

CHAPTER 88  
SPECIALIZED MANAGED CARE PROGRAMS

[Prior to 2/11/87, Human Services[498]]

Chapter rescission date pursuant to Iowa Code section 17A.7: 7/1/30

**441—88.1(249A) Definitions.**

“*Alternate PACE service site*” means a location outside a primary or alternate PACE center in which one or more PACE services are offered to PACE enrollees.

“*Capitation payment*” means the monthly payment to PACE on behalf of each Medicaid participant for the provision of covered medical and supportive services. Payment is made regardless of whether the participant receives services during the month.

“*CMS*” means the Centers for Medicare and Medicaid Services of the U.S. Department of Health and Human Services.

“*Enrollee*” means a person who is enrolled in a PACE program.

“*Federal PACE regulations*” means the standards published in 42 CFR Part 460, “Programs of All-Inclusive Care for the Elderly,” as amended to August 1, 2024. These rules will be interpreted so as to comply with the federal PACE regulations.

“*Interdisciplinary team*” or “*IDT*” means the team designated by the PACE organization to assess the needs of and develop a comprehensive plan of care for each enrollee.

“*Medicare beneficiary*” means a person who is entitled to Medicare Part A benefits, is enrolled under Medicare Part B, or both.

“*PACE enrollment agreement*” means the contract between the PACE organization and the enrollee that includes, at a minimum, all information identified in 42 CFR 460.154 as amended to August 1, 2024.

“*Service area*” means the specific counties in which a PACE provider may provide services as identified in the PACE program agreement.

The following definitions have the same meaning as set forth in 42 CFR 460.6 as amended to August 1, 2024:

“*Contract year*”

“*Medicaid enrollee*”

“*Medicare enrollee*”

“*PACE*”

“*PACE center*”

“*PACE organization*”

“*PACE program*”

“*PACE program agreement*”

“*Services*”

“*Trial period*”

[ARC 9280C, IAB 5/14/25, effective 7/1/25]

**441—88.2(249A) Process for new and expanding PACE organization service areas.** This rule establishes the state’s process for a potential PACE organization seeking department support and an assurance letter to provide to CMS to establish a new or expanding PACE organization.

**88.2(1) Submission of letter of intent.** A person authorized to act on behalf of an entity seeking approval as a new PACE organization or an existing PACE organization seeking to expand its service area shall submit a request to the department in writing or via email to [pace@hhs.iowa.gov](mailto:pace@hhs.iowa.gov). The request shall include the following information:

a. Organizational background, history, and experience with PACE and developing long-term services and supports.

b. Identity and credentials of key personnel, including members of any governing board and the proposed management team for the new or expanded PACE organization.

c. Where the new or expanded PACE center will be located.

*d.* The proposed opening date of the new or expanded PACE center.

**88.2(2)** *Evaluation of letter of intent and submission requirements.* The department will review the new or expanding PACE organization's letter of intent. The department will provide written notification to the PACE organization regarding whether the requested counties will be reserved and for how long.

*a.* If the department agrees to support the PACE organization's plans, the department will issue a detailed request for information with a deadline and a list of submission requirements.

*b.* The department may release the reserved counties if the potential PACE organization fails to follow the department's instructions or misses the submission deadline.

*c.* The department reserves the right of final approval and to reject a letter of intent submission.

*d.* New or expanding PACE organizations must follow all other steps to obtain program approval as outlined in the federal PACE regulations.

*e.* The department may elect to support more than one PACE organization in any county based on the completed feasibility study.

**88.2(3)** *State readiness review.* The department may conduct an on-site visit or audit and may request additional information from PACE in connection with an application for approval or expansion. A PACE organization is required to:

*a.* Hold applicable licenses under state and federal law.

*b.* Operate and provide services in compliance with all applicable federal, state, and local laws, regulations and codes and in accordance with applicable professional standards.

*c.* Maintain documentation to demonstrate compliance with state and local fire safety codes.

*d.* Once all state requirements are met, the department will provide to the prospective PACE organization an assurance letter to submit to CMS.

[ARC 9280C, IAB 5/14/25, effective 7/1/25]

**441—88.3(249A) Three-way agreement with Medicare and Medicaid.** An entity that has been approved by the department and CMS to be a PACE organization must enter into an agreement with CMS and the department that meets the requirements in 42 CFR Part 460, Subpart C, as amended to August 1, 2024.

[ARC 9280C, IAB 5/14/25, effective 7/1/25]

**441—88.4(249A) Center administration.** The PACE organization shall operate the PACE center effectively and efficiently to maintain the highest physical, mental, and psychosocial well-being of each participant.

**88.4(1)** *Licensure.* Covered services shall be provided by personnel who are licensed, endorsed, registered, recognized, or qualified and who are acting within the scope of the applicable license, endorsement, registration, recognition, or qualification pursuant to 441—Chapter 77.

**88.4(2)** *Compliance with federal, state, and local laws and professional standards.* The PACE center must operate and provide services in accordance with all applicable federal, state, and local laws, regulations, and codes, as well as accepted professional standards and principles applicable to the professional providing services.

[ARC 9280C, IAB 5/14/25, effective 7/1/25]

**441—88.5(249A) Safety.** The PACE organization must establish, maintain, and follow an infection control plan designed to provide a safe, sanitary, and conformable environment to help prevent the transmission of disease and infection pursuant to 42 CFR 460.74 as amended to August 1, 2024.

[ARC 9280C, IAB 5/14/25, effective 7/1/25]

**441—88.6(249A) Physical environment.** The PACE center shall be designed, constructed, equipped, and maintained to protect the health and safety of participants, personnel, and the public pursuant to 42 CFR 460.72 as amended to August 1, 2024.

[ARC 9280C, IAB 5/14/25, effective 7/1/25]

**441—88.7(249A) Program services.**

**88.7(1) Required services.** The PACE organization shall provide a benefit package for all participants, regardless of the source of payment, which must include the following pursuant to 42 CFR Part 460, Subpart F, as amended to August 1, 2024:

- a. All Medicare-covered items and services.
- b. All Medicaid-covered items and services as specified in 441—Chapters 78, 81, 82, 85, and 90. Medicaid benefit limitations and conditions relating to amount, duration, scope of services, deductibles, copayments, coinsurance, or other cost sharing do not apply to PACE services.
- c. Other services determined necessary by the participant's IDT to improve or maintain the participant's overall health status.

**88.7(2) Excluded services.** The following services are excluded from coverage under PACE pursuant to 42 CFR 460.96 as amended to August 1, 2024:

- a. Cosmetic surgery, which does not include surgery that is required for improved functioning of a malformed part of the body resulting from an accidental injury or for reconstruction following a mastectomy.
- b. Experimental medical, surgical, or other health procedures not deemed medically necessary by the IDT.
- c. Services furnished outside the United States, except in accordance with 42 CFR 424.122 and 42 CFR 424.124 as amended to August 1, 2024, or as otherwise permitted under the Iowa Medicaid program.  
[ARC 9280C, IAB 5/14/25, effective 7/1/25]

**441—88.8(249A) Patient education.**

**88.8(1) Use of services.** The PACE organization shall have a process and procedure to orient participants on how to access and request services and supports.

**88.8(2) Participant rights.** The PACE organization shall have a written participant bill of rights and inform participants upon enrollment of the participant's rights and responsibilities in accordance with 42 CFR Part 460, Subpart G, as amended to April 11, 2022.  
[ARC 9280C, IAB 5/14/25, effective 7/1/25]

**441—88.9(249A) Grievances and appeals.** The PACE organization must have written policies and procedures for identifying and processing service determination requests, grievances, and appeals in accordance with 42 CFR 460.120 through 460.124 as amended to August 1, 2024.

**88.9(1) Written log.** The PACE organization must maintain a written log of all grievances and appeals, including all informal or verbal complaints. The log must include progress notes and method of resolution.

**88.9(2) Submission to the department.** Upon request by the department, the PACE organization must provide documentation related to service determination requests, grievances, and appeals, including the log described in subrule 88.9(1), to the department at its mailing address or via email at [pace@hhs.iowa.gov](mailto:pace@hhs.iowa.gov).  
[ARC 9280C, IAB 5/14/25, effective 7/1/25]

**441—88.10(249A) Participant enrollment and disenrollment.** The PACE organization must comply with the federal enrollment requirements stated in 42 CFR 460.152 through 460.156 as amended to August 1, 2024.

**88.10(1) Eligibility for Medicaid members.** To enroll in a PACE program as an Iowa Medicaid member, a person must meet the eligibility requirements specified in this subrule.

- a. *Basic eligibility requirements.*
  - (1) The person must be 55 years of age or older.
  - (2) The person must reside in the service area of the PACE center.
  - (3) The person must be aged, blind, or disabled pursuant to rule 441—75.25(249A).
  - (4) The person must meet income and resources requirements described in rule 441—75.5(249A) for persons in a medical institution.
  - (5) The department must determine that the person meets a nursing facility level of care.

(6) The person must meet any additional program-specific eligibility conditions imposed under the PACE program agreement. These additional conditions shall not modify the requirements stated in this subrule.

*b. Other eligibility requirements.*

(1) At the time of enrollment, the person must be able to live in a community setting without jeopardizing the person's health or safety pursuant to the criteria specified in the PACE program agreement.

(2) To continue to be eligible for PACE as an Iowa Medicaid member, a person must meet the annual recertification requirements specified in subrule 88.10(6).

**88.10(2) *Effective date of enrollment.*** A person's enrollment in the program is effective on the first day of the calendar month following the date PACE receives the signed enrollment agreement pursuant to 42 CFR 460.158 as amended to August 1, 2024.

**88.10(3) *Duration of enrollment.*** Enrollment continues until the participant's death unless either of the following occurs:

*a.* The participant voluntarily disenrolls. A PACE participant may voluntarily disenroll from the program without cause at any time. A participant's voluntary disenrollment is effective on the first day of the month following the date PACE receives the participant's notice of voluntary disenrollment.

*b.* The participant is involuntarily disenrolled. An involuntary disenrollment shall not become effective until the department has determined that PACE has adequately documented acceptable grounds for disenrollment. If a participant is approved by the department for involuntary disenrollment, the effective date of disenrollment is the first day of the next month that begins 30 days after the day PACE sends the notice of disenrollment. For example, notification on June 5 would be effective August 1. Acceptable grounds for an involuntary disenrollment are outlined in 42 CFR 460.164 as amended to August 1, 2024.

**88.10(4) *Disenrollment.***

*a.* When disenrolling a participant, the PACE organization must:

- (1) Use the most expedient process allowed under the PACE program agreement;
- (2) Coordinate the PACE disenrollment date to seamlessly reenroll the person in Medicare Part A, B, and D and Medicaid for a participant who is dually eligible for both Medicare and Medicaid; and
- (3) Give reasonable advance notice to the participant.

*b.* Until the date when enrollment is terminated, the following requirements must be met:

- (1) The PACE organization must continue to furnish all needed services.
- (2) The participant must continue to use PACE services.

**88.10(5) *Documentation of disenrollment.*** The PACE organization must:

*a.* Have a procedure in place to document the reasons for all voluntary and involuntary disenrollments.

*b.* Make documentation available for review by CMS and the department.

*c.* Use the information on voluntary disenrollments in PACE's internal quality improvement program.

*d.* Provide the department with information regarding all participant disenrollments, including voluntary, involuntary, and deaths. PACE must complete a form prescribed by the department and submit it to the department in the manner directed by the department within ten days of the date of disenrollment or death.

**88.10(6) *Medicaid eligibility review.***

*a.* When requested by the department, the participant shall complete a form prescribed by the department in accordance with rule 441—76.14(249A).

*b.* At least annually, the department will:

- (1) Evaluate whether each participant continues to meet the nursing facility level of care; and
- (2) Review of all financial and nonfinancial eligibility pursuant to 441—Chapter 76.

*c.* Deemed continued eligibility. If the department determines that a participant no longer meets the nursing facility level of care, the department, in consultation with the PACE organization, will determine whether, in the absence of continued PACE coverage, the participant reasonably would be expected to meet the nursing facility level-of-care requirement within the next six months. This determination will be based on a review of the participant's medical record and plan of care, applying criteria specified in the PACE

program agreement. If the participant reasonably would be expected to meet the level-of-care requirement within six months, the participant's eligibility for the PACE program may continue until the next annual reevaluation.

**88.10(7)** *Reinstatement in other Medicare and Medicaid programs.* After a disenrollment, the PACE organization shall work with CMS and the department to facilitate the former participant's reinstatement in other Medicare and Medicaid programs by:

*a.* Assisting in transitions to other Medicare plans and Medicaid programs for which the participant may be eligible; and

*b.* Making appropriate referrals and ensuring that medical records are made available to new providers within 30 days from the participant's last day of enrollment with PACE.

**88.10(8)** *Reinstatement in PACE.* A previously disenrolled participant may be reinstated in a PACE program. If the reason for disenrollment is failure to pay the premium and the participant pays the premium before the effective date of disenrollment, the participant is reinstated in the PACE program with no break in coverage pursuant to 42 CFR 460.170 as amended to August 1, 2024.

[ARC 9280C, IAB 5/14/25, effective 7/1/25]

#### **441—88.11(249A) Records and reports.**

**88.11(1)** *Records.* A PACE organization shall maintain clinical and fiscal records in accordance with federal and state requirements, including but not limited to rule 441—79.3(249A) and 42 CFR 460.200 as amended to August 1, 2024.

**88.11(2)** *Content of individual treatment record.* A PACE organization shall ensure that participating providers and subcontractors maintain adequate records and documentation that include a complete medical or service record for each enrolled participant pursuant to rule 441—79.3(249A).

**88.11(3)** *Confidentiality of health care, mental health care, and substance abuse information.* The PACE organization shall protect and maintain the confidentiality of health care, mental health care, and substance abuse information by implementing policies for staff and through contract terms with participating providers. The policies must comply with applicable state and federal laws.

[ARC 9280C, IAB 5/14/25, effective 7/1/25]

**441—88.12(249A) Health Insurance Portability and Accountability Act of 1996 (HIPAA).** The PACE organization and its subcontractor shall protect each participant's privacy in accordance with the confidentiality requirements stated in 45 CFR Parts 160 and 164 as amended to August 1, 2024. The PACE organization must report any HIPAA breach by the organization or its subcontractors to the department, using a form prescribed by the department.

[ARC 9280C, IAB 5/14/25, effective 7/1/25]

#### **441—88.13(249A) Funding.**

**88.13(1)** *Medicaid capitation payments to the PACE organization.* Under a three-way agreement, the department will make a prospective capitation payment to the PACE organization.

*a.* The amount of the capitation payment:

(1) Will be an actuarially sound rate determined in accordance with federal funding requirements that is less than the amount that would otherwise have been paid (AWOP) under the Medicaid program if the participant had not been enrolled in the PACE program.

(2) Will be a fixed amount regardless of changes in the enrollee's health status.

(3) May be renegotiated on an annual basis.

*b.* The PACE organization must accept the capitation payment amount as payment in full for Medicaid members. The PACE organization shall not collect or receive any other form of payment from the department or from, or on behalf of, the Medicaid member except for any amounts due from the participant pursuant to subrule 88.13(2).

*c.* To facilitate rate development, the PACE organization must supply financial information to the department in the format requested by the due date.

**88.13(2)** *Client participation for payment of medical institution care.* A PACE participant shall contribute toward the cost of the participant's care according to the amount determined by Medicaid eligibility pursuant to rule 441—75.16(249A).

[ARC 9280C, IAB 5/14/25, effective 7/1/25]

**441—88.14(249A) Federal and state monitoring; sanctions.**

**88.14(1)** The PACE program shall comply with federal and state monitoring requirements described in 42 CFR Part 460, Subpart K, as amended to August 1, 2024.

**88.14(2)** Within 30 days of issuance of review results, the PACE organization shall develop and implement a corrective action plan to address any deficiencies identified through the review.

**88.14(3)** The department will monitor the effectiveness of the corrective actions implemented by the PACE organization.

**88.14(4)** The PACE program is subject to sanctions or termination pursuant to 42 CFR Part 460, Subpart D, as amended to August 1, 2024.

[ARC 9280C, IAB 5/14/25, effective 7/1/25]

These rules are intended to implement Iowa Code chapter 249A.

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◇ Two or more ARCs

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