



MEDICARE DRUG & HEALTH PLAN CONTRACT ADMINISTRATION GROUP

DATE: December 5, 2014
TO: PACE Organizations
FROM: Kathryn A. Coleman
Acting Director
SUBJECT: Alternative Care Settings in the PACE Program

The purpose of this memorandum is to provide updated guidance on Alternative Care Settings (ACS) in the Programs for All-Inclusive Care for the Elderly (PACE). This guidance supersedes each of our previous guidance documents on this topic issued on: June 23, 2004, February 2006, June 23, 2011 and July 13, 2012 and will be incorporated into Chapter 7 of the *PACE Manual*.

CMS regulations at 42 CFR § 460.98(b) (2) require a PACE Organization (PO) to provide PACE services in at least the PACE center, the home, and inpatient facilities.

POs may offer care in other settings which are referred to as an ACS. An ACS is any physical location in the PO's CMS approved existing service area other than the participant's home, an inpatient facility, or PACE center. A PACE participant receives some (but not all) PACE center services at an ACS on a fixed basis during usual and customary PACE center hours of operation. The services at an ACS supplement and do not replace services provided at the PACE center (in accordance with 42 CFR § 460.98(c)). Settings that provide all PACE center services, but have not been approved as PACE centers are distinguished from an ACS and must follow CMS guidance for approval under the expansion application process to add an additional PACE center. An ACS location must be in compliance with all applicable local, State, and Federal laws. Use of this location should be based on the participant's individualized plan of care (POC) and approved by the participant's Interdisciplinary team (IDT).

POs offering care in an ACS must have policies and procedures in place that address the following:

- A PO must develop, implement and maintain policies and procedures to account for business operation associated with the ACS;
- A participant that attends an ACS must be assigned to a PACE center and an IDT at a PACE center (in accordance with 42 CFR § 460.102(a) (2)). This assignment must be documented in the participant's POC;
- Time and distance requirements, in accordance with applicable State law, apply to travel from an ACS to the PACE center, as well as travel from an ACS to the furthest geographic points in the service area;

- If there are non-PACE participants at the ACS, the PO must have a process for identifying PACE participants and ensure the staff is trained and oriented to the PACE model of care;
- If the services provided at the ACS are provided under contract, all PACE contractor oversight requirements must be met;
- The ACS and the PACE center must communicate on a daily basis to ensure that the information is being conveyed to the IDT for: (1) care planning, (2) morning meetings, and (3) documentation into the PACE participant's medical record for services received at the ACS;
- Compliance with applicable local, State or Federal health care facility regulations;
- Ensuring ACS services are included in the PO's written quality assessment and performance improvement plan (QAPI).
- Staffing arrangements at the ACS;
- Transportation arrangements to the ACS;
- Documenting how IDT members at the PACE center will be involved in care planning for participants receiving services at the ACS;
- Infection control plan (include Exposure Control Plan);
- Emergency evacuation plan; and
- If licensed, have copies of all licenses available for inspection by CMS.

State Administering Agency (SAA) Concurrence and CMS Notification

POs must obtain concurrence from the State Administering Agency (SAA) to offer services at an ACS. The PO must submit the information on the attached checklist to CMS Central Office (CO) and the Regional Office (RO) account manager in writing at least thirty (30) days prior to offering services at an ACS.

Other Guidance

POs should be aware that:

- ACS are subject to the CMS PACE Audit Methodology.
- CMS will confirm, through ongoing monitoring reviews, that the ACS is not operating as a PACE center, in violation of our requirements.
- A PO must have successfully completed their first trial period review before providing services at an ACS.
- A PO closing an ACS must provide written notification to the SAA and CMS sixty (60) days in advance of the closing date.

Questions

If you have any questions concerning this guidance, please submit them to the PACE mailbox: <https://dmao.lmi.org/>.

Alternative Care Setting Notification Checklist

Please provide the following information:

- Address of Alternative Care Setting
- CMS Regional Office Number
- PACE Organization HPMS Contract Number (H#)
- PACE Organization Name
- Confirmation of State Administering Agency Concurrence

Identify PACE center services to be provided at the ACS (see 42 CFR 460.98(c) (1-7):

- Primary care, including physician and nursing services
- Social services
- Restorative therapies, including physical therapy and occupational therapy
- Personal care and supportive services
- Nutritional counseling
- Recreational therapy
- Meals
- Other services: _____