	14
B.	International Classification of Diseases, Tenth Revisions, Clinical Modification (ICD-10-CM) and Procedural Coding System (PCS).....	14
C.	Code(s).....	14
D.	Modifiers.....	14
E.	Billing Units.....	14
F.	Place of Service .....	14
G.	Co-payments .....	14

H. Reimbursement ..... 14

Attachment B: PACE Enrollment Agreement ..... 15

## **1.0 Description of the Procedure, Product, or Service**

The Program of All-Inclusive Care for the Elderly (PACE) is a unique model of managed care service delivery for the frail elderly living in the community. Most PACE participants are dually eligible for Medicare and Medicaid benefits, and all are certified eligible for nursing facility level of care according to the standards established by the state Medicaid agency.

The PACE program utilizes monthly capitated payments from Medicare and NC Medicaid (Medicaid) to provide an integrated and comprehensive medical and social service delivery system for elderly individuals who prefer to receive services in the community rather than at a nursing facility. PACE uses an interdisciplinary team to provide services at the PACE Center and to case manage the care and services provided to PACE participants by community providers.

The PACE program is located in the community and centered in a certified adult day health program. Services are provided on site and supplemented by in-home and referral services in accordance with each participant's needs.

### **1.1 Definitions**

None Apply.

## **2.0 Eligibility Requirements**

### **2.1 Provisions**

#### **2.1.1 General**

*(The term "General" found throughout this policy applies to all Medicaid and NCHC policies)*

- a. An eligible beneficiary shall be enrolled in either:
  1. the NC Medicaid Program (*Medicaid is NC Medicaid program, unless context clearly indicates otherwise*); or
  2. the NC Health Choice (*NCHC is NC Health Choice program, unless context clearly indicates otherwise*) Program on the date of service and shall meet the criteria in **Section 3.0 of this policy**.
- b. Provider(s) shall verify each Medicaid or NCHC beneficiary's eligibility each time a service is rendered.
- c. The Medicaid beneficiary may have service restrictions due to their eligibility category that would make them ineligible for this service.
- d. Following is only one of the eligibility and other requirements for participation in the NCHC Program under GS 108A-70.21(a): Children must be between the ages of 6 through 18.

#### **2.1.2 Financial Eligibility**

To qualify for PACE, an individual shall meet financial eligibility requirements for Long-Term Care Medicaid/PACE established for North Carolina Medicaid by the Division of Medical Assistance (DMA), as documented in 10A NCAC 21B.0101 and .0102.

### 2.1.3 Federal Eligibility Requirements

As required by 42 CFR 460.150, an individual shall meet the following basic requirements to be eligible to enroll in PACE:

- a. be 55 years or older;
- b. reside in an approved PACE service area;
- c. meet the state's Medicaid criteria for nursing facility level of care; and
- d. meet any addition program specific eligibility conditions imposed under the PACE program agreement, including, the individual shall be safely served in the community.

### 2.1.4 Specific

*(The term "Specific" found throughout this policy only applies to this policy)*

- a. **Medicaid**  
None Apply.
- b. **NCHC**  
NCHC beneficiaries are not eligible for Program of All-Inclusive Care for the Elderly (PACE).

## 2.2 Special Provisions

### 2.2.1 EPSDT Special Provision: Exception to Policy Limitations for a Medicaid Beneficiary under 21 Years of Age

#### a. 42 U.S.C. § 1396d(r) [1905(r) of the Social Security Act]

Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) is a federal Medicaid requirement that requires the state Medicaid agency to cover services, products, or procedures for Medicaid beneficiary under 21 years of age **if** the service is **medically necessary health care** to correct or ameliorate a defect, physical or mental illness, or a condition [health problem] identified through a screening examination (includes any evaluation by a physician or other licensed practitioner).

This means EPSDT covers most of the medical or remedial care a child needs to improve or maintain his or her health in the best condition possible, compensate for a health problem, prevent it from worsening, or prevent the development of additional health problems.

Medically necessary services will be provided in the most economic mode, as long as the treatment made available is similarly efficacious to the service requested by the beneficiary's physician, therapist, or other licensed practitioner; the determination process does not delay the delivery of the needed service; and the determination does not limit the beneficiary's right to a free choice of providers.

EPSDT does not require the state Medicaid agency to provide any service, product or procedure:

1. that is unsafe, ineffective, or experimental or investigational.

2. that is not medical in nature or not generally recognized as an accepted method of medical practice or treatment.

Service limitations on scope, amount, duration, frequency, location of service, and other specific criteria described in clinical coverage policies may be exceeded or may not apply as long as the provider's documentation shows that the requested service is medically necessary "to correct or ameliorate a defect, physical or mental illness, or a condition" [health problem]; that is, provider documentation shows how the service, product, or procedure meets all EPSDT criteria, including to correct or improve or maintain the beneficiary's health in the best condition possible, compensate for a health problem, prevent it from worsening, or prevent the development of additional health problems.

**b. EPSDT and Prior Approval Requirements**

1. If the service, product, or procedure requires prior approval, the fact that the beneficiary is under 21 years of age does **NOT** eliminate the requirement for prior approval.
2. **IMPORTANT ADDITIONAL INFORMATION** about EPSDT and prior approval is found in the *NCTracks Provider Claims and Billing Assistance Guide*, and on the EPSDT provider page. The Web addresses are specified below.

*NCTracks Provider Claims and Billing Assistance Guide:*

<https://www.nctracks.nc.gov/content/public/providers/provider-manuals.html>

EPSDT provider page: <http://www.ncdhhs.gov/dma/epsdt/>

**2.2.2 EPSDT does not apply to NCHC beneficiaries**

**2.2.3 Health Choice Special Provision for a Health Choice Beneficiary age 6 through 18 years of age**

The Division of Medical Assistance (DMA) shall deny the claim for coverage for an NCHC beneficiary who does not meet the criteria within **Section 3.0** of this policy. Only services included under the NCHC State Plan and the DMA clinical coverage policies, service definitions, or billing codes are covered for an NCHC beneficiary.

**3.0 When the Procedure, Product, or Service Is Covered**

*Note: Refer to Subsection 2.2.1 regarding EPSDT Exception to Policy Limitations for a Medicaid Beneficiary under 21 Years of Age.*

**3.1 General Criteria Covered**

Medicaid and NCHC shall cover the procedure, product, or service related to this policy when medically necessary, and:

- a. the procedure, product, or service is individualized, specific, and consistent with symptoms or confirmed diagnosis of the illness or injury under treatment, and not in excess of the beneficiary's needs;

- b. the procedure, product, or service can be safely furnished, and no equally effective and more conservative or less costly treatment is available statewide; and
- c. the procedure, product, or service is furnished in a manner not primarily intended for the convenience of the beneficiary, the beneficiary's caretaker, or the provider.

### **3.2 Specific Criteria Covered**

#### **3.2.1 Specific criteria covered by both Medicaid and NCHC**

None Apply.

#### **3.2.2 Medicaid Additional Criteria Covered**

Medicaid pays a monthly capitation fee to the PACE organization for eligible beneficiaries participating in the PACE program when the service is medically necessary and:

- a. the individual meets Medicaid's requirements for nursing facility level of care, as determined by Medicaid's level of care screening tool (refer to **Subsection 5.5**);
- b. the level of care determination is confirmed by a comprehensive assessment conducted by the PACE organization (refer to **Subsection 5.6**); and
- c. the beneficiary meets the requirements indicated in **Subsection 2.0**.

#### **3.2.3 Continuation of Service in the Absence of Criteria**

A PACE participant may be deemed eligible if, following enrollment, the participant no longer meets nursing facility level of care criteria; but the state determines, in accordance with applicable regulations, that the absence of PACE services would result in a deterioration of the individual's health status to the point where the individual would again qualify for PACE within a six-month period following disenrollment.

#### **3.2.4 NCHC Additional Criteria Covered**

None Apply.

## **4.0 When the Procedure, Product, or Service Is Not Covered**

*Note: Refer to Subsection 2.2.1 regarding EPSDT Exception to Policy Limitations for a Medicaid Beneficiary under 21 Years of Age.*

### **4.1 General Criteria Not Covered**

Medicaid and NCHC shall not cover the procedure, product, or service related to this policy when:

- a. the beneficiary does not meet the eligibility requirements listed in **Section 2.0**;
- b. the beneficiary does not meet the criteria listed in **Section 3.0**;
- c. the procedure, product, or service duplicates another provider's procedure, product, or service; or
- d. the procedure, product, or service is experimental, investigational, or part of a clinical trial.

## 4.2 Specific Criteria Not Covered

### 4.2.1 Specific Criteria Not Covered by both Medicaid and NCHC

None Apply.

### 4.2.2 Medicaid Additional Criteria Not Covered

Medicaid does not pay a monthly capitation fee to the PACE organization when the participant does not meet the criteria in **Subsection 3.2**.

Medicaid will not pay a monthly capitation fee to the PACE organization when the participant is receiving optional benefits from a 1915 (c ) Home and Community-Based Waiver, or Hospice benefit.

### 4.2.3 NCHC Additional Criteria Not Covered

- a. NCGS § 108A-70.21(b) “Except as otherwise provided for eligibility, fees, deductibles, copayments, and other cost sharing charges, health benefits coverage provided to children eligible under the Program shall be equivalent to coverage provided for dependents under North Carolina Medicaid Program except for the following:
  1. No services for long-term care.
  2. No nonemergency medical transportation.
  3. No EPSDT.
  4. Dental services shall be provided on a restricted basis in accordance with criteria adopted by the Department to implement this subsection.”

## 5.0 Requirements for and Limitations on Coverage

*Note: Refer to Subsection 2.2.1 regarding EPSDT Exception to Policy Limitations for Medicaid Beneficiaries under 21 Years of Age.*

### 5.1 Prior Approval

Medicaid shall require prior approval for PACE enrollment. The need for nursing facility level of care must be confirmed by the state’s Level of Care Review and the PACE organization’s assessment as described in **Subsection 5.6**.

### 5.2 Enrollment Requirements

#### 5.2.1 Enrollment Agreement

When the participant meets the eligibility requirements and wants to enroll, he or she shall sign an enrollment agreement that contains the minimal information under 42 CFR 460.154.

#### 5.2.2 Enrollment Documentation

The PACE organization must give a participant, upon signing the enrollment agreement, all of the information set forth in 42 CFR 460.156.

#### 5.2.3 Effective Date of Enrollment

In accordance with 42 CFR 460.158, a participant’s enrollment in the program is effective on the first day of the calendar month following the date the PACE organization receives the signed Enrollment Agreement.

#### **5.2.4 Continuation of Enrollment**

In accordance with 42 CFR 460.160, the PACE enrollment continues until the participant's death, regardless of changes in health status, unless the participant voluntarily disenrolls in accordance with 42 CFR 460.162, or is involuntarily disenrolled in accordance with 42 CFR 460.164.

#### **5.3 Sole Source of Services**

As indicated in 42 CFR 460.154(p), each individual enrolling in PACE shall accept PACE as his or her sole source for services. This requirement must be included in the PACE Enrollment Agreement and the individual or legally responsible person must acknowledge acceptance of this requirement by signing a form approved by DMA.

#### **5.4 Participant Disenrollment from PACE**

##### **5.4.1 Voluntary Disenrollment**

In accordance with 42 CFR 460.162, a PACE participant may voluntarily disenroll from PACE at any time without cause.

Note: The disenrollment date will not be effective until the participant is appropriately reinstated into other Medicaid programs and alternative services are arranged.

##### **5.4.2 Involuntary Disenrollment**

A PACE participant may be involuntarily disenroll for any of the following reasons established in 42 CFR 460.164:

- a. Failure to Pay: Any participant who fails to pay, or make satisfactory arrangements to pay any premiums due, to the PACE organization after a thirty-day grace period;
- b. Disruptive or Threatening Behavior: A participant engages in disruptive or threatening behavior. Such behavior is defined as the following:
  1. Behavior that jeopardizes the participant's own health or safety, or the safety of others; or
- c. Consistent refusal to comply with an individual plan of care or the terms of the PACE enrollment agreement by a participant with decision-making capacity. Note that a PACE organization may not involuntarily disenroll a PACE participant on the grounds that the participant has engaged in noncompliant behavior related to an existing mental or physical condition unless the participant's behavior is jeopardizing his or her health or safety or that of others. Noncompliant behavior includes repeated noncompliance with medical advice and repeated failure to keep appointments; Relocation Outside of the Service Area: The participant moves out of the PACE program service area or is out of the service area for more than 30 consecutive days without PACE organization concurrence;
- d. Non-renewal or Termination of Program Agreement: The PACE organization's program agreement with CMS and the State Administering Agency is not renewed or terminated;

### **5.4.3 Procedures for Involuntary Disenrollment**

In the event that a participant is involuntarily disenrolled, the PACE organization shall comply with 42 CFR 460.164.

Both DMA and the PACE organization must assist the individual in obtaining other care and services to meet his or her medical, functional, psychological, social, and personal care needs.

Note: A PACE organization may have a waiver allowing for involuntary disenrollment for additional reasons such as, disruptive or threatening behavior by a family member or failure of Medicaid participants to pay share of cost.

### **5.4.4 Effective Date of Disenrollment**

- a. The PACE provider organization is required to ensure that the disenrollment date is coordinated between Medicare and Medicaid for participants who are dually eligible (42 CFR 460.166).
- b. The PACE participant must continue to use, and the PACE organization must continue to provide, PACE services up to the effective date of termination (42 CFR 460.166).
- c. The disenrollment date must not become effective until the participant is appropriately reinstated into other Medicare and Medicaid programs and alternative services are arranged (42 CFR 460.166).

## **5.5 Nursing Facility Level of Care Review**

### **5.5.1 Initial Level of Care Review**

In accordance with 42 CFR 460.152(a)(3), prior to enrollment in PACE, Medicaid shall certify that the PACE applicant meets the state's nursing facility level of care criteria.

### **5.5.2 Annual Level of Care Review**

The PACE organization shall submit the level of care screening tool each year to verify that the enrollee continues to meet nursing facility level of care requirements as required in 42 CFR 460.160 (b).

## **5.6 Assessments**

### **5.6.1 Physical, Functional, and Psychosocial Assessment**

Following certification by Medicaid that an eligible beneficiary meets nursing facility level of care requirements, the PACE interdisciplinary team (IDT), under the direction of the PACE medical director and in accordance with 42 CFR 460.104, must conduct a comprehensive assessment of the participant.

### **5.6.2 Health and Safety Assessment**

The primary consideration underlying the provision of services and assistance to this state's frail and elderly is their desire to reside in a community setting. However, enrollment in a Program of All-Inclusive Care for the Elderly may be denied based upon the inability of the program to ensure the health, safety, and well-being of the individual under any of the following circumstances, based on assessment of the individual's mental, psychosocial and physical condition and functional capabilities:

- a. the individual is considered to be unsafe when left alone, with or without a Personal Emergency Response System;
- b. the individual lacks the support of a willing and capable caregiver who must provide adequate care to ensure the health, safety, and well-being of the individual during any hours when PACE services are not being provided;
- c. the individual's needs cannot be supported by the system of services that is currently available;
- d. the individual's residence is not reasonably considered to be habitable; or
- e. the individual's residence or residential environment is unsafe to the extent that it would reasonably be expected to endanger the health and safety of the individual, the individual's caregivers, or the PACE Organizations staff if PACE services are to be provided in the residence;
- f. the individual's behavior is disruptive or threatening or is otherwise harmful (e.g. suicidal, injurious to self or others, or destructive of environment); or
- g. there is a high risk or an existing condition of abuse, neglect, or exploitation as evidenced by an assessment.

The PACE program shall conduct a comprehensive health and safety assessment to ensure that the applicant's health, safety, or welfare will not be jeopardized by living in the community. The assessment must include:

- a. An on-site evaluation of the applicant's residence;
- b. An evaluation of the applicant's social support system, including the willingness and capabilities of all informal caregivers; and
- c. An evaluation of whether the applicant can be safely transported to the PACE center.

### **5.7 Plan of Care**

Following the required assessments, the PACE program must develop a plan of care on an Electronic Health Record (EHR) or form approved by DMA and submit it to DMA for approval. As required by 42 CFR 460.106 (d), the plan of care must be updated and submitted to DMA for approval semi-annually.

### **5.8 Benefit Package**

The PACE benefit package for all participants, regardless of the source of payment, must include items and services as indicated under 42 CFR 460.90, 42 CFR 460.92 and 42 CFR 490.94.

## **5.9 In-Home and Referral Services**

As required by 42 CFR 460.94, the PACE program must arrange for all in-home and referral services that may be required for each participant. In-home and referral services are furnished by a PACE Organization that has a home care agency license under 10A NCAC 13J. or by community providers under contract with the PACE program in the manner as set forth in 42 CFR 460.70 and in compliance with 460.71. An individual licensed by the North Carolina Board of Nursing as a Registered Nurse shall provide supervision of the Nurse Aide as under 10A NCAC 13J.1110. The Nurse Aide providing direct care shall be registered as a Nurse Aide I or Nurse Aide II with DHSR and the NCBON.

## **5.10 Emergency Care Services**

The PACE program must provide emergency care services in accordance with 42 CFR 460.100.

### **5.10.1 Emergency Services Care Plan**

The PACE program must establish and maintain a written plan to handle emergency care at the PACE Center and when the PACE participant is not at the PACE Center. The Plan must include procedures to access emergency care both in and out of the PACE Service Area. The PACE program must ensure that participants and caregivers know when and how to access emergency care services when not at the PACE Center.

### **5.10.2 Access to Emergency Care**

In the case of an emergency medical condition, the PACE participant has the right to access the closest and most readily accessible qualified provider, in or out of the PACE service area, including hospital emergency room services.

### **5.10.3 Out-of-Service-Area Emergency Care**

Emergency care while the PACE participant is out of the service area is covered by the PACE program and no prior approval is required.

### **5.10.4 Out-of-Service-Area Follow-up Care**

Urgent care and care furnished to the PACE participant to stabilize his or her emergency medical condition that is provided outside the PACE service area must be prior approved by the PACE program.

### **5.10.5 Retrospective Reviews of Emergency Care**

Evaluation of the participant's decision to use emergency services must be based on the prudent layperson standard and no higher standard may be adopted by the PACE program.

### **5.10.6 Cost of Emergency Care**

Charges for all emergency care must be paid by the PACE program.

## **6.0 Provider(s) Eligible to Bill for the Procedure, Product, or Service**

To be eligible to bill for the procedure, product, or service related to this policy, the provider(s) shall:

- a. meet Medicaid or NCHC qualifications for participation;
- b. have a current and signed Department of Health and Human Services (DHHS) Provider Administrative Participation Agreement; and
- c. bill only for procedures, products, and services that are within the scope of their clinical practice, as defined by the appropriate licensing entity.

**Note:** For the purposes of this policy, billing does not apply. However, the criteria in **Section 6.0** must apply in order to receive payment. Refer to **Subsection 6.2**.

### **6.1 PACE Regulations**

The PACE program must comply at all times with the federal PACE regulations specified in 42 CFR Part 460; Programs of All-Inclusive Care for the Elderly (PACE).

### **6.2 Certification Requirements**

As required by N.C. G.S 131D-6 and 10A NCAC 06S, the PACE center must be certified as an adult day health program by the North Carolina Division of Aging and Adult Services.

### **6.3 Capitated Payment and Amounts**

#### **6.3.1 Payment for PACE Participants**

The state provides a prospective monthly capitated payment for each PACE participant who is eligible for Medicaid assistance, in accordance with Section 1934(d) of the Act and 42 CFR 460.180. The capitation payment amount is specified in the PACE program Agreement and is based on the amount the state would otherwise have paid under the State plan if the beneficiaries were not enrolled in PACE.

#### **6.3.2 Payment for Medicare and Medicaid Dually Eligible Beneficiaries**

In accordance with 42 CFR 460.180 and 42 CFR 460.182, a PACE program is eligible to receive monthly capitated payments from Medicaid for beneficiaries who are Medicaid eligible or dually eligible for both Medicare and Medicaid when

- a. the organization has been approved by DMA as a PACE provider;
- b. the organization has been approved by CMS as a PACE provider; and
- c. all parties have properly executed the three-way agreement between CMS, DMA, and the PACE organization.

Since the PACE program is designed to serve individuals who are Medicare and Medicaid dually eligible and must accept the capitation payments from Medicare and Medicaid as payment in full for all services required by the participant.

### **6.3.3 Private Pay Participants**

Federal regulations (42 CFR 460.186) allow the PACE organization to accept private-pay participants and to collect a premium from individuals who are Medicare-only or Medicaid-only beneficiaries.

## **7.0 Additional Requirements**

*Note: Refer to Subsection 2.2.1 regarding EPSDT Exception to Policy Limitations for a Medicaid Beneficiary under 21 Years of Age.*

### **7.1 Compliance**

Provider(s) shall comply with the following in effect at the time the service is rendered:

- a. All applicable agreements, federal, state and local laws and regulations including the Health Insurance Portability and Accountability Act (HIPAA) and record retention requirements; and
- b. All DMA's clinical (medical) coverage policies, guidelines, policies, provider manuals, implementation updates, and bulletins published by the Centers for Medicare and Medicaid Services (CMS), DHHS, DHHS division(s) or fiscal contractor(s).

### **7.2 Reports to DMA**

Sections 1894 and 1934 of the Social Security Act (the Act) allow states to impose additional requirements on PACE programs. As such, DMA requires PACE programs to provide copies of all participant Physical, Functional, and Psychosocial Assessments, and Health and Safety Assessments, and other reports and documents as may be appropriate to DMA on a form or in a format approved by DMA.

### **7.3 Provision of Service**

#### **7.3.1 Service Area**

As required by 42 CFR 460.32(a)(1), the PACE program must define its service area. The service area must be approved by DMA and CMS.

#### **7.3.2 PACE Center**

As defined by 42 CFR 460.98(d)(1), the PACE program must establish an adult day health care program that includes a primary care clinic, areas for therapeutic recreation, restorative therapies, socialization, personal care, and dining, which serve as the focal point for coordination and provision of most PACE services.

#### **7.3.3 Interdisciplinary Care and Case Management**

The PACE program must establish an interdisciplinary team (IDT) to provide care and case manage all of the services provided or arranged by the PACE program for each participant. The IDT must be composed of at least the following members:

- a. Primary care physician;
- b. Registered nurse;
- c. Master's-level social worker;
- d. Physical therapist;

- e. Occupational therapist;
- f. Recreational therapist or activity coordinator;
- g. Dietitian;
- h. PACE center manager;
- i. Home care coordinator;
- j. Personal care attendant or his or her representative; and
- k. Driver or his or her representative.

#### **7.4 Quality Assessment and Performance Improvement Program**

The PACE program must develop, implement, maintain, and evaluate an effective data-driven quality assessment and performance improvement (QAPI) program, with the minimum requirements as under 42 CFR 460.134.

#### **7.5 Medical Record Documentation**

The PACE organization must maintain a single comprehensive medical record for each participant. The medical record shall contain the following:

- a. Appropriate identifying information;
- b. Documentation of all services furnished, including the following:
- c. A summary of emergency care and other inpatient or long-term care services;
- d. Services furnished by employees of the PACE center;
- e. Services furnished by contractors and their reports;
- f. Interdisciplinary assessments, reassessments, plans of care, treatment, and progress notes that include the participant's response to treatment;
- g. Laboratory, radiological and other test reports;
- h. Medication records;
- i. Hospital discharge summaries, if applicable;
- j. Reports of contact with informal support (e.g., caregiver, legal guardian, or next of kin);
- k. Enrollment Agreement;
- l. Physician orders;
- m. Discharge summary and disenrollment justification, if applicable;
- n. Advance directives, if applicable;
- o. A signed release permitting disclosure of personal information.

#### **7.6 Medical Record Retention**

In accordance with 42 CFR 460.200, medical records must be maintained in an accessible location for at least six years after the last entry date or six years after the date of disenrollment.

**Note:** If litigation, a claim, a financial management review, or an audit arising from the operation of the PACE program is started before the expiration of the retention period, the PACE organization must retain the records until the completion of the litigation or resolution of the claims or audit findings.

#### **7.7 Claims and Encounter Forms**

##### **7.7.1 Claims**

The PACE organization does not submit claims to Medicare or Medicaid for any service provided to PACE enrollments, in or out of the service area.

### 7.7.2 Encounter Forms

The PACE program is not required to submit encounter forms to Medicare or Medicaid.

## 8.0 Policy Implementation/Revision Information

**Original Effective Date:** February 1, 2008

### Revision Information:

Date	Section Revised	Change
7/1/11	Section 1.0	Updated standard DMA policy template language and revised language related to LOC determination
7/1/11	Section 2.0	Updated standard DMA policy template language
7/1/11	Section 3.0	Updated standard DMA policy template language
7/1/11	Section 4.0	Updated standard DMA policy template language
7/1/11	Section 5.0	Cited Federal Regulations that address each specific section and removed extraneous language that is clearly stated in the cited Federal Regulation and some grammatical errors were corrected
7/1/11	Subsection 5.6.2	Revised Health, Safety and Well-being Criteria
7/1/11	Subsection 5.7	Added reference to Electronic Health Record and added requirement that POC be revised and submitted semi-annually
7/1/11	Subsection 5.9	Corrected Federal Regulation Citations
7/1/11	Section 6.0	Updated standard DMA policy template language, Corrected Federal Regulation Citations, and corrected grammatical errors.
7/1/11	Section 7.0	Updated standard DMA policy template language, cited Federal Regulations that address each specific section or subsection and removed extraneous language that is clearly stated in the cited Federal Regulation. Some grammatical errors were corrected and more appropriate terms were used to replace those words that were in the approved clinical coverage policy.
3/12/2012	Throughout	Technical changes to merge Medicaid and NCHC current coverage into one policy.
10/01/2015	All Sections and Attachments	Updated policy template language and added ICD-10 codes to comply with federally mandated 10/1/2015 implementation where applicable.

## **Attachment A: Claims-Related Information**

Attachment A is not applicable to the PACE program

### **A. Claim Type**

Not applicable.

### **B. International Classification of Diseases, Tenth Revisions, Clinical Modification (ICD-10-CM) and Procedural Coding System (PCS)**

Not applicable.

### **C. Code(s)**

Not applicable.

### **D. Modifiers**

Not applicable.

### **E. Billing Units**

Not applicable.

### **F. Place of Service**

Not Applicable

### **G. Co-payments**

Not applicable.

### **H. Reimbursement**

Not applicable.

## Attachment B: PACE Enrollment Agreement

Code of Federal Regulation Citation: [42 CFR §§ 460.152(a)(1) and (2), 460.154, 460.156, 460.158]

The PACE-eligible prospective enrollee (or legal representative) must agree to several enrollment conditions including, but not limited to: having the PACE organization and its provider network as the sole provider of services; giving signed consent for the PACE organization to obtain medical and financial information to verify eligibility; and, agreeing to any applicable monthly premiums or Medicaid spend down obligations. If the prospective PACE enrollee meets the eligibility requirements and signs the PACE enrollment agreement, the effective date of enrollment in the PACE program is on the first day of the calendar month following the date the PACE organization receives the participant's signed enrollment agreement. The PACE organization must submit a timely and accurate enrollment transaction to complete the enrollment in CMS systems. The enrollment agreement must, at a minimum, contain the following information:

- a. Applicant's name, sex, and date of birth;
- b. Medicare beneficiary status (Part A, Part B, or both) and number, if applicable;
- c. Medicaid beneficiary status and number, if applicable;
- d. Information on other health insurance, if applicable;
- e. Conditions for enrollment and disenrollment in PACE;
- f. Description of participant premiums, if any, and procedures for payment of premiums;
- g. Notification that a Medicaid participant and a participant who is eligible for both Medicare and Medicaid are not liable for any premiums, but may be liable for any applicable spenddown liability and any amounts due under the post-eligibility treatment of income process;
- h. Notification that a Medicare participant may not enroll or disenroll at a Social Security office;
- i. Notification that enrollment in PACE results in disenrollment from any other Medicare or Medicaid prepayment plan or optional benefit. Electing enrollment in any other Medicare or Medicaid prepayment plan or optional benefit, including the hospice benefit or Medicare Part D plan, after enrolling as a PACE participant, is considered a voluntary disenrollment from PACE;
- j. Information on the consequences of subsequent enrollment in other optional Medicare or Medicaid programs following disenrollment from PACE (i.e., conditions that might apply when enrolling in another managed care plan);
- k. Description of PACE services available, including all Medicare and Medicaid covered services, and how services are obtained from the PACE organization;
- l. Description of the procedures for obtaining emergency and urgently needed out-of-network services;
- m. The participant Bill of Rights;
- n. Information on the process for grievances and appeals and Medicare/Medicaid phone numbers for use in appeals;
- o. Notification of a participant's obligation to inform the PACE organization of a move or lengthy absence from the organization's service area;
- p. An acknowledgment by the applicant or representative that he or she understands the requirement that the PACE organization must be the applicant's sole service provider;
- q. A statement that the PACE organization has an agreement with CMS and the State Administering Agency that is subject to renewal on a periodic basis and, if the agreement is not renewed, the program will be terminated;

- r. The applicant's authorization for disclosure and exchange of personal information between CMS, its agents, the State Administering Agency, and the PACE organization;
- s. The effective date of enrollment;
- t. The signature of the applicant or his or her designated representative and the date.

After the participant signs the enrollment agreement, the PACE organization must give the participant the following:

- a. A copy of the enrollment agreement;
- b. A PACE membership card;
- c. Emergency information to be posted in his or her home identifying the individual as a PACE participant and explaining how to access emergency services;
- d. Stickers for the participant's Medicare and Medicaid cards, as applicable, which indicate that he or she is a PACE participant and which include the phone number of the PACE organization.

If there are changes in the enrollment agreement information at any time during the participant's enrollment, the PACE organization must meet the following requirements:

- a. Give an updated copy of the information to the participant;
- b. Explain the changes to the participant and his or her representative or caregiver in a manner they understand.