

Subject Implementing the Program of All-Inclusive Care for the Elderly

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Date March 21, 2025

Overview

This bill provides for the establishment and implementation of the program for all-inclusive care for the elderly (PACE).

PACE is a program under Medicare that provides comprehensive medical and social services to certain frail elderly individuals who live in the community, most of whom are dually eligible for Medicare and Medicaid benefits. States can elect to provide PACE services to Medicaid beneficiaries as an optional Medicaid benefit. The PACE program is the sole source of Medicare and Medicaid benefits for PACE participants. In order to be eligible for PACE, an individual must: (1) be age 55 or older; (2) live in a PACE organization service area; (3) be eligible for nursing home care; and (4) be able to safely live in the community. An interdisciplinary team of health professionals provides PACE participants with coordinated care, which enables participants to remain in the community instead of receiving care in a nursing home. A participant may leave the PACE program at any time.

Summary

Section	Description
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1	Alternative services; elderly persons and persons with a disability. Amends § 256B.69, subd. 23. Removes obsolete language and removes language authorizing the commissioner to approve and implement PACE.
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2	Program of all-inclusive care for the elderly service delivery system. Creates § 256B.6902.
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Subd. 1. Establishment. Authorizes the PACE program.

Subd. 2. Definitions. Defines the terms “commissioner,” “eligible person,” and “PACE organization.”

Section	Description
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Subd. 3. Services for eligible persons. Allows the commissioner to include any or all of the services offered in MA long-term services and supports in PACE coverage. Requires the commissioner to provide all services and programs through PACE in accordance with relevant federal regulations.

Subd. 4. Enrollment. Allows an eligible person to enroll in PACE. If an eligible person enrolls in PACE, makes the person ineligible for payment through other Medicare, MA, or MinnesotaCare programs.

Subd. 5. Disenrollment. Allows a person to disenroll from PACE at any time.

Subd. 6. Requirements. Requires the commissioner to coordinate an extensive array of medical and nonmedical services to meet the needs of a PACE enrollee primarily in outpatient environments. Lists goals and requirements the commissioner must administer PACE to achieve.

Subd. 7. Contracts with PACE organizations. Limits the commissioner to entering into PACE contracts with approved PACE organizations that the commissioner determines have the ability and resources to effectively operate a PACE organization in accordance with federal regulations. Lists the information that must be included in a PACE contract. Requires the commissioner to establish a competitive bidding process to solicit proposals from PACE organizations by December 31, 2025, or upon federal approval, whichever is later. Establishes the timeline for PACE organizations awarded contracts to establish operations and begin providing services. Requires contracted PACE organizations to use a risk-based financing model and to assume responsibility for all allowable services determined necessary for an enrollee by an interdisciplinary team.

Subd. 8. Implementation. By October 1, 2025, requires the commissioner to prepare and submit a state plan amendment to CMS to establish PACE and provide community-based, risk-based, and capitated long-term care services as optional services under the state plan, under contracts entered into between CMS, the commissioner, and PACE organizations, and under any applicable law or regulation.

Subd. 9. Payment rates. Requires the commissioner to develop and implement a methodology for establishing payment rates for costs of benefits provided by PACE organizations to MA-eligible PACE enrollees beginning July 1, 2025. Requires the commissioner to implement the methodology by January 1, 2027. Requires the methodology and rates to comply with applicable federal requirements and CMS rate setting rules and guidance.

Section	Description
	Subd. 10. Commissioner's duties. Lists the duties of the commissioner in administering PACE.
3	Rate setting; performance withholds. Amends § 256L.12, subd. 9. Makes conforming changes to MinnesotaCare statutes related to the establishment and implementation of PACE.
4	Managed care organization. Amends § 256S.02, subd. 17. Modifies the definition of "managed care organization" in the chapter of statutes governing elderly waiver to include PACE.



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