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**State/Territory Name: Nebraska**

**State Plan Amendment (SPA) #: NE-25-0025**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) Form CMS-179
- 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**

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March 11, 2026

Drew Gonshorowski  
State Medicaid Director  
Division of Medicaid and Long-Term Care  
PO Box 95026  
Lincoln, NE 68509-5026

RE: NE 25-0025 - Program of All-Inclusive Care for the Elderly (PACE)

Dear Director Gonshorowski:

The Centers for Medicare & Medicaid Services (CMS) completed the review of Nebraska's State Plan Amendment (SPA) Transmittal Number NE 25-0025 submitted on December 29, 2025. The purpose of this SPA is to update Nebraska's PACE rate methodology and capitation rates.

We conducted our review of your submittal according to statutory requirements in Title XIX of the Social Security Act and the implementing regulations. This letter is to inform you that Nebraska Medicaid NE 25-0025 is approved with an effective date of July 1, 2026.

If you have any questions concerning this information, please contact me at (410) 786-7561. You may also contact Rhonda Wells at [Rhonda.Wells@cms.hhs.gov](mailto:Rhonda.Wells@cms.hhs.gov) or (816) 426-6486.

Sincerely,

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

Enclosures

cc: Dominique Mathurin, CMS  
Shante Shaw, CMS  
Angela Cimino, CMS  
Jeremy Brunssen, NE  
Matthew Ahern, NE

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE &amp; MEDICAID SERVICES</b>	1. TRANSMITTAL NUMBER <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="width: 20px; text-align: center;">2</td> <td style="width: 20px; text-align: center;">5</td> <td style="width: 20px; text-align: center;">—</td> <td style="width: 20px; text-align: center;">0</td> <td style="width: 20px; text-align: center;">0</td> <td style="width: 20px; text-align: center;">2</td> <td style="width: 20px; text-align: center;">5</td> </tr> </table>	2	5	—	0	0	2	5	2. STATE <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="width: 20px; text-align: center;">N</td> <td style="width: 20px; text-align: center;">E</td> </tr> </table>	N	E
	2	5	—	0	0	2	5				
N	E										
3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT <input checked="" type="checkbox"/> XIX <input type="checkbox"/> XXI											

TO: CENTER DIRECTOR CENTERS FOR MEDICAID & CHIP SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE July 1, 2026
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5. FEDERAL STATUTE/REGULATION CITATION Section 1934 of the Social Security Act; 42 CFR Part 460	6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)  a. FFY <u>2026</u> \$ <u>0</u> b. FFY <u>2027</u> \$ <u>0</u>
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7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Supplement 4 to Att. 3.1-A, Pgs 5-6	8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Supplement 4 to Att. 3.1-A, Pgs 5-6
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9. SUBJECT OF AMENDMENT  
Program of All-Inclusive Care for the Elderly (PACE)

10. GOVERNOR'S REVIEW (Check One)

<input type="radio"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="radio"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="radio"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL	<input checked="" type="radio"/> OTHER, AS SPECIFIED: Governor has waived review
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11. SIGNATURE OF STATE AGENCY OFFICIAL	15. RETURN TO Dawn Kastens Division of Medicaid & Long-Term Care Nebraska Department of Health and Human Services 301 Centennial Mall South Lincoln, NE 68509
12. TYPED NAME Drew Gonshorowski	
13. TITLE Director, Division of Medicaid & Long-Term Care	
14. DATE SUBMITTED December 29, 2025	

<b>FOR CMS USE ONLY</b>	
16. DATE RECEIVED December 29, 2025	17. DATE APPROVED March 11, 2026

<b>PLAN APPROVED - ONE COPY ATTACHED</b>	
18. EFFECTIVE DATE OF APPROVED MATERIAL July 1, 2026	19. SIGNATURE OF APPROVING
20. TYPED NAME OF APPROVING OFFICIAL George P. Failla, Jr.	21. TITLE OF APPROVING OFFICIAL Director, Division of HCBS Operations & Oversight

22. REMARKS

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: Nebraska

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(B).    The following dollar amount: \$                       
Note: If this amount changes, this item will be revised.

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

(a) For beneficiaries receiving assisted living services, the state protects the SSI federal benefit rate.

(b) For beneficiaries receiving waiver services in other eligible settings, the state protects the medically needy income standard.

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:

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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 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.   X   Other (please describe)

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: Nebraska

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AWOP Development

The state's contracted actuary calculates the amount that would have otherwise been paid (AWOP) for each rate cell, using base data that is the most recent available year of data but no more than three years old. The AWOP is created using fee-for-service (FFS) data and managed care data from a frail population to reflect the cost of members comparable to those enrolled in a PACE organization, with appropriate adjustments as necessary. The rate cells consider material cost and utilization differences due to factors such as Medicare status and geographic region. The data used in AWOP development includes individuals aged 55 and over who have used nursing facility or waiver services and met thresholds for consecutive months of use and cost of care. Separate AWOPs are developed for each applicable rate cell and are calculated for a period of no longer than 12 months.

Rate Setting

The state then sets the PACE rate for each rate cell as a percentage of the AWOP, which ensures that the payment rates selected will be less than what the state would have otherwise paid for a comparable population. The state considers several factors when establishing the rate for each rate cell, including consideration to state appropriation changes, PACE provider's cost experience and changes, and other factors such as utilization and market driven factors. Additionally, in selecting the payment rate, the state may select a rate with different percentages of the AWOP for different rate cells.

- 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.

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TN No. NE 25-0025

Supersede  
TN No NE 14-017

Approval Date 3.11.26

Effective Date 07/01/2026