

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
Center for Medicare  
7500 Security Boulevard  
Baltimore, Maryland 21244-1850



## **MEDICARE DRUG & HEALTH PLAN CONTRACT ADMINISTRATION GROUP**

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DATE: November 25, 2013

TO: PACE Organizations and Potential PACE Organization Applicants

FROM: Danielle R. Moon, J.D., M.P.A.  
Director

RE: Proposed New Quarterly Submission Process of Applications for New PACE Organizations, Service Area Expansions of Existing PACE Organizations, and New PACE Center Sites under Existing PACE Organizations

The purpose of this memorandum is to solicit comments on proposed changes to the Centers for Medicare & Medicaid Services (CMS)' Program of All-Inclusive Care for the Elderly (PACE) application process beginning in calendar year 2014.

It is CMS's desire to ensure that the PACE program serves as a strong, stable platform for future growth and expansion, and we believe that moving toward a fully automated and more streamlined PACE application process will help us accomplish that goal. As a first step towards automation, we are proposing to establish structured application timeframes for CMS's receipt and review of PACE applications. The current submission timeframes are unpredictable, making it difficult for CMS, States, and PACE organizations to effectively and efficiently allocate limited resources to review and approve applications within required timeframes. We believe that a more structured application process that better uses the resources of all stakeholders, will also provide more predictability and stability for current and potential PACE applicants and encourage and support future growth and expansion.

Accordingly, CMS is proposing to adopt, beginning in July 2014, one-week timeframes each calendar quarter for the submission of applications for new PACE Organizations, applications for service area expansions of existing PACE Organizations, and applications for new PACE center sites. These proposed quarterly, one-week timeframes will begin with the first full business week of July 2014, and will continue in subsequent quarters for one-week during the first full business week of October 2014, January 2015, and April 2015.

In order to allow time for CMS, States, and PACE Organizations to transition to this proposed new application process, we will be accepting all applications on a rolling basis until the close of our third quarterly submission window in July 2014, as outlined in the table below.

### Proposed PACE Application Acceptance Timeframe for 2014

Application received	Accepted for review	CMS Action
<b>Before July 11, 2014</b>	Yes	All applications meeting CMS's requirements at 42 CFR §460.12 will be evaluated by CMS and CMS will provide the applicant with notice of its determination as specified in 42 CFR §460.20.
<b>From July 12, 2014 to October 5, 2014</b>	No, deferred to next quarterly review period	CMS will notify the applicant that its application will not be reviewed and it should resubmit its application during the timeframe specified by CMS.
<b>From October 6, to October 10, 2014</b>	Yes	All applications meeting CMS's requirements at 42 CFR §460.12 will be evaluated by CMS and CMS will provide the applicant with notice of its determination as specified in 42 CFR §460.20.
<b>From October 11, to January 4, 2015</b>	No, deferred to next quarterly review period	CMS will notify the applicant that its application will not be reviewed and it should resubmit its application during the timeframe specified by CMS.

We have also provided the proposed quarterly submission timeframes for calendar year 2015 in the table below. While the timeframes will be similar for subsequent years, we will notify the industry of the exact dates for submission the year before the upcoming calendar year.

### Proposed Quarterly Application Timeframes for Calendar Year 2015\*

<b>January 5, 2015 to January 9, 2015</b>	All applications meeting CMS's requirements at 42 CFR §460.12 will be evaluated by CMS and CMS will provide the applicant with notice of its determination as specified in 42 CFR §460.20.
<b>April 6, 2015 to April 10, 2015</b>	
<b>July 6, 2015 to July 10, 2015</b>	
<b>October 5, 2015 to October 9, 2015</b>	

**\*Please note that, if any applications are submitted outside of these proposed timeframes in 2015, CMS will notify the applicant that its application will not be reviewed and should be resubmitted during the timeframe specified by CMS.**

We believe that these proposed changes will ultimately strengthen the administration of the PACE program by allowing CMS to focus its resources on the development of national PACE policy and program guidance and oversight. CMS is dedicated to establishing an application review process that works for all parties – States, PACE organizations, and CMS Regional Office and Central Office staff – and is interested in any additional comments or suggestions on these proposed changes and further improvements.

Please e-mail your questions, and comments about these proposed changes Cathy Baldwin, Director of the Division of Medicare Advantage Operations, at [Cathy.Baldwin2@cms.hhs.gov](mailto:Cathy.Baldwin2@cms.hhs.gov). Please include "PACE Quarterly Application Submission" in the subject line. Comments must be received in this mailbox not **later than close of business on Tuesday, December 10, 2013** in order to be considered.

## **Proposed New Quarterly PACE Application Submission Process Questions and Answers**

In our recent discussions with States, PACE organizations, and other stakeholders about our proposed new process, we have already received some questions and comments, and have addressed them below.

### **Question:**

What if an entity misses the July 11, 2014 deadline for consideration of their PACE application because a state has the application under review?

### **Answer:**

We understand that PACE applications may be in various stages of review with the appropriate state. Therefore, CMS is proposing to accept PACE applications submitted for review **after** July 11, 2014, if the following conditions are met:

- CMS is notified by April 1, 2013 that the State is reviewing an application, and receives 1) the name of the entity that submitted the application; 2) the type of application, i.e. initial, SAE or new PACE center site; and 3) the estimated submission date of the application to CMS; and
- The application is submitted on or before October 11, 2014.

### **Question:**

Has CMS considered how limiting application submissions to quarterly, one-week submissions may adversely impact states' processes and timelines?

### **Answer:**

CMS has considered the potential impact of quarterly, one-week submission timeframes on States' processes and timelines, and believes that CMS can work together with States to overcome process challenges.

- If States are aware of CMS's timeline for application determinations, they may be able to better plan and support their readiness review processes. In fact, we have heard from some stakeholders that a specific timeframe for application review will assist their workload distribution and planning.
- States could help to mitigate this concern by providing applicants with a suggested timeframe during which they should submit their applications in order to ensure that they will not miss CMS's application submission deadlines.

### **Question:**

Would CMS consider off cycle SAE applications under any circumstances?

### **Answer:**

CMS may consider, on a case-by-case basis, the review of an off-cycle SAE application in exceptional circumstances.

**Question:**

Has CMS considered whether imposing quarterly application acceptance timeframes could pose a barrier to further PACE expansion?

**Answer:**

While any change in the current application timeframes would require some adjustment by all parties, CMS believes that this move towards an automated and more streamlined application process will ultimately lead to PACE expansion, not contraction, but creating efficiencies in the application submission, review, and approval process and strengthening CMS's ability to encourage growth in the program.

**Question:**

Has CMS considered whether there could be a concurrent state and federal review of PACE applications to reduce the time required for review of applications and increase efficiency in the review process?

**Answer:**

CMS is considering more ways to create efficiencies in the PACE application review process, including the possibility of a concurrent state and federal review, and will collaborate with States and other stakeholders to continuously improve the application process.

**Question:**

Would the proposed quarterly submission windows apply to ACS notifications and waiver requests?

**Answer:**

No. CMS would continue to accept ACS notifications and waiver requests in accordance with current policy and guidance.

**Question:**

Does this process change apply to "replacement centers"?

**Answer:**

No. PACE Organizations proposing to relocate to replacement centers are not subject to the quarterly application submission windows.

**Question:**

Would CMS update the PACE Manual to reflect this proposed change?

**Answer:**

CMS would update the PACE Manual, Chapter 17 – Application and Waiver Processes, and Program Agreement Requirements when this process change is final.