

# Implementation Guide: Medicaid State Plan Eligibility PACE Participants

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## PACE Participants

### **POLICY CITATION**

**Statute:** 1902(a)(10)(A)(ii)(VI), 1934

### **BACKGROUND**

#### **Overview**

This reviewable unit (RU) describes the optional Medicaid eligibility group for individuals participating in a Program of All-Inclusive Care for the Elderly (PACE). It provides the criteria under which individuals may be covered under this group, as well as the income and resource standards used.

PACE provides comprehensive medical and social services to individuals age 55 and older who would otherwise require the level of care provided in a nursing home. Section 1934 of the Social Security Act (the Act) gives states the option to provide medical assistance in the form of PACE program services to PACE program enrollees. If a State elects to have a PACE program, the services provided to participating individuals replace the services that would otherwise be provided to those individuals under the state plan.

To receive PACE services, an individual does not need to be eligible for the PACE Participants eligibility group. An individual enrolled in the SSI Beneficiaries eligibility group, for example, may also elect to become a PACE participant. The PACE Participants eligibility group gives states, which have elected to provide PACE coverage, the option to extend Medicaid eligibility to PACE program enrollees who generally would not otherwise be eligible for Medicaid.

#### **Characteristics**

The PACE Participants eligibility group is an optional eligibility group established in 1998 by the Omnibus Consolidated and Emergency Supplemental Appropriations Act (Pub. L. No. 105-277). Section 710 of that law provided for the payment of medical assistance for individuals who meet the PACE program eligibility requirements described in section 1934 of the Act and who meet the income and resource eligibility requirements described in section 1902(a)(10)(A)(ii)(VI) of the Act. Section 1902(a)(10)(A)(ii)(VI) of the Act describes the eligibility group for individuals receiving home and community-based waiver services under institutional rules; it covers individuals who, were they living in an institution, would be eligible for another Medicaid eligibility group covered under the state plan. If a state has not already adopted the group described in section 1902(a)(10)(A)(ii)(VI) under its state plan, it is effectively adopting this group by electing to cover the PACE Participants group (although coverage under the group will, or can be, limited to PACE participants).

The PACE Participants eligibility group covers individuals who:

- Would be eligible for Medicaid if they were in an institution;
- Will receive PACE services; and
- In the absence of PACE, would require the level of care furnished by a nursing facility.

To receive PACE services, an individual must meet the requirements described at 42 C.F.R. §460 Subpart I. Information on a state's PACE program(s), including the requirements for participating in PACE can be found in the benefits section of the state plan.

### *Institutional Eligibility*

The PACE Participants group does not have income and resource requirements of its own. Instead, financial eligibility is derived from other eligibility groups (referred to here as the "principal" groups), which are identified in the RU. Some of these principal eligibility groups are specific to individuals living in an institution, such as the Individuals in Institutions Eligible under a Special Income Level eligibility group (the special income level group), and others cover individuals living in the community. In either case, eligibility for the PACE Participants group is determined using the hypothetical assumption that the individual is in an institution.

This is important because of the deeming rules that generally apply to institutionalized individuals. As required by section 1902(a)(17) of the Act and described at 42 C.F.R. §435.602, when spouses live together in the community, the income and resources of one spouse are generally counted when determining the eligibility of the other spouse, even if the first spouse is not applying for eligibility. Similarly, when children live with their parents, the income and resources of the parents are counted when determining the financial eligibility of the child. This is called "deeming." Conversely, under standard cash assistance-based methodologies, where an applicant is living alone, the income and resources of other individuals are not deemed available to the applicant, even where the income and resources of such other individuals would be deemed available to the applicant if they were living together. Generally, an individual in an institution is considered to be living alone, which means that the income and resources of other individuals are not included in determining eligibility for an institutionalized individual.

For the PACE Participants group, under which eligibility may be granted where an individual would be eligible if institutionalized, this means that an applicant's financial eligibility is evaluated without regard to the income or resources of a spouse or parent who may actually be living with the applicant, because the income and resources of these individuals would not be deemed to the applicant if the applicant was in an institution. For example, a state that elects to serve the PACE Participants group, and makes the special income level group a principal group, would determine eligibility for an applicant by comparing only the applicant's income to the state's income standard for the special income level group (which in most cases will be 300% of the SSI federal benefit rate (FBR)), even if the spouse or parent(s) of the applicant is living with the applicant.

Many states elect to cover the special income level group, but states do not have to cover the special income level group in order to cover the PACE Participants group. Additionally, even if a state covers the special income level group, it does not have to make that group a principal group to the PACE Participants group. For example, a state that covers both the special income level group and the Age and Disability-Related Poverty Level group could choose to make only the poverty level group the principal group to the PACE Participants group. In this case, eligibility for the PACE Participants group would be limited in the state to individuals who are

65 and older or who have a disability and whose own income (i.e., not including the income of others) is at or below the poverty level.

**Financial Methodologies**

As noted above, the PACE Participants group does not have its own income or resource standards or methodologies. Instead, to determine eligibility for the PACE Participants group, a state uses the standards and methodologies for the principal group or groups the state elects to align with the PACE Participants group. This includes the application of any income or resource disregards applied to the principal eligibility group under section 1902(r)(2) authority.

## INSTRUCTIONS

### A. Characteristics

- At A.1., select one or more options (A.1.a. through A.1.e) to identify the eligibility groups for which individuals qualifying under this eligibility group would be eligible if in a medical institution.
  - If A.1.e., *Other eligibility group(s)* is selected, enter a description of the other eligibility group(s) in the text box provided.
- There are two statements (A.2. and A.3.) describing additional characteristics of this eligibility group.

### B. Financial Methodologies

There is a statement regarding the income and resource methodologies used to determine eligibility for this group.

### C. Income and Resource Standards

There are two statements (C.1. and C.2.) regarding the income and resource standards used for this group.

### D. Additional Information (Optional)

Except in limited circumstances, this field remains blank. Please consult with CMS before adding any additional information concerning this RU.

## REVIEW CRITERIA

*The description of other eligibility groups at A.1.e. must be sufficiently clear, detailed and complete to permit the reviewer to determine that the state's description meets applicable federal statutory, regulatory and policy requirements.*