



Commonwealth of Massachusetts
Executive Office of Health and Human Services
Office of Medicaid
www.mass.gov/masshealth

Eligibility Operations Memo 26-04

DATE: March 2026

TO: MassHealth Eligibility Operations Staff

FROM: Heather Rossi, Deputy Chief Operating Officer, Eligibility Policy and Implementation

RE: **Program of All-inclusive Care for the Elderly**

This EOM replaces all previous versions and sets the eligibility rules and processes as of the date of this EOM, unless otherwise specified below.

Summary of Eligibility Changes

Effective April 6, 2026, MassHealth will evaluate new PACE applications to determine whether any resource transfers and gifts that an applicant completed within five years (60 months) before applying for PACE were transferred for less than fair market value (FMV) or otherwise permitted under MassHealth regulations [130 CMR 520.019](#): *Transfer of Resources*.

MassHealth is not making any changes to how it reviews income, except when an income stream is transferred, and all current allowances and deductions still apply.

Program of All-inclusive Care for the Elderly Program Overview

The Program of All-inclusive Care for the Elderly (PACE) is administered by MassHealth and Medicare to provide a wide range of medical, social, recreational, and wellness services to eligible participants.

PACE can provide nursing-home-level care to people in the community if they

- are 55 or older (if they are age 55–64, they must have a disability determination);
- are certified by the state as eligible for nursing home care;
- meet citizenship and residency requirements for MassHealth Standard;
- live in the service area of a PACE organization;

- are able to live safely in the community; and
- agree to receive health services exclusively through the PACE organization.

Applicants do not need to be on MassHealth to enroll in PACE. However, if they meet the income and asset guidelines, they may be eligible for MassHealth, and MassHealth may pay their PACE premium.

Application Process

To apply for PACE benefits, a person must contact the PACE organization that serves the area where they live. If the person is not already enrolled in MassHealth, they must submit an [Application for Health Coverage for Seniors and People Needing Long-Term-Care Services \(SACA-2\)](#).

A person may apply for PACE at any time. If the PACE applicant has already completed a SACA-2 over the past 12 months, they may only need to complete a *Supplement A: Long-Term Care Services and Supports* and the PACE enrollment process (which will include a clinical assessment) and tell MassHealth that they are applying to a PACE organization.

MassHealth Financial Eligibility Criteria

Single applicants

- Monthly income at or below 300% of the federal benefit rate (FBR).
- Countable assets at or below \$2,000.

Married couples when only one spouse is applying for PACE (including cases where one spouse is newly applying for PACE and the other spouse is not applying or is already a participant)

- Applicant has monthly income at or below 300% of the FBR.
- Applicant has countable assets at or below \$2,000.
- Spouse has countable assets at or below \$162,660.

Married couples who are both PACE applicants or participants

- Each person's monthly income is at or below 300% of the FBR.
- Applicant has countable assets at or below \$2,000.
- Spouse has countable assets at or below \$2,000.

These amounts change annually and will not be updated in this EOM. You can find up-to-date figures on our website under "[Program financial guidelines for certain MassHealth applicants and members.](#)"

Asset Review and Disqualifying Transfers

As part of the Long-Term Care Application process, MassHealth must

- determine the total value of a couple’s combined countable assets in order to determine if their assets are below the MassHealth asset limit and to determine the amount the community spouse is allowed to keep; and
- review 60 months (five years) of an applicant’s and their spouse’s income and asset activity for potentially disqualifying resource transfers.

Disqualifying Transfers

Under Section 1917(c) of the Social Security Act, MassHealth must deny payment for nursing facility services and certain community long-term services and supports to an otherwise eligible individual who is found to have completed a disqualifying transfer during the look-back period. A disqualifying transfer occurs when an applicant or their spouse transferred a countable asset or income (or resource) for less than FMV during or after the look-back period.

Period of Ineligibility

Whenever MassHealth determines that a disqualifying transfer of resources has occurred, MassHealth must calculate a period of ineligibility (sometimes referred to as “penalty period”)—the period of time when MassHealth denies or withholds payment for long-term care services and supports.

Retroactive Eligibility

MassHealth may provide retroactive benefits for up to three calendar months before the application date, if the individual received Medicaid-covered services at any time during that period and would have been eligible for Medicaid when they received the services.

PACE benefits begin on the first day of the month after the month a person’s PACE enrollment agreement is signed and approved.

Post-Eligibility Asset Spend-Down for Married Couples

Once all household assets have been verified, if the applicant is over the individual asset limit but the total household assets are below the asset limit for married couples, then under [130 CMR 520.016\(B\)\(3\)](#), the couple will have 90 days (from the date of the approval notice) to transfer excess assets to, or for the sole benefit of, the spouse who does not receive or is not applying for PACE.

If the member does not complete and verify the transfer of assets to the spouse (the spousal asset shift) within 90 days, their eligibility may be terminated because of the excess assets.

PACE Post-Eligibility Treatment of Income for the Medically Needy Eligibility Group

This applies to members who are enrolled in PACE and who had income above 300% of the federal benefit rate (FBR) at the point of their initial MassHealth eligibility.

The post-eligibility treatment of income (PETI) amount for a MassHealth member who is enrolled in PACE and is in the medically needy eligibility group is calculated by taking the member's countable monthly income and subtracting the MassHealth income standard, as defined in [130 CMR 520.028 through 520.035](#).

Example (illustrative only; does not account for deductions that may be applied)

Applicant countable income	\$3,500
MassHealth income standard	\$522
Member's monthly share	\$2,978 (payable to the PACE organization)

PACE PETI for the Special Income Eligibility Group

This applies to members who are enrolled in PACE, had income at or below 300% of the FBR at the point of their initial MassHealth eligibility, and had their income increase to above 300% FBR after being approved for PACE.

The PETI 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\(c\)](#).

Example (illustrative only; does not account for deductions that may be applied)

Applicant countable income	\$3,500
300% FBR	\$2,982 (2026 amount)
Member's monthly share	\$518 (payable to the PACE organization)

When PETI is applied to a MassHealth member who is enrolled in PACE and is in the special income eligibility group, it remains in effect until the member is no longer eligible for MassHealth.

Disenrollment Process

If a person decides they no longer want to participate in PACE, or their qualifying demographics change, the PACE organization must promptly submit a disenrollment to both the Centers for Medicare & Medicaid Services and MassHealth.

Right to Appeal

If found to be over the asset limit, or unable to complete the spousal asset shift, new applicants will have the right to a fair hearing under [130 CMR 610.000](#): *Fair Hearing Rules*.

Resources

- [MassHealth regulations](#)
- [PACE federal regulations](#)
- [PACE information](#)
- [Program financial guidelines for certain MassHealth applicants and members](#)
- [Acceptable proofs](#)

Questions?

Have your MassHealth Enrollment Center designee contact the Policy Hotline.