



TOBY DOUGLAS
DIRECTOR

State of California—Health and Human Services Agency
Department of Health Care Services



GAVIN NEWSOM
GOVERNOR

DATE: November 20, 2014

PACE Policy Letter 02-14

TO: Program for All-Inclusive Care for the Elderly (PACE) Organizations

SUBJECT: PACE Nursing Facility Level of Care Recertification Process

PURPOSE

The purpose of this Policy Letter is to identify new annual recertification guidelines for the Program of All-Inclusive Care for the Elderly (PACE) nursing facility level of care (NFLOC) recertification process.

BACKGROUND

In accordance with Title 42, Code of Federal Regulations (42 CFR) §460.150, PACE Organizations (PO) must conduct an assessment for each beneficiary to determine if they meet the NFLOC requirements prior to enrollment. Assessments are completed on the NFLOC determination form and submitted electronically to the PACE LOC Review Inbox.

Annually, POs have been required to submit recertifications for all active participants in the same manner as their initial certifications. This process was established to meet the federal requirement that, at least annually, the State administering agency (DHCS) reevaluate whether a participant continues to meet NFLOC requirements (42 CFR 460.160).

A reasonable assumption can be made that individuals that are certified to meet NFLOC requirements necessary to enroll in PACE will not require less services over time. Even in situations of a participant's health improving beyond NFLOC requirements, absence of PACE services may cause health regressions drastic enough to requalify the participant once more. 42 CFR §460.160 allows DHCS to Approved participant "...to continue to be eligible for the PACE program until the next annual reevaluation, "...permanently waive the annual recertification requirement for a participant if it determines that there is no reasonable expectation of improvement or significant change in condition... " or to deem the participant "...to continue to be eligible for the PACE program until the next annual reevaluation, if, in the absence of continued coverage under this program, the participant reasonably would be expected to meet the nursing facility level of care requirement within the next 6 months."

As a result of the exponential growth of the PACE model in California, DHCS is implementing this process improvement to address the substantial and steady increase in the number of initial and annual LOC forms received through the PACE LOC Review inbox for DHCS nurse review.

PROCEDURE

Moving forward, POs will continue to conduct, prepare, and file annual reassessments for all active participants as required by 42 CFR §460.104(c)(2), however are no longer required to complete and submit the LOC tool and Annual Re-Certification form via secure email to DHCS. DHCS nurse evaluators currently perform semi-annual, on-site NFLOC audits for each PO and will incorporate the annual recertification process into this function.

As a function of each semi-annual NFLOC audit visits, DHCS nurse evaluators will select a random sample of annual reassessments completed by the PO during the preceding six month period and review these reassessments to ensure the program is compliant with federal requirements, and/or there is a reasonable expectation that, in the absence of the PACE program, the beneficiary would meet the NFLOC requirement within 6 months from the termination of service date. The size of the random sample will be determined by the number of annual reassessments completed by the PO in the preceding six month period.

PACE participants that have been previously waived by DHCS nurses will be excluded from the pool of annual reassessments used to pull the random representative sample. DHCS nurses will utilize the same criteria in reviewing the pool of annual recertifications during each onsite NF LOC audit and PACE participants that are determined to meet the criteria will be waived and excluded from future annual reassessment pools.

IMPLEMENTATION

Implementation of the new annual recertification guidelines becomes effective the date of this Policy Letter.

Should you require additional clarification regarding this policy letter, please contact your designated Contract Manager.

Sincerely,

ORIGINAL SIGNED BY

John Shen, Chief
Long-Term Care Division