



DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Blvd.
Baltimore, Maryland 21244

TO: All PACE organizations
State Administering Agencies
CMS Regional and Central Office PACE team

DATE: June 23, 2004

RE: Notifying CMS of Alternative Care Settings

Definitions:

PACE Center: defined by PACE regulation:

§460.6: A PACE center means a facility operated by a PACE organization where primary care is furnished to participants.

§460.98(c): At a minimum, the following services must be furnished at each PACE center: Primary care, including physician and nursing services; social services; restorative therapies, including physical therapy and occupational therapy; personal care and supportive services; nutritional services; nutritional counseling; recreational therapy; meals.

Alternative Care Setting:

A location/site whereby the PACE participants receive any of the services or care that she/he would receive as part of those offered at the PACE center. The participant is assigned to an Interdisciplinary Team at the center.

POLICY:

All PACE organizations must notify CMS in writing (US mail or email) of any new arrangements being proposed whereby participants are transported from their place of residence to an alternative care setting. The arrangement minimally must describe what services will be offered, how the services will be provided, the location of the new setting, the staffing at the proposed new location, Interdisciplinary team members involved and participant (both written and oral) communication considerations.

PROCEDURE:

1. The PACE organization will notify the CMS Central Office team leader prior to your organization opening or contracting with a provider to use an alternative care setting.
2. The CMS Central Office team leader will contact the State Administering Agency (SAA) to ascertain their knowledge of the new arrangement.

3. The CMS Central Office team leader will schedule a conference call with your organization, the SAA and the CMS Regional Office to discuss details of the proposed arrangement.
4. The CMS Central Office team leader will request additional written information from the PACE organization, *if necessary*, to ensure participants rights are upheld.
5. Additional information that may be requested:
 - A listing of services offered at the alternative care setting;
 - A description of the business relationship between the alternative care setting and the PACE organization;
 - The location of the setting in relation to the approved service area;
 - A description of staffing at the new setting;
 - A description of transportation arrangements;
 - A description of the interaction of interdisciplinary team members who oversee the care of participants attending the alternative care;
 - PACE organization oversight of the alternative care setting;
 - A description of how the building/space fire and safety codes meet the NFPA 2000 guidelines;
 - The proposed marketing strategy and material to be used to inform existing and new enrollees of the new setting.
6. CMS Central and Regional Office and the SAA will review all additional information. If the alternative care setting does not meet the PACE center definition, no further action will be required of the three parties (CMS, SAA and the PACE organization). Ongoing monitoring reviews will confirm that arrangements are consistent with the PACE organizations proposed arrangement.
7. If after reading the additional information it has been determined that the new setting has met the regulatory definition of a PACE center, the PACE organization will be assisted in developing an expansion application. This application can be found at: www.cms.hhs.gov/pace
8. CMS Central and Regional Office will review the expansion application after the application has been approved by the SAA. If the expansion requires an onsite readiness review (in the case of a new proposed center), the SAA will complete the review. The completion of the readiness review is necessary prior to approval of the expansion application.