

- 460.166 Effective date of disenrollment.  
 460.168 Reinstatement in other Medicare and Medicaid programs.  
 460.170 Reinstatement in PACE.  
 460.172 Documentation of disenrollment.

#### Subpart J—Payment

- 460.180 Medicare payment to PACE organizations.  
 460.182 Medicaid payment.  
 460.184 Post-eligibility treatment of income.  
 460.186 PACE premiums.

#### Subpart K—Federal/State Monitoring

- 460.190 Monitoring during trial period.  
 460.192 Ongoing monitoring after trial period.  
 460.194 Corrective action.  
 460.196 Disclosure of review results.

#### Subpart L—Data Collection, Record Maintenance, and Reporting

- 460.200 Maintenance of records and reporting of data.  
 460.202 Participant health outcomes data.  
 460.204 Financial recordkeeping and reporting requirements.  
 460.208 Financial statements.  
 460.210 Medical records.

AUTHORITY: Secs. 1102 and 1871 of the Social Security Act (42 U.S.C. 1302 and 1395).

SOURCE: 64 FR 66279, Nov. 24, 1999, unless otherwise noted.

EDITORIAL NOTE: Nomenclature changes for part 460 appear at 67 FR 61504, Oct. 1, 2002.

### Subpart A—Basis, Scope, and Definitions

#### § 460.2 Basis.

This part implements sections 1894, 1905(a), and 1934 of the Act, which authorize the following:

(a) Medicare payments to, and coverage of benefits under, PACE.

(b) The establishment of PACE as a State option under Medicaid to provide for Medicaid payments to, and coverage of benefits under, PACE.

#### § 460.4 Scope and purpose.

(a) *General.* This part sets forth the following:

(1) The requirements that an entity must meet to be approved as a PACE organization that operates a PACE program under Medicare and Medicaid.

(2) How individuals may qualify to enroll in a PACE program.

(3) How Medicare and Medicaid payments will be made for PACE services.

(4) Provisions for Federal and State monitoring of PACE programs.

(5) Procedures for sanctions and terminations.

(b) *Program purpose.* PACE provides pre-paid, capitated, comprehensive health care services designed to meet the following objectives:

(1) Enhance the quality of life and autonomy for frail, older adults.

(2) Maximize dignity of, and respect for, older adults.

(3) Enable frail, older adults to live in the community as long as medically and socially feasible.

(4) Preserve and support the older adult's family unit.

#### § 460.6 Definitions.

As used in this part, unless the context indicates otherwise, the following definitions apply:

*Contract year* means the term of a PACE program agreement, which is a calendar year, except that a PACE organization's initial contract year may be from 12 to 23 months, as determined by CMS.

*Medicare beneficiary* means an individual who is entitled to Medicare Part A benefits or enrolled under Medicare Part B, or both.

*Medicaid participant* means an individual determined eligible for Medicaid who is enrolled in a PACE program.

*Medicare participant* means a Medicare beneficiary who is enrolled in a PACE program.

*PACE* stands for programs of all-inclusive care for the elderly.

*PACE center* means a facility operated by a PACE organization where primary care is furnished to participants.

*PACE organization* means an entity that has in effect a PACE program agreement to operate a PACE program under this part.

*PACE program agreement* means an agreement between a PACE organization, CMS, and the State administering agency for the operation of a PACE program.

*Participant* means an individual who is enrolled in a PACE program.

## § 460.10

*Services* includes both items and services.

*State administering agency* means the State agency responsible for administering the PACE program agreement.

*Trial period* means the first 3 contract years in which a PACE organization operates under a PACE program agreement, including any contract year during which the entity operated under a PACE demonstration waiver program.

### Subpart B—PACE Organization Application and Waiver Process

#### § 460.10 Purpose.

This subpart sets forth the application requirements for an entity that seeks approval from CMS as a PACE organization and the process by which a PACE organization may request waiver of certain regulatory requirements. The purpose of the waivers is to provide for reasonable flexibility in adapting the PACE model to the needs of particular organizations (such as those in rural areas).

[67 FR 61504, Oct. 1, 2002]

#### § 460.12 Application requirements.

(a) *General.* (1) An individual authorized to act for the entity must submit to CMS a complete application that describes how the entity meets all requirements in this part.

(2) [Reserved]

(3) CMS accepts applications from entities that seek approval as PACE organizations beginning on February 22, 2000 except for the following:

(i) Beginning on November 24, 1999, CMS accepts applications from entities that meet the requirements for priority consideration in processing of applications, as provided in § 460.14.

(ii) Beginning on January 10, 2000, CMS accepts applications from entities that meet the requirements for special consideration in processing applications, as provided in § 460.16.

(b) *State assurance.* An entity's application must be accompanied by an assurance from the State administering agency of the State in which the program is located indicating that the State—

(1) Considers the entity to be qualified to be a PACE organization; and

## 42 CFR Ch. IV (10–1–03 Edition)

(2) Is willing to enter into a PACE program agreement with the entity.

[64 FR 66279, Nov. 24, 1999, as amended at 67 FR 61505, Oct. 1, 2002]

#### § 460.14 Priority consideration.

Until August 5, 2000, CMS gives priority consideration in processing applications for PACE organization status to an entity that meets either of the following criteria:

(a) Is operating under PACE demonstration waivers under one of the following authorities:

(1) Section 603(c) of the Social Security Amendments of 1983, as extended by section 9220 of the Consolidated Omnibus Budget Reconciliation Act of 1985.

(2) Section 9412(b) of the Omnibus Budget Reconciliation Act of 1986.

(b) Has applied to operate under a PACE demonstration under section 9412(b) of the Omnibus Budget Reconciliation Act of 1986 as of May 1, 1997.

#### § 460.16 Special consideration.

Until August 5, 2000, CMS gives special consideration in processing applications to an entity that meets the following conditions:

(a) Indicated, by May 1, 1997, a specific intent to become a PACE organization through formal activities.

(b) Includes documentation of its formal activities.

#### § 460.18 CMS evaluation of applications.

CMS evaluates an application for approval as a PACE organization on the basis of the following information:

(a) Information contained in the application.

(b) Information obtained through on-site visits conducted by CMS or the State administering agency.

(c) Information obtained by the State administering agency.

#### § 460.20 Notice of CMS determination.

(a) *Time limit for notification of determination.* Within 90 days after an entity submits a complete application to CMS, CMS takes one of the following actions:

(1) Approves the application.

(2) Denies the application and notifies the entity in writing of the basis