

April 9, 2026

Exploring the Role of the State Medicaid Agency in the Program of All-Inclusive Care for the Elderly (PACE)

Policy Options

Brian O’Gara and Michelle Conway



Medicaid and CHIP Payment and Access Commission

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Overview

- Summary of findings
- Policy options
- Next steps



Summary of Findings

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- States and federal officials reported variation in how states conduct PACE oversight, including differences in roles, use of two-way program agreements, and tools
- States and federal officials identified limited and non-standardized data, with inconsistent approaches to measuring performance and outcomes
- States reported capacity constraints, including staffing and resource challenges, particularly in growing programs
- States and federal officials highlighted coordination gaps, including misalignment and duplication in oversight activities



Policy Options

Challenges and Policy Options

Challenge

Policy option

Duplication and lack of coordination between federal and state audits of PACE organizations

Policy option 1: Recommendation to CMS to update audit protocols and three-way program agreements to facilitate joint audits of PACE organizations with state administering agencies

Limited availability of accessible information on PACE program quality and performance

Policy option 2: Recommendation to CMS to aggregate and publicly release, in a user-friendly format on the CMS website, existing PACE program performance data

Policy option 3: Recommendation to CMS to develop a standardized, national quality measure set for PACE organizations

Policy Option 1

Conduct joint audits of PACE organizations.

The Secretary of the U.S. Department of Health and Human Services should direct the Centers for Medicare & Medicaid Services to update audit protocols and three-way program agreements to facilitate joint audits of PACE organizations with state administering agencies. Audit coordination should include joint planning of audit scopes, sharing documentation requests, and reviewing evidence concurrently, while preserving CMS's responsibility for assessing federal requirements and states' responsibility for assessing state-specific requirements.

Policy Option 1

Conduct joint audits of PACE organizations.

- Formalizes coordination expectations through existing guidance, such as audit protocols and three-way program agreements
- Aligns CMS and states on audit design and execution through shared planning and evidence review
- Maintains clear roles for CMS and states while preserving flexibility for independent oversight and more frequent state-led audits

Policy Option 1: Rationale

Conduct joint audits of PACE organizations.

- Audits are the primary oversight tool for CMS and states, used to assess compliance, quality, and corrective actions
- Existing systems enable stronger data sharing: Health Plan Management System (HPMS) access, required reporting of audit findings to PACE organizations
- Enable concurrent review of overlapping requirements, reducing duplication and burden, while improving visibility through shared insights (e.g., enrollment issues, grievances) and supporting aligned findings where appropriate

Policy Option 1: Implications

Conduct joint audits of PACE organizations.

- **Federal:** Awaiting estimate from the Congressional Budget Office
- **States:** Less duplication and improved access to federal audit findings
- **PACE organizations:** Lower administrative burden from multiple oversight reviews
- **Enrollees:** Stronger oversight may improve service quality and care

Policy Option 2

Make existing PACE program performance data publicly available.

The Secretary of the U.S. Department of Health and Human Services should direct the Centers for Medicare & Medicaid Services to aggregate and publicly release, in a user-friendly format on the CMS website, existing PACE program performance data, including data PACE organizations submit through the CMS Health Plan Management System (HPMS) as well as enrollee satisfaction data collected as part of PACE organization quality improvement programs pursuant to 42 CFR 460.134(a)(2).

Policy Option 2

Make existing PACE program performance data publicly available.

- Makes PACE performance data public by publishing existing data reported to CMS on the CMS website
- CMS should aggregate and report data already collected, such as select HPMS metrics, Integrated Satisfaction Measurement for PACE (I-SAT) survey results, audit results
- Does not require new data collection from PACE organizations

Policy Option 2: Rationale

Make existing PACE program performance data publicly available.

- Helps address the existing gap in accessible, comparable data between PACE and managed care programs
- Enhances transparency and choice by helping beneficiaries compare PACE to other long-term services and supports (LTSS) options
- Strengthens evaluation
 - Enables policymakers and researchers to assess PACE outcomes and effectiveness
 - Allows states and CMS to benchmark performance and identify trends or gaps
- Supports proactive policy changes beyond individual corrective actions

Policy Option 2: Implications

Make existing PACE program performance data publicly available.

- **Federal:** Awaiting estimate from the Congressional Budget Office
- **States:** Provides a clearer picture of performance trends and enables comparisons across programs within their jurisdiction
- **PACE organizations:** Minimal additional reporting burden; offers a way to demonstrate program performance
- **Enrollees:** Helps beneficiaries and caregivers understand services offered and compare PACE with other LTSS options

Policy Option 3

Develop a standardized national quality measure set for PACE organizations.

The Secretary of the U.S. Department of Health and Human Services should direct the Centers for Medicare & Medicaid Services to amend regulations at 42 CFR 460 Subpart H to develop a standardized, national quality measure set for PACE organizations. Quality data should be compiled and made publicly available in an accessible format.

Policy Option 3

Develop a standardized national quality measure set for PACE organizations.

- Existing PACE reporting is not standardized or comparable across programs
- Regulatory change that establishes new standardized quality measurement framework for PACE, with a publicly available data scorecard on key outcome and enrollee satisfaction measures
- Helpful examples of format or presentation may include Medicare Advantage Star Ratings or Medicaid Core Set dashboard
 - The five-star rating system in Star Ratings is easily understood
 - Star Ratings and the Medicaid Core Set include outcome measures relevant to their respective populations

Policy Option 3: Rationale

Develop a standardized national quality measure set for PACE organizations.

- Support from stakeholders during our interviews
- Some progress at state and organizational level, but absence of federally required, standardized measure set limits ability to assess performance, compare across PACE programs and states, and identify systemic quality issues
- CMS well-positioned to convene PACE organizations, states, quality measurement experts
- Previous CMS work on HCBS quality measure set could hold valuable lessons

PACE Quality Measurement Principles

- Based on our findings, we identified the following principles for a national PACE quality measure set
 - **Collaborative**
 - CMS should gather extensive input from states, PACE organizations, enrollees and their families, quality experts, researchers to ensure measurement approach is appropriate for the PACE population
 - **Minimizes burden**
 - Quality measures should be limited to the most meaningful health outcome and enrollee satisfaction measures
 - **Prioritizes comparability where possible**
 - CMS should prioritize quality measures used in other programs to allow for apples-to-apples comparison

Policy Option 3: Implications

Develop a standardized national quality measure set for PACE organizations.

- **Federal:** Awaiting estimate from the Congressional Budget Office
- **States:** Reduced burden and duplication of effort
- **PACE organizations:** Initial burden to adjust to new reporting
 - Generally supportive of standardized reporting
 - Opportunity to demonstrate value of program
- **Enrollees:** Improved transparency
 - Potential comparison with other programs would allow for better-informed decision making

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Next Steps

Next steps

- Commissioner feedback on policy options
 - Should any of these policy options be modified?
 - Are there any policy rationales or implications you would like to see more fleshed out?
 - Are there any points or findings shared this year that should be emphasized in our chapter?
- We will return in May with a draft chapter for the June report to Congress
- If there is support for moving forward with these options, we will include the recommendation language for a vote at the May meeting

Challenges and Policy Options

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