



Eligibility Operations Memo 21-13
July 14, 2021

TO: MassHealth Eligibility Operations Staff

FROM: Heather Rossi, Deputy Policy Director for Eligibility 

RE: **Implementation of Post-Eligibility Treatment of Income (PETI) for members enrolled in the Program of All-Inclusive Care for the Elderly (PACE)**

Introduction

This memo outlines the post-eligibility treatment of income (PETI) process for MassHealth members who are enrolled in the Program of All-Inclusive Care for the Elderly (PACE) and who had income at or below 300% of the Federal Benefit Rate (FBR) at the point of their initial MassHealth eligibility. Effective immediately, for purposes of PETI, such members will be treated as part of the special income eligibility group under 42 CFR 435.217.

Post-Eligibility Treatment of Income

Post-eligibility treatment of income rules are used to calculate a member's contribution to the cost of care.

Federal Regulations 42 CFR 460.184 and 42 CFR 435.217

Pursuant to federal PACE regulations at 42 CFR 460.184, a state may elect to provide for post-eligibility treatment of income in PACE in the same manner as provided for the special income eligibility group for home and community-based waivers under 42 CFR 435.217. As noted above, MassHealth will implement this change effective immediately.

This means that individuals who had initially established MassHealth eligibility with income at or below 300% of the FBR and are enrolled in PACE, but who later experienced an increase in countable income, causing their income to exceed 300% of the FBR, may remain in their MassHealth Standard benefit and remain enrolled in PACE by spending down their income to 300% of the FBR. These members will remain financially eligible for continued MassHealth enrollment in PACE, subject to a monthly patient paid amount that is equal to their excess income over 300% of the FBR, less any allowable deductions.

Note: Individuals enrolled in PACE who had income over 300% of the FBR at the time of their initial MassHealth eligibility determination are not in the special income eligibility group and therefore PETI rules cannot be applied. However, such PACE enrollees may continue to establish eligibility for MassHealth Standard by spending down their income according to the rules at 130 CMR 520.028 through 520.035.

PETI Patient Paid Amount for PACE Enrollees in the Special Income Group

The PETI patient paid amount for a MassHealth member enrolled in PACE and in the special income eligibility group is calculated by taking the member's countable monthly income and subtracting the monthly equivalent of 300% of the FBR and any allowable deductions in accordance with 42 CFR 435.726(c).

When a MassHealth member has the special income eligibility group PETI rules applied, the member will receive a notice containing the patient paid amount calculation, amount, and further instructions.

Continued Participation

When PETI is applied to a MassHealth member enrolled in PACE and in the special income eligibility group, it remains in effect if the member is otherwise eligible for MassHealth and participation in PACE.

The special income eligibility group PETI rules do not apply to members enrolled in PACE who had income over 300% of the FBR at the point of initial MassHealth eligibility and enrollment in PACE and who are eligible for a patient paid amount based on the MassHealth Income Standard, as defined in 130 CMR 520.028 through 520.035, in order to establish MassHealth eligibility.

Questions

If you have any questions about this memo, please have your MEC designee contact the Policy Hotline.