CHAMBER HILL

INSIGHTS

MACPAC Reviews Medicaid Rules, HCBS and PACE

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On September 19, 2024, the Medicaid and CHIP Payment and Access Commission (MACPAC) met for Day 1 of their first meeting of the 2024-2025 cycle. Topics ranged from a summary of recent Centers for Medicare and Medicaid (CMS) Medicaid rules, discussions around Home and Community-Based Services (HCBS) and HCBS-related recommendations, and a discussion and panel on the Program of All-Inclusive Care for the Elderly (PACE) program.

In the first session, Commission staff reviewed recent Medicaid rules on:

- Eligibility and enrollment (CMS-2421-F and CMS-2421-F2)
- Access to services (CMS-2442-F)
- Managed care access, finance, and quality (CMS-2439-F)
- Nursing facility staffing and payment (CMS-3442-F)

In addition to asking clarifying questions, Commissioners discussed how the rules reflected their recommendations, and possible next steps and recommendations on quality reporting for Medicaid providers and plans.

The second session centered on timely access to HCBS. Staff outlined work on eligibility and presumptive eligibility. While Commissioners really wanted to push presumptive eligibility, they did have a robust discussion about the impact of this on hospitals and states – along with a need for more training and resources to ensure presumptive eligibility can happen in states. In October, MACPAC will be discussing presumptive eligibility in provisional plans of care – and there will be a chapter on this in the 2025 March MACPAC Report to Congress.

In the third session, MACPAC discussed policy options related to HCBS. Staff reviewed previous work on 1915 waiver authority and conferred about how much time it takes states to apply for waivers. Cost neutrality requirements for Medicaid waivers invoked on of the largest discussions . Staff showed analysis regarding how waiver programs are saving Medicaid money compared to traditional facilities, showing that in 2021 more than 63% of plans were saving over 50% with waivers (see table below).

2019		2020		2021	
Waiver Costs as Percentage of G+G'	Percent of Waivers	Waiver Costs as Percentage of G+G'	Percent of Waivers	Waiver Costs as Percentage of G+G'	Percent of Waivers
≥90%	2%	≥90%	3%	≥90%	2%
80-89	4	80-89	4	80-89	5
70-79	5	70-79	4	70-79	7
60-69	12	60-69	9	60-69	7
50-59	17	50-59	17	50-59	15
<50	60	<50	63	<50	63

The two policy options discussed were increasing the renewal period for section 1915(c) waivers from 5 to 10 years and removing the requirement that states meet cost neutrality tests for waivers. Commissioners were unified behind adopting a recommendation on increasing the waiver renewal period to 10 years. However, there was disagreement about dropping the cost neutrality requirement. Commissioners were concerned about the CBO scoring the recommendation as adding $1 Billion in spending over 10 years, and they were concerned this would cause states to spend more than needed on waiver programs. Commissioners will revisit and vote on at least the first recommendation in upcoming meetings – but they left the second recommendation up for further discussion.

The last sessions of the day revolved around the Program of All-Inclusive Care for the Elderly (PACE) program. Staff provided background on the plans, including enrollment, cost, financing, and rate setting. After the initial presentation, the Commissioners held a panel on PACE with:

- Kayla King, PACE and Senior Care Options (SCO) Program Manager at the Massachusetts MassHealth Office of Long-Term Services and Supports
- Sabrena Lea, Deputy Director for Long-Term Services and Supports in the North Carolina Department of Health and Human Services, Division of Health Benefits
- Cindy Proper, PACE Technical Director within the Division of Health Homes, PACE and COB/TPL in the Medicaid Benefits and Health Programs Group, Center for Medicaid and CHIP Services

Commissioners love the care coordination PACE programs provide for beneficiaries and were concerned with the low enrollment in PACE. They discussed how to streamline start up processes and asked for additional analyses around urban/rural, ensuring the beneficiary voice is represented, and how to create different analyses to look at the efficacy of PACE plans (i.e. ER use for PACE beneficiaries vs. others, etc.). Commissioners asked staff to continue their work on PACE – with this topic reemerging in future Commission sessions this year.

We trust you found this summary useful. Please reach out to us with any questions.