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State/Territory Name: Missouri

State Plan Amendment (SPA) #: MO-26-0005

This file contains the following documents in the order listed:

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- 2) CMS 179 Form
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
601 E. 12th St., Room 355
Kansas City, Missouri 64106



Medicaid and CHIP Operations Group

April 23, 2026

Josh Moore, Pharm.D., Medicaid Director
Missouri Department of Social Services
Broadway State Office Building
P.O. Box 1527
Jefferson City, MO 65102-1527

RE: Missouri State Plan Amendment (SPA) MO-26-0005

Dear Director Moore:

The Centers for Medicare & Medicaid Services (CMS) completed the review of Missouri's State Plan Amendment (SPA) 26-0005 submitted on January 28, 2026. The purpose of this SPA is to revise the rate methodology for the Amount Would Otherwise be PAID (AWOP) and capitation rates for the Program of All-Inclusive Care for the Elderly (PACE) to better align with the state's development processes. It will also establish the option to implement a value-based payment (VBP) program to provide quality-based incentives to the PACE organizations.

We conducted our review of your submission according to statutory requirements in Title XIX of the Social Security Act and its implementing regulations. This letter is to inform you that Missouri Medicaid MO-26-0005 is approved with an effective date of January 1, 2026.

If you have any questions concerning this information, please contact me at (410) 786-7561. You may also contact Kijhana.Glasco@cms.hhs.gov or (303) 844-7131.

Sincerely,

George P. Failla, Jr., Director
Division of HCBS Operations & Oversight

Enclosures

cc: Dominique Mathurin, CMS DHCBSO
Shante Shaw, CMS DHCBSO
Angela Cimino, CMS DHPC
Cindy Proper, CMS DHPC
Molly Kempker, Missouri, MO HealthNet
Marissa Crump, Missouri, MO HealthNet

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES		1. TRANSMITTAL NUMBER <u>2 6</u> — <u>0 0 0 5</u>	2. STATE <u>MO</u>
TO: CENTER DIRECTOR CENTERS FOR MEDICAID & CHIP SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT <input checked="" type="radio"/> XIX <input type="radio"/> XXI	
5. FEDERAL STATUTE/REGULATION CITATION 42 CFR 460.182		4. PROPOSED EFFECTIVE DATE 01/01/2026	
7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Att. 3.1A - Supplement 3, pages 5a-7a		6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a. FFY <u>2026</u> \$ <u>0</u> b. FFY <u>2027</u> \$ <u>0</u>	
9. SUBJECT OF AMENDMENT State Plan Amendment (26-0005) will update and clarify the methodology used to develop the amount would otherwise be paid (AWOP) and the capitation rates for the Program of All-Inclusive Care for the Elderly to better align with the actual process we follow. SPA 26-0005 will also establish the option to implement a value-based payment (VBP) program to provide quality-based incentives to the PACE organizations.		8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Att. 3.1A - Supplement 3, pages 5a-6a (TN 21-0013) Remove Att. 3.1A – Att. A to Supplement 3.	
10. GOVERNOR'S REVIEW (Check One) <input checked="" type="radio"/> GOVERNOR'S OFFICE REPORTED NO COMMENT JAF <input type="radio"/> OTHER, ASSPECIFIED: <input type="radio"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="radio"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
11. SIGNATURE _____ 12. TYPED NAME Jessica Bax 13. TITLE DSS Director 14. DATE SUBMITTED 4/8/2026	15. RETURN TO _____		
FOR CMS USE ONLY			
16. DATE RECEIVED January 28, 2026	17. DATE APPROVED April 23, 2026		
PLAN APPROVED - ONE COPY ATTACHED			
18. EFFECTIVE DATE OF APPROVED MATERIAL January 1, 2026	19. SIGNATURE OF APPROVIN _____		
20. TYPED NAME OF APPROVING OFFICIAL George P. Failla, Jr.	21. TITLE OF APPROVING OFFICIAL Division Director, HCBS Operations and Oversight		
22. REMARKS 			

State Missouri

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

Program of All-Inclusive Care for the Elderly (PACE) Amounts that Would Otherwise have been Paid (AWOP) Development and Capitated Rate Setting

The PACE amounts that would otherwise have been paid (AWOP) are reset annually for the rate year based on the estimated amounts payable for the PACE eligible population currently enrolled in the Missouri fee-for-service (FFS) program, and are developed in accordance with generally accepted actuarial principles and practices by actuaries meeting the qualification standards of the American Academy of Actuaries.

To develop the AWOPs, the state actuary uses historical FFS claims data adjusted for the populations and services covered by the PACE program. This includes base data where the recipient is 55 years of age or older, requires a nursing home level of care, and lives within the PACE service area. Only the costs of State Plan approved services are used for the development of AWOPs, and only claims that were actually paid are included in the analysis to create a historical per-member-per-month rate.

Base data is reviewed and validated by dual status and institutional vs. community populations. Once the base data is analyzed and determined appropriate, adjustments are applied. These adjustments include, but may not be limited to, material program changes, trend and an allowance for the State's administrative costs. The data is reviewed and adjusted separately by dual status and institutional vs. community populations. As a final step, the costs are weighted between institutional and community populations to produce a final AWOP for each of the two eligibility categories by region. Separate AWOPs are developed by region for dually eligible individuals (Medicare and Medicaid) and non-dually eligible individuals (Medicaid only).

The PACE capitation rates will represent a percentage discount off the corresponding AWOPs by a budget savings factor. The budget savings factor is informed by a combination of the State's budget and negotiations with the PACE providers.

The state may use a value-based payment system to provide quality-based incentives to PACE organizations. The state assures that the sum of the capitation rate and the incentive amount will always be less than the AWOP.

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 CMS 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.