



Good Life. Great Mission.

DEPT. OF HEALTH AND HUMAN SERVICES



Jim Pillen, Governor

December 29, 2025

James G. Scott, Director
Centers for Medicare & Medicaid Services
Kansas City Regional Operations Group
Division of Medicaid Field Operations-North
601 East 12th Street, Suite 355
Kansas City, Missouri 64106-2898

RE: Nebraska State Plan Amendment NE 25-0025

Dear Mr. Scott:

Enclosed please find the above referenced amendment to the Nebraska Medicaid State Plan regarding the Program of All-Inclusive Care for the Elderly (PACE).

The Division of Medicaid and Long-Term Care sent notice on November 24, 2025 (attached) to the federally recognized Native American Tribes and Indian Health Programs within the State of Nebraska to discuss the impact the proposed state plan amendment might have, if any, on the Tribes. No comments were received.

If you have content questions, please feel free to contact Jeremy Brunssen at Jeremy.Brunssen@nebraska.gov or 402-540-0380. For submittal questions, please contact Dawn Kastens at Dawn.Kastens@nebraska.gov or 531-893-3379.

Sincerely,

Drew Gonshorowski, Director
Division of Medicaid and Long-Term Care
Department of Health and Human Services

cc: Tyson Christensen

Enclosures

**TRANSMITTAL AND NOTICE OF
APPROVAL OF STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID
SERVICES**

| | |
|--|--|
| <p>1. TRANSMITTAL NUMBER <input type="text" value="2"/> <input type="text" value="5"/> — <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="2"/> <input type="text" value="5"/></p> <p>2. STATE <input type="text" value="N"/> <input type="text" value="E"/></p> | |
| <p>3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT <input checked="" type="checkbox"/> XIX <input type="checkbox"/> XXI</p> | |
| <p>TO: CENTER DIRECTOR CENTERS FOR MEDICAID & CHIP SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES</p> | <p>4. PROPOSED EFFECTIVE DATE July 1, 2026</p> |
| <p>5. FEDERAL STATUTE/REGULATION CITATION Section 1934 of the Social Security Act; 42 CFR Part 460</p> | <p>6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)</p> <p>a. FFY <u>2026</u> \$ <u>0</u> b. FFY <u>2027</u> \$ <u>0</u></p> |
| <p>7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Supplement 4 to Att. 3.1-A, Pgs 1-3; Supplement 1 to Att. 3.1-B, Pgs 1-7 (New)</p> | <p>8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>) Supplement 4 to Att. 3.1-A, Pgs 1-3; Supplement 4 to Att. 3.1-A, Pgs 4-6 (Delete)</p> |

9. SUBJECT OF AMENDMENT
Program of All-Inclusive Care for the Elderly (PACE)

10. GOVERNOR'S REVIEW (Check One)

GOVERNOR'S OFFICE REPORTED NO COMMENT
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED:
Governor has waived review

11. SIGNATURE OF STATE AGENCY OFFICIAL

12. TYPED NAME
Drew Gonshorowski

13. TITLE
Director, Division of Medicaid & Long-Term Care

14. DATE SUBMITTED
December 29, 2025

15. RETURN TO

Dawn Kastens
Division of Medicaid & Long-Term Care
Nebraska Department of Health and Human Services
301 Centennial Mall South
Lincoln, NE 68509

FOR CMS USE ONLY

16. DATE RECEIVED

17. DATE APPROVED

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL

21. TITLE OF APPROVING OFFICIAL

22. REMARKS

PRA Disclosure Statement The purpose of the PRA package is to provide a mechanism for states who voluntarily elect to provide medical assistance under Section 1934(a)(1) with respect to PACE program services to PACE program eligible individuals who are eligible for medical assistance under the State plan and who are enrolled in a PACE program under a PACE program agreement. 42 CFR 460.2 implements sections 1895, 1905(a), and 1934 of the Act, which authorizes the establishment of PACE as a State option under Medicaid to provide for Medicaid payment to, and coverage of benefits under, PACE. Under the Privacy Act of 1974 any personally identifying information obtained will be kept private to the extent of the law. According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-1148 (CMS-10398 #83). The time required to complete this information collection is estimated to average 20 hours per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.

State of Nebraska PACE State Plan Amendment Pre-Print

Citation 3.1(a)(1) Amount, Duration, and Scope of Services: Categorically Needy
(Continued)

1905(a)(26) and 1934

X Program of All-Inclusive Care for the Elderly (PACE) services, as described and limited in Supplement 4 to Attachment 3.1-A.

ATTACHMENT 3.1-A identifies the medical and remedial services provided to the categorically needy. (Note: Other programs to be offered to Categorically Needy beneficiaries would specify all limitations on the amount, duration and scope of those services. As PACE provides services to the frail elderly population without such limitation, this is not applicable for this program. In addition, other programs to be offered to Categorically Needy beneficiaries would also list the additional coverage -that is in excess of established service limits- for pregnancy-related services for conditions that may complicate the pregnancy. As PACE is for the frail elderly population, this also is not applicable for this program.)

TN: NE 25-0025
Supersedes
TN: NE 12-04

Approval Date _____
Effective Date _____

State of Nebraska
PACE State Plan Amendment Pre-Print

Citation 3.1(a)(2) Amount, Duration, and Scope of Services: Medically Needy (Continued)
1905(a)(26) and 1934

X Program of All-Inclusive Care for the Elderly (PACE) services, as described and limited in Supplement 4 to Attachment 3.1-A.

ATTACHMENT 3.1-B identifies services provided to each covered group of the medically needy. (Note: Other programs to be offered to Medically Needy beneficiaries would specify all limitations on the amount, duration and scope of those services. As PACE provides services to the frail elderly population without such limitation, this is not applicable for this program. In addition, other programs to be offered to Medically Needy beneficiaries would also list the additional coverage -that is in excess of established service limits- for pregnancy-related services for conditions that may complicate the pregnancy. As PACE is for the frail elderly population, this also is not applicable for this program.)

TN: NE 25-0025

Supersedes

TN: NE 12-04

Approval Date _____

Effective Date _____

State of Nebraska
PACE State Plan Amendment Pre-Print

Amount, Duration and Scope of Medical and Remedial Care Services Provided To the Categorically Needy

27. Program of All-Inclusive Care for the Elderly (PACE) services, as described in Supplement 4 to Attachment 3.1-A.

X Election of PACE: By virtue of this submittal, the State elects PACE as an optional State Plan service.

 No election of PACE: By virtue of this submittal, the State elects to not add PACE as an optional State Plan service.

State of Nebraska PACE State Plan Amendment Pre-Print

Amount, Duration and Scope of Medical and Remedial Care Services Provided To the Medically Needy

27. Program of All-Inclusive Care for the Elderly (PACE) services, as described in Supplement 4 to Attachment 3.1-A.

X Election of PACE: By virtue of this submittal, the State elects PACE as an optional State Plan service.

— No election of PACE: By virtue of this submittal, the State elects to not add PACE as an optional State Plan service.

Supplement 4 to Attachment 3.1-A

State of Nebraska PACE State Plan Amendment Pre-Print

Name and address of State Administering Agency, if different from the State Medicaid Agency.
Not applicable

I. Post Eligibility

A. Regular Post Eligibility

The state applies post-eligibility treatment of income rules to PACE participants who are eligible under section 1902(a)(10)(A)(ii)(VI) of the Act (42 C.F.R. §435.217 of the regulations). Yes X No _____

Post-eligibility for states that have elected to apply the rules to PACE participants

Note: Section 2404 of the Affordable Care Act mandated that, for the five-year period beginning January 1, 2014, the definition of an “institutionalized spouse” in section 1924(h)(1) of the Social Security Act include all married individuals eligible for certain home and community-based services (HCBS), including HCBS delivered through 1915(c) waivers. As of this writing, the ACA provision has been extended through September 30, 2027. This means that married individuals eligible in the eligibility group described at 42 C.F.R. §435.217 must have their post-eligibility treatment-of-income rules determined under the rules described in section 1924(d). Because states that elect to apply post-eligibility treatment-of-income rules to PACE participants may only do so to the same extent the rules are applied to individuals eligible under 42 C.F.R. §435.217, application of the post-eligibility treatment-of-income rules must be applied to married individuals receiving PACE services consistent with the provisions described herein under “Spousal post-eligibility” so long as the amendment to section 1924 of the Act made by the ACA remains in effect.

1. 1634 and SSI States

The State applies the post-eligibility rules to individuals who are receiving PACE services and are eligible under 42 C.F.R. §435.217 consistent with the rules of 42 C.F.R. §435.726, and, where applicable, section 1924 of the Act. Payment for PACE services is reduced by the amount remaining after deducting the following amounts from the PACE enrollee’s income.

1. Allowances for the maintenance needs of the individual (check one):

1. The amount deducted is equal to:

- (a) The SSI federal benefit rate
- (b) Medically Needy Income Level (MNIL)
- (c) The special income level standard for the institutionalized individuals eligible under section 1902(a)(10)(A)(ii)(V) of the Act
- (d) Percentage of the Federal Poverty Level:
_____ %
- (e) Other (specify): _____

2. The following dollar amount: \$ _____

Note: If this amount changes, this item will be revised.

3. The following formula is used to determine the needs allowance:

- (a) For waiver beneficiaries receiving assisted living services, the state protects the SSI federal benefit rate.
- (b) For beneficiaries receiving waiver services in other eligible living arrangements, the state protects the medically needy income standard.

Note: If the amount protected for a PACE enrollee in item 1 is equal to, or greater than, the PACE enrollee's income, enter N/A in items 2 and 3.

2. Allowance for the maintenance needs of the spouse:

The amount deducted for the PACE enrollee's spouse is equal to:

1. The SSI federal benefit rate
2. Optional State Supplement Standard
3. Medically Needy Income Level Standard
4. The following dollar amount (provided it does not exceed the amount(s) described in 1-3): \$ _____
5. The following percentage of the following standard that is not greater than the standards above: _____ % of _____ standard.
6. Not applicable (N/A)

3. Allowance of the maintenance needs of the family (check one):

1. AFDC need standard
2. Medically needy income standard

The amount specified below cannot exceed the higher of the need standard for a family of the same size used to determine eligibility under the State's approved AFDC plan or the medically needy income standard established under 435.811 for a family of the same size.

3. The following dollar amount: \$ _____
Note: If this amount changes, this item will be revised.
4. The following percentage of the following standard that is not greater than the standards above: _____ % of _____ standard.
5. The amount is determined using the following formula:

6. Other
7. Not applicable (N/A)

4. Allowance for medical and remedial care expenses, as described in 42 CFR 435.726(c)(4).

2. 209(b) States

The State applies the post-eligibility rules to individuals who are receiving PACE services and are eligible under 42 C.F.R. §435.217 consistent with the rules of 42 C.F.R. §435.735, and, where applicable, section 1924 of the Act. Payment for PACE services is reduced by the amount remaining after deducting the following amounts from the PACE enrollee's income.

1. Allowances for the maintenance needs of the individual (check one):

1. The amount deducted is equal to:

- (a) The SSI federal benefit rate
- (b) Medically Needy Income Level (MNIL)
- (c) The special income level standard for the institutionalized individuals eligible under section 1902(a)(10)(A)(ii)(V) of the Act
- (d) Percentage of the Federal Poverty Level:
_____ %
- (e) Other (specify): _____

2. The following dollar amount: \$ _____

Note: If this amount changes, this item will be revised.

3. The following formula is used to determine the needs allowance:

Note: If the amount protected for a PACE enrollee in item 1 is equal to, or greater than, the PACE enrollee's income, enter N/A in items 2 and 3.

2. Allowance for the maintenance needs of the spouse:

The amount deducted for the PACE enrollee's spouse is equal to:

- 1. The more restrictive income standard established under 42 C.F.R. §435.121
- 2. Optional State Supplement Standard
- 3. Medically Needy Income Level Standard
- 4. The following dollar amount (provided it does not exceed the amount(s) described in 1-3): \$ _____
- 5. The following percentage of the following standard that is not greater than the standards above: _____ % of _____ standard.
- 6. Not applicable (N/A)

3. Allowance of the maintenance needs of the family (check one):

1. AFDC need standard
2. Medically needy income standard

The amount specified below cannot exceed the higher of the need standard for a family of the same size used to determine eligibility under the State's approved AFDC plan or the medically needy income standard established under 435.811 for a family of the same size.

3. The following dollar amount: \$ _____
Note: If this amount changes, this item will be revised.

4. The following percentage of the following standard
that is not greater than the standards above: _____%
of _____ standard.

5. The amount is determined using the following formula:

6. Other
7. Not applicable (N/A)

4. Allowance for medical and remedial care expenses, as described in 42 CFR 435.735 (c)(4).

B. Spousal Post Eligibility

State uses the post-eligibility rules of Section 1924 of the Act (spousal impoverishment protection) to determine the individual's contribution toward the cost of PACE services if it determines the individual's eligibility under section 1924 of the Act. There shall be deducted from the individual's monthly income a personal needs allowance (as specified below), and a community spouse's allowance consistent with the minimum monthly maintenance needs allowance described in section 1924(d), a family allowance, for each family member, calculated as directed by section 1924(d)(1)(C), and an amount for incurred expenses for medical or remedial care, as specified in the State Medicaid plan.

Yes No

Note: states must elect the use the post-eligibility treatment-of-income rules in section 1924 of the Act in the circumstances described in the preface to this section.

(a.) Allowances for the needs of the:

1. Individual (check one)

(A). The following standard included under the State plan (check one):

1. SSI
2. Medically Needy
3. The special income level for the institutionalized
4. Percent of the Federal Poverty Level: _____ %
5. Other (specify): _____

(B). The following dollar amount: \$ _____
Note: If this amount changes, this item will be revised.

(C) The following formula is used to determine the needs allowance:

(a) For beneficiaries receiving assisted living services, the state protects the SSI federal benefit rate.

(b) For beneficiaries receiving waiver services in other eligible settings, the state protects the medically needy income standard.

If this amount is different than the amount used for the individual's maintenance allowance under 42 CFR 435.726 or 42 CFR 435.735, explain why you believe that this amount is reasonable to meet the individual's maintenance needs in the community:

II. Rates and Payments

A. The State assures CMS that the capitated rates will be less than the cost to the agency of providing State plan approved services to an equivalent non-enrolled population group based upon the following methodology. Please attach a description of the negotiated rate setting methodology and how the State will ensure that rates are less than the amount the state would have otherwise paid for a comparable population.

TN: NE 25-0025

Supersedes

TN: New

Approval Date _____

Effective Date _____

1. Rates are set at a percent of the amount that would otherwise been paid for a comparable population.
2. Experience-based (contractors/State's cost experience or encounter data) (please describe)
3. Adjusted Community Rate (please describe)
4. Other (please describe)

The state's contracted actuary will calculate the amount that would have otherwise been paid (AWOP) for each category of aid, based on experience for PACE-comparable populations. The State then sets the PACE rate for each category of aid as a percentage of the AWOP, which ensures that the payment rates selected will not exceed what the state would have otherwise paid for a comparable population. The State considers several factors when establishing the percentage of the AWOP for each category of aid. The State takes into consideration state appropriation changes, PACE provider's cost experience and changes, and other factors such as utilization and market driven factors. Additionally, in selecting the payment rate, the State may select a different percentage of the AWOP for different categories of aid.

- B. The State Medicaid Agency assures that the rates were set in a reasonable and predictable manner.
- C. The State will submit all capitated rates to CMS for prior approval, and will include the name, organizational affiliate of any actuary used, and attestation/description of the capitation rates.

III. Enrollment and Disenrollment

The State assures that there is a process in place to provide for dissemination of enrollment and disenrollment data between the State and the State Administering Agency. The State assures that it has developed and will implement procedures for the enrollment and disenrollment of participants in the State's management information system, including procedures for any adjustment to account for the difference between the estimated number of participants on which the prospective monthly payment was based and the actual number of participants in that month.

TN: NE 25-0025

Supersedes

TN: New

Approval Date _____
Effective Date _____