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

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Date: *December 27, 2022*

Policy Letter 22-02 *(Revised)*

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

Subject: PACE Enrollment and Disenrollment Process

Purpose

The purpose of this Policy Letter (PL) is to clarify standards and procedures for the enrollment and disenrollment of participants in the Program of All-Inclusive Care for the Elderly (PACE) Organizations (PO). This PL incorporates guidance from the PACE Final Rule published by the Centers for Medicare & Medicaid Services (CMS), effective August 2, 2019, and codified in Title 42 of the Code of Federal Regulations (42 CFR) section 460.150 et seq.

Background

In 2019, CMS issued a Final Rule to modernize the PACE program, improve care, and allow greater administrative flexibility. This PL updates PACE enrollment procedures in accordance with changes enacted under this Final Rule.

Batch File Enrollment Process

POs should evaluate PACE applications in accordance with intake and denial procedures described in 42 CFR section 460.152. POs should submit all new enrollments electronically each month *to the PO's secure file transfer protocol (SFTP) folder path "DHCS-ISCD/Plans/[PO Name]/Batch File Enrollments" and send a notification email to* hcptech@dhcs.ca.gov *and the assigned contract manager*. Files should be submitted prior to the monthly "MCP File Input Due Date" (also known as the MEDS cutoff date) identified in the annually updated Medi-Cal Managed Care All Plan Letter (APL) "[Fiscal Year] Medi-Cal Managed Care Health Plan MEDS/834 Cutoff and Processing Schedule". All APLs can be found here: https://www.dhcs.ca.gov/formsandpubs/Pages/AllPlanLetters.aspx. POs must copy their designated contract manager on all monthly batch file submissions. POs should follow the specified text file format identified in Attachment I.

The effective date of PACE participant batch file enrollments will be on the first day of the calendar month following the date the PO receives the signed enrollment agreement.[1] Files submitted before the MEDS cutoff date will be paid on the next scheduled monthly capitation payment date. Capitation payments are paid for an entire calendar month, and are not pro-rated based on a beneficiary's enrollment date.

Manual Enrollment and Disenrollment Process

Any enrollments and/or disenrollments submitted after the "MCP File Input Due Date" must be submitted through the PO's sFTP site for manual processing. For each of these submissions, POs must include the signed enrollment agreement, participant's date of birth, and Client Index Number (CIN). Department of Health Care Services (DHCS) contract managers will notify POs when a manual enrollment or disenrollment has been processed within 5 business days of receiving the request.

PACE participants are not eligible to receive services from other Medicaid programs.[2] Contract managers will therefore verify that the applicant is not enrolled in any other Medi-Cal programs, such as In-Home Supportive Services, prior to processing an applicant's enrollment into a PACE Organization.

The effective date of manual enrollment will be on the first day of the calendar month following the date the PO receives the signed enrollment agreement.[3] Any enrollment files received after the MEDS cutoff date will be subject to a one month delay in capitation payment. For example, manual enrollment files submitted after the January MEDS cutoff date will be paid in March instead of February. Capitation payments are paid for an entire calendar month, and not pro-rated based on a participant's enrollment date.

Voluntary Disenrollment

A PACE participant may voluntarily disenroll without cause at any time.[4] Participants may disenroll by providing either written or verbal notification to their PO. PACE organizations must document all disenrollment requests and submit the monthly report in accordance with Exhibit A, Attachment 17, Provision 2.J. Disenrollments are effective on the first day of the month following the date the PACE organization receives the participant's notice of voluntary disenrollment.[5]

POs must ensure that its employees or contractors do not engage in any practice that would reasonably be expected to have the effect of steering or encouraging disenrollment of participants due to a change in health status.[6]

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[1] 42 C.F.R. § 460.158.
[2] 42 C.F.R. § 460.90(b).
[3] 42 C.F.R. § 460.158.
[4] 42 C.F.R. § 460.162.
[5] Id.
[6] 42 CFR § 460.162(c)

Involuntary Disenrollment

POs may perform an involuntary disenrollment for a PACE participant in accordance with the requirements and standards described in 42 CFR section 460.164. Involuntary disenrollments are effective on the first day of the next month that begins 30 days after the day the PO sends notification to the participant of the involuntary disenrollment.[7] For example, if a PO sends notification of involuntary disenrollment to the participant on August 5, the disenrollment will be effective October 1 (September 5 is 30 days after August 5, and the first day of the next month is October 1).

POs must receive prior approval from the DHCS contract manager before sending any involuntary disenrollment notifications. POs should submit involuntary disenrollment requests through their SFTP site. The DHCS contract manager will provide a response no later than two weeks after receiving the request.

For PACE participants who are at risk of involuntary disenrollment for the reasons described in 42 CFR section 460.164, POs should send a written warning to the participant at least 20 days before the PO sends the disenrollment to DHCS for approval. The participant should be given the opportunity to respond or remedy during this 20-day period, unless the PACE organization agrees to a longer absence due to extenuating circumstances.[8] Please note that warnings should not include a specific disenrollment date, since all disenrollments remain subject to DHCS approval. DHCS then has 10 working days to approve the disenrollment request. DHCS will not review the involuntary disenrollment request before the 20-day period is over, since the purpose of that period is to allow a beneficiary time to remedy.

Implementation

This PL provides policy clarification and guidance for federal and state PACE program requirements already in place.

If you require additional clarification regarding this PL, please contact your designated DHCS contract manager.

Sincerely,

Original Signed by

Cortney Maslyn
Division Chief
Integrated System of Care Division

[7] 42 C.F.R. § 460.164(a).
[8] 42 C.F.R. § 460.164(b).

Attachment I: Batch File Text Format

Health Care Plan Enrollment Transaction					
		Location		**Re-**	
Data Element Name	**Length**	**Start**	**End**	**quired?**	
BATCH-NUMBER	3	1	3	yes	3 digit numeric; valid values 001-999
SOURCE-CODE	5	4	8	yes	Identifies submitter, see below
CUSTOMER-KEY	9	9	17		Free form; can be used for any submitter field
FILE-CREATE-DATE	8	18	25	yes	
CREATE-CC					
CREATE-YY					
CREATE-MM					
CREATE-DD					
MEDS-ID	9	26	34	yes	If known, usually the SSN
CIN	9	35	43		Client Index Number
COUNTY-ID					If known
COUNTY-CODE	2	44	45		
AID-CODE	2	46	47		
CASE-NUMBER					
CASE-SERIAL	7	48	54		
CASE-FBU	1	55	55		
CASE-PERSON	2	56	57		
BENE-NAME					
LAST-NAME	20	58	77	yes	
FIRST-NAME	15	78	92	yes	
MIDDLE-INITIAL	1	93	93		
APPELLATION	3	94	96		
BIRTHDATE	8	97	104	yes	
BIRTH-CC					
BIRTH-YY					
BIRTH-MM					
BIRTH-DD					
SEX	1	105	105		Valid values "M" and "F"
EFFECT-DATE	6	106	111	yes	current year/month of eligibility
EFFECT-CC					
EFFECT-YY					
EFFECT-MM					
ACTION-HCP-CODE	3	112	114	yes	Submitter health care plan code
TRANSACTION CODE	1	115	115	yes	Use "4" for enrollment, "0" (zero) for disenrollment
Special Notes:	Source code is alphanumeric free-form for non-HCO plans (ex: SCAN or SCNcc where				
	cc = recipient county code)				
	Either MEDS-ID or CIN is required; if unable to tell the difference, put field in meds-id				