

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



CENTER FOR MEDICARE

DATE: May 15, 2024
TO: Programs of All-inclusive Care for the Elderly (PACE) Organizations
FROM: Jennifer R. Shapiro, Director, Medicare Plan Payment Group
SUBJECT: PACE Payment Adjustment in the June 2024 Plan Payment

Each year, PACE organizations receive two prospective payments for their dual eligible enrollees: the PACE Part D Cost Sharing Add-on and the PACE Part D Premium Add-on payments. PACE organizations are precluded from charging their dual eligible beneficiaries a premium so CMS provides the PACE Part D Premium Add-on payment to cover any Part D beneficiary premium that would otherwise be incurred by these beneficiaries after the application of the low income premium subsidy (LIPS).

It has been brought to our attention that, beginning in January 2023, the PACE Premium Add On payment amounts have inadvertently included the amount for the LIPS (that is, CMS “double-paid” the LIPS amount each month between January 2023 and May 2024). The PACE Premium Add-On amounts have recently been corrected at the following link: [HPMS Home > Plan Bids > Bid Submission > CY yyyy > Review Plan Data > Contract Number > Part D Bid and Payment Amounts](#).

The June 2024 payment will include payment adjustments to recover the duplicate LIPS amounts paid during these months and, starting in the June 2024 payment, will end the double payment going forward. Any questions may be directed to PACEPartDPayment@cms.hhs.gov.