

May 7, 2026

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

*Review of recommendations and draft chapter for June report*

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Brian O’Gara and Michelle Conway



Medicaid and CHIP Payment and Access Commission

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# Overview

- Summary of findings
- Recommendations
- Next steps



# Summary of Findings

# Summary of Findings

- 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

# Recommendations

# Challenges and Recommendations

## Challenge

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



## Recommendations

**To CMS:** 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



**To CMS:** Aggregate and publicly release, in a user-friendly format on the CMS website, existing PACE program performance data

**To CMS:** Develop a standardized, national quality measure set for PACE organizations

## Recommendation 6.1

*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.*

## Recommendation 6.1: 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

# Recommendation 6.1: Implications

## Conduct joint audits of PACE organizations.

- **Federal:** The Congressional Budget Office (CBO) does not estimate a direct effect on federal spending
- **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

## Recommendation 6.2

*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).*

## Recommendation 6.2: 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

## Recommendation 6.2: Implications

**Make existing PACE program performance data publicly available.**

- **Federal:** CBO does not estimate a direct effect on federal spending
- **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

## Recommendation 6.3

*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. CMS should follow three key principles when developing a PACE quality measure set: engage stakeholders collaboratively; minimize reporting burden by focusing on the most meaningful measures; and prioritize standardized measures that enable comparability across programs where feasible.*

## Recommendation 6.3: 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

## Recommendation 6.3: Implications

**Develop a standardized national quality measure set for PACE organizations.**

- **Federal:** CBO does not estimate a direct effect on federal spending
- **States:** Reduced burden and duplication of effort
- **PACE organizations:** Initial burden to adjust to new reporting
- **Enrollees:** Improved transparency
  - Potential comparison with other programs would allow for better-informed decision making

The image features a dark blue background with several overlapping, semi-transparent geometric shapes in lighter shades of blue. These shapes include a large circle on the left, a vertical rectangle in the center, and a curved shape on the right. The text "Next Steps" is prominently displayed in white, bold, sans-serif font on the left side of the image.

# Next Steps

## Next steps

- Publish chapter in the June 2026 Report to Congress
- Commissioner questions:
  - Do Commissioners have feedback on the content and tone of the chapter?
  - Any additional questions about the recommendation language and implications?

# Challenges and Recommendations

## Challenge

## Recommendations

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