

Table of Contents

State/Territory Name: District of Columbia

State Plan Amendment (SPA) #: 19-005

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) Approved SPA Pages
- 3) CMS 179

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services
1301 Young Street, Suite 900
Dallas, Texas 75202



Medicaid and CHIP Operations Group

February 3, 2020

Melisa Byrd
Medicaid Director
Department of Health Care Finance
441 4th Street, N.W., 9th floor, South
Washington, D.C. 20001

Dear Ms. Byrd:

I am writing to inform you that we have reviewed the District of Columbia's State Plan Amendment (SPA) 19-005, entitled Program of All-Inclusive Care for the Elderly (PACE). This amendment will authorize the District to implement a PACE program, effective February 1, 2020.

We are pleased to inform you that, after extensive review, this amendment is approved; its effective date is February 1, 2020. A copy of the approved SPA pages and signed CMS-179 form are included under this cover. Please be advised that the District is required to submit a state plan amendment through the MACPro-based system to verify its coverage for the PACE-related eligibility group.

If you have any further questions regarding this SPA, please contact Ellen Reap at (215) 861-4735 or by email at Ellen.Reap@cms.hhs.gov.

Sincerely,



Bill Brooks, Division Director
Division of Managed Care Plan Operations

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES	1. TRANSMITTAL NUMBER: 19-005	2. STATE: District of Columbia
3. PROGRAM IDENTIFICATION: Title XIX of the Social Security Act		

TO: Regional Administrator Centers for Medicare & Medicaid Services Department of Health and Human Services	4. PROPOSED EFFECTIVE DATE: January 1, 2020
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5. TYPE OF PLAN MATERIAL (Check One):

NEW STATE PLAN
 AMENDMENT TO BE CONSIDERED AS NEW PLAN
 AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)


6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR 440.167	7. FEDERAL BUDGET IMPACT: FFY20: \$ 1,652,322 FFY21: \$ 11,114,330
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8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Section 3, Pages 19c, 20c Attachment 3.1-A, Page 11 Attachment 3.1-B, Page 9 Supplement 7 to Attachment 3.1-A, Pages 1-7 Supplement 4 to Attachment 3.1-B, Pages 1-7 Supplement 5 to Attachment 4.19-B, page 1	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): N/A
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10. SUBJECT OF AMENDMENT:
Program of All-Inclusive Care for the Elderly (PACE)

11. GOVERNOR'S REVIEW (Check One)

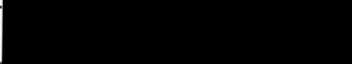
GOVERNOR'S OFFICE REPORTED NO COMMENT
 OTHER, AS SPECIFIED:
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 D.C. Act: 22-434
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL 	16. RETURN TO Melisa Byrd Senior Deputy Director/Medicaid Director Department of Health Care Finance 441 4 th Street, NW, 9 th Floor, South Washington, DC 20001
13. TYPED NAME Melisa Byrd	
14. TITLE Senior Deputy Director/Medicaid Director	
15. DATE SUBMITTED OCT 01 2019	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED October 1, 2019	18. DATE APPROVED February 3, 2020
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PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL February 1, 2020	20. SIGNATURE 
21. TYPED NAME Bill Brooks	22. TITLE Division Director

SECTION 3 – SERVICES: GENERAL PROVISIONS

Enclosure 3**State of District of Columbia
PACE State Plan Amendment Pre-Print**

Citation 3.1(a)(1) Amount, Duration, and Scope of Services: Categorically Needy
(Continued)

1905(a)(26) and 1934

- Program of All-Inclusive Care for the Elderly (PACE) services, as described and limited in Supplement 7 to Attachment 3.1-A.

ATTACHMENT 3.1-A identifies the medical and remedial services provided to the categorically needy. (Note: Other programs to be offered to Categorically Needy beneficiaries would specify all limitations on the amount, duration and scope of those services. As PACE provides services to the frail elderly population without such limitation, this is not applicable for this program. In addition, other programs to be offered to Categorically Needy beneficiaries would also list the additional coverage—that is in excess of established service limits—for pregnancy-related services for conditions that may complicate the pregnancy. As PACE is for the frail elderly population, this also is not applicable for this program.)

SECTION 3 – SERVICES: GENERAL PROVISIONS

Enclosure 4**State of District of Columbia
PACE State Plan Amendment Pre-Print**

Citation 3.1(a)(2) Amount, Duration, and Scope of Services: Medically Needy (Continued)
1905(a)(26) and 1934

- X Program of All-Inclusive Care for the Elderly (PACE) services, as described and limited in Supplement 4 to Attachment 3.1-B.

ATTACHMENT 3.1-B identifies services provided to each covered group of the medically needy. (Note: Other programs to be offered to Medically Needy beneficiaries would specify all limitations on the amount, duration, and scope of those services. As PACE provides services to the frail elderly population without such limitation, this is not applicable for this program. In addition, other programs to be offered to Medically Needy beneficiaries would also list the additional coverage—that is in excess of established service limits—for pregnancy-related services for conditions that may complicate the pregnancy. As PACE is for the frail elderly population, this also is not applicable for this program.)

Enclosure 5

Attachment 3.1-A

**State of District of Columbia
PACE State Plan Amendment Pre-Print**

AMOUNT, DURATION, AND SCOPE OF MEDICAL AND
REMEDIAL CARE AND SERVICES PROVIDED TO THE CATEGORICALLY NEEDY

26. Program of All-Inclusive Care for the Elderly (PACE) services, as described in Supplement 7 to Attachment 3.1-A.

Election of PACE: By virtue of this submittal, the State elects PACE as an optional State Plan service.

No election of PACE: By virtue of this submittal, the State elects to not add PACE as an optional State Plan service.

Enclosure 6

Attachment 3.1-B

**State of District of Columbia
PACE State Plan Amendment Pre-Print**

AMOUNT, DURATION, AND SCOPE OF MEDICAL AND
REMEDIAL CARE AND SERVICES PROVIDED TO THE MEDICALLY NEEDY

25. Program of All-Inclusive Care for the Elderly (PACE) services, as described in Supplement 4 to Attachment 3.1-B.

Election of PACE: By virtue of this submittal, the State elects PACE as an optional State Plan service.

No election of PACE: By virtue of this submittal, the State elects to not add PACE as an optional State Plan service.

Enclosure 7**State of District of Columbia
PACE State Plan Amendment Pre-Print****PACE PROGRAM**

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

I. Eligibility

The State determines eligibility for PACE enrollees under rules applying to community groups.

A. X The State determines eligibility for PACE enrollees under rules applying to institutional groups as provided for in section 1902(a)(10)(A)(ii)(VI) of the Act (42 CFR 435.217 in regulations). The State has elected to cover under its State plan the eligibility groups specified under these provisions in the statute and regulations. The applicable groups are:

- **Individuals who meet a special income level of 300% of the SSI Federal Benefit Rate (FBR) in accordance with 42 CFR § 435.236.**

Note: Spousal impoverishment eligibility rules under Section 1924 of the Social Security Act apply.

(If this option is selected, please identify, by statutory and/or regulatory reference, the institutional eligibility group or groups under which the State determines eligibility for PACE enrollees. Please note that these groups must be covered under the State's Medicaid plan.)

B. _____ The State determines eligibility for PACE enrollees under rules applying to institutional groups, but chooses not to apply post-eligibility treatment of income rules to those individuals. (If this option is selected, skip to II - Compliance and State Monitoring of the PACE Program.

C. X The State determines eligibility for PACE enrollees under rules applying to institutional groups and applies post-eligibility treatment of income rules to those individuals as specified below. Note that the post-eligibility treatment of income rules specified below are the same as those that apply to the State's approved HCBS waiver(s).

Enclosure 7

**State of District of Columbia
PACE State Plan Amendment Pre-Print**

Regular Post Eligibility

1. SSI State. The State is using the post-eligibility rules at 42 CFR 435.726. Payment for PACE services is reduced by the amount remaining after deducting the following amounts from the PACE enrollee's income.
 - (a). Sec. 435.726--States which do not use more restrictive eligibility requirements than SSI.
 1. Allowances for the needs of the:
 - (A.) Individual (check one)
 1. The following standard included under the State plan (check one):
 - (a) SSI
 - (b) Medically Needy
 - (c) The special income level for the institutionalized
 - (d) Percent 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 PACE enrollees in item 1 is equal to, or greater than the maximum amount of income a PACE enrollee may have and be eligible under PACE, enter N/A in items 2 and 3.

- (B.) Spouse only (check one):
 1. SSI Standard
 2. Optional State Supplement Standard
 3. Medically Needy Income Standard
 4. The following dollar amount: \$_____
 - Note: If this amount changes, this item will be revised.

Enclosure 7

**State of District of Columbia
PACE State Plan Amendment Pre-Print**

- 5. _____ The following percentage of the following standard that is not greater than the standards above: _____% of _____ standard.
- 6. _____ The amount is determined using the following formula:
- 7. X Not applicable (N/A)

(C.) 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. X Not applicable (N/A)

(2). Medical and remedial care expenses in 42 CFR 435.726.

Regular Post Eligibility

- 2. _____ 209(b) State, a State that is using more restrictive eligibility requirements than SSI. The State is using the post-eligibility rules at 42 CFR 435.735. Payment for PACE services is reduced by the amount remaining after deducting the following amounts from the PACE enrollee's income.

(a) **42 CFR 435.735**--States using more restrictive requirements than SSI.

- 1. Allowances for the needs of the:

Enclosure 7

**State of District of Columbia
PACE State Plan Amendment Pre-Print**

(A.) Individual (check one)

1. ___ The following standard included under the State plan (check one):
 - (a) ___ SSI
 - (b) ___ Medically Needy
 - (c) ___ The special income level for the institutionalized
 - (d) ___ Percent 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 PACE enrollees in item 1 is **equal to, or greater than** the maximum amount of income a PACE enrollee may have and be eligible under PACE, **enter N/A in items 2 and 3.**

(B.) Spouse only (check one):

1. ___ The following standard under 42 CFR 435.121:

2. ___ The Medically needy income standard

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. ___ Not applicable (N/A)

(C.) Family (check one):

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

Enclosure 7

**State of District of Columbia
PACE State Plan Amendment Pre-Print**

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)

(b) Medical and remedial care expenses specified in 42 CFR 435.735.

Spousal Post Eligibility

3. ___ 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, a family allowance, and an amount for incurred expenses for medical or remedial care, as specified in the State Medicaid plan.

- (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 equal to or less than the cost to the agency of providing those same fee-for-service State plan approved services on a fee-for-service basis, 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 cost in fee-for-service.

- 1. X Rates are set at a percent of fee-for-service costs
- 2. _____ Experience-based (contractors/State’s cost experience or encounter date) (please describe)
- 3. _____ Adjusted Community Rate (please describe)
- 4. _____ Other (please describe)

B. The State Medicaid Agency assures that the rates were set in a reasonable and predictable manner. Please list the name, organizational affiliation of any actuary used, and attestation/description for the initial capitation rates.

- The District engaged an actuary to conduct preliminary estimates of Medicaid FFS costs to identify the amount that would otherwise have been paid (AWOP) for PACE. The general methodology developed by the actuary for the Medicaid

FFS cost estimates is described in the attachment. The District will use that methodology to ensure the final payment rates remain below the PACE AWOP.

C. The State will submit all capitated rates to the CMS Regional Office for prior approval.

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.

PACE PROGRAM

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

I. Eligibility

The State determines eligibility for PACE enrollees under rules applying to community groups.

A. X The State determines eligibility for PACE enrollees under rules applying to institutional groups as provided for in section 1902(a)(10)(A)(ii)(VI) of the Act (42 CFR 435.217 in regulations). The State has elected to cover under its State plan the eligibility groups specified under these provisions in the statute and regulations. The applicable groups are:

- Individuals who meet a special income level of 300% of the SSI Federal Benefit Rate (FBR) in accordance with 42 CFR § 435.236.
- Note: Spousal impoverishment eligibility rules under Section 1924 of the Social Security Act apply.

(If this option is selected, please identify, by statutory and/or regulatory reference, the institutional eligibility group or groups under which the State determines eligibility for PACE enrollees. Please note that these groups must be covered under the State's Medicaid plan.)

B. _____ The State determines eligibility for PACE enrollees under rules applying to institutional groups, but chooses not to apply post-eligibility treatment of income rules to those individuals. (If this option is selected, skip to II - Compliance and State Monitoring of the PACE Program.

C. X The State determines eligibility for PACE enrollees under rules applying to institutional groups, and applies post-eligibility treatment of income rules to those individuals as specified below. Note that the post-eligibility treatment of income rules specified below are the same as those that apply to the State's approved HCBS waiver(s).

Regular Post Eligibility

1. X SSI State. The State is using the post-eligibility rules at 42 CFR 435.726. Payment for PACE services is reduced by the amount remaining after deducting the following amounts from the PACE enrollee’s income.

(a). Sec. 435.726--States which do not use more restrictive eligibility requirements than SSI.

1. Allowances for the needs of the:

(A.) Individual (check one)

1. X The following standard included under the State plan (check one):

(a) ___ SSI

(b) ___ Medically Needy

(c) X The special income level for the institutionalized

(d) ___ Percent 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 PACE enrollees in item 1 is equal to, or greater than the maximum amount of income a PACE enrollee may have and be eligible under PACE, enter N/A in items 2 and 3.

(B.) Spouse only (check one):

1. ___ SSI Standard

2. ___ Optional State Supplement Standard

3. ___ Medically Needy Income Standard

4. ___ The following dollar amount: \$_____

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

5. ___ The following percentage of the following standard that is not greater than the standards above: ___% of ___ standard.

6. ___ The amount is determined using the following formula:

7. X Not applicable (N/A)

(C.) 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)

(2). Medical and remedial care expenses in 42 CFR 435.726.

Regular Post Eligibility

2. 209(b) State, a State that is using more restrictive eligibility requirements than SSI. The State is using the post-eligibility rules at 42 CFR 435.735. Payment for PACE services is reduced by the amount remaining after deducting the following amounts from the PACE enrollee’s income.

(a) **42 CFR 435.735**--States using more restrictive requirements than SSI.

1. Allowances for the needs of the:

(A.) Individual (check one)

- 1. The following standard included under the State plan (check one):
 - (a) SSI
 - (b) Medically Needy
 - (c) The special income level for the institutionalized
 - (d) Percent 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 PACE enrollees in item 1 is **equal to, or greater than** the maximum amount of income a PACE enrollee may have and be eligible under PACE, **enter N/A in items 2 and 3.**

(B.) Spouse only (check one):

1. ___ The following standard under 42 CFR 435.121:

2. ___ The Medically needy income standard

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. ___ Not applicable (N/A)

(C.) 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)

(b) Medical and remedial care expenses specified in 42 CFR 435.735.

Spousal Post Eligibility

3.____ 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, a family allowance, and an amount for incurred expenses for medical or remedial care, as specified in the State Medicaid plan.

(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 equal to or less than the cost to the agency of providing those same fee-for-service State plan approved services on a fee-for-service basis, 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 cost in fee-for-service.

- 1. Rates are set at a percent of fee-for-service costs
- 2. _____ Experience-based (contractors/State's cost experience or encounter date) (please describe)
- 3. _____ Adjusted Community Rate (please describe)
- 4. _____ Other (please describe)

B. The State Medicaid Agency assures that the rates were set in a reasonable and predictable manner. Please list the name, organizational affiliation of any actuary used, and attestation/description for the initial capitation rates.

- The District engaged an actuary to conduct preliminary estimates of Medicaid FFS costs to identify the amount that would otherwise have been paid (AWOP) for PACE. The general methodology developed by the actuary for the Medicaid FFS cost estimates is described in the attachment. The District will use that methodology to ensure the final payment rates remain below the PACE AWOP.

C. The State will submit all capitated rates to the CMS Regional Office for prior approval.

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.

Medicaid Reimbursement Methodology for Programs of All-Inclusive Care for the Elderly (PACE)

This Section applies to reimbursement for Program of All-Inclusive Care for the Elderly (PACE) services described in Supplement 7 to Attachment 3.1-A, Page 6-7 and Supplement 4 to Attachment 3.1-B, Page 6-7.

Federal regulation requires that states pay PACE organizations a monthly capitated payment that:

- Is less than the amount Medicaid would otherwise have paid for PACE eligible individuals under the state plan (commonly referred to as the “amount that would otherwise have been paid” (AWOP) for PACE);
- Takes into account the comparative frailty of the PACE population; and
- Is a fixed amount regardless of participant’s health status.

The District will utilize a payment methodology that fulfills the requirements set forth above. A general description of the methodology follows:

The District will obtain the most recent Medicaid claims available and calculate Medicaid costs incurred for two categories of beneficiaries: individuals residing in nursing facilities and individuals enrolled in home-and-community-based services (HCBS). To better capture the frailty of the PACE eligible population, the nursing facility population will be limited to long-term users, such as those with stays of at least three months, and the HCBS population will be limited to those in the District’s 1915(c) Elderly and Physically Disabled (EPD) waiver, as these individuals must meet a nursing facility level-of-care standard to qualify. Medicaid costs for those two populations will be blended in proportions that reflect their expected enrollment in PACE.

In its analysis, the District may make the following exclusions or adjustments:

- Those enrolled in managed care plans will be excluded. Most beneficiaries who qualify as elderly or due to disability are exempted from the managed care program.
- Sub-categories of beneficiaries who are not relevant to PACE, such as Qualified Medicare Beneficiaries (QMBs), will be excluded.
- Costs that do not reflect services covered under PACE, such as patient liability or spend-down amounts, will be excluded.
- The District will account for any other factors as necessary, including, but not limited to, claims processing time lag; pharmacy rebates; programmatic changes; health care cost inflation; any irrelevant payments, such as DSH, GME, and IME; third party liability; and copayments.

The District will calculate a per-member-per-month (pmpm) payment rate based on a percentage of the PACE AWOP. Depending on cost patterns observed in the analysis above, the District may implement separate capitated rates for dual eligible and Medicaid-only PACE enrollees or other sub-groups. The final rate(s) will never be equal to or more than the PACE AWOP.