Section by Section of The PACE Access Improvement Act of 2026

Section 1. Short Title
The short title of the bill is the "PACE Access Improvement Act."

Section 2. Anytime Enrollment in PACE
This section amends the Social Security Act (§§1894(c)(5) and 1934(c)(5)) to establish a statutory right to anytime enrollment in PACE under both Medicare and Medicaid, replacing the current regulatory practice limiting enrollment to the first of the month.

- Effective for enrollments made on or after January 1, 2027, an eligible individual may enroll in a PACE program at any time during a month, with enrollment effective on the date the PACE provider receives a signed enrollment agreement.
- Capitation payments under both Medicare (§1894(d)) and Medicaid (§1934(d)) are prorated for the first month of enrollment when the effective date is not the first day of the month.
- Effective date: January 1, 2027.

Section 3. PACE Site Approval and Expansion
This section replaces the current numerical and timing restrictions on PACE program applications (§§1894(e)(8) and 1934(e)(8)) with a more flexible, deadline-driven process, effective January 1, 2027.

- *Unlimited, anytime applications*: An entity may apply for new PACE provider status at any time and may submit multiple such applications in the same calendar quarter. Existing PACE organizations may likewise apply at any time and file multiple applications to expand a service area, add a PACE center site, or do both, subject to first trial-period-audit requirements for expansions and additions.
- *45-day deemed approval clock:* An application for new provider status, service area expansion, or a combined expansion/addition is deemed approved unless CMS either denies it in writing or requests additional information within 45 days of submission. If CMS requests more information, a new 45-day clock begins on receipt of that information, after which the application is again deemed approved absent a written denial.
- *Notice-only pathway for center additions:* A "qualified PACE provider" in good standing (i.e., one that has completed its first trial period audit and is not subject to a sanction, enforcement action, or termination proceeding) is not required to file an application at all to add a new PACE center site within its existing service area. Instead, it may submit a qualifying notice to CMS containing three assurances: (i) the new center will be within the existing service area; (ii) the state administering agency is willing to amend the PACE program agreement to include the site; and (iii) required interdisciplinary team members and contracted providers will be in place, or under contract, by the time the site becomes operational.
- *Assurances may substitute for pre-operational staffing and contracting deadlines more broadly*: Beyond the notice-only pathway, this substitution option is available to any application for new provider status, service area expansion, or a combined expansion/addition. Where such an application includes assurances that (i) required interdisciplinary team members are, or will be, employees or contractors of the proposed site by the time it becomes operational, and (ii) all contractor and contracted-personnel agreements will be executed by that same point, those assurances satisfy any deadline that would otherwise require IDT staffing or executed contracts to be in place before approval.
- Staffing flexibility**:** In contracts executed for any of the above purposes, a PACE provider may include terms allowing staffing levels to ramp up commensurate with enrollment toward full projected census, rather than being staffed to full capacity from day one.

Section 4. Requiring States to Offer PACE Program Services to Eligible Individuals
This section makes PACE a mandatory Medicaid benefit and eliminates state enrollment caps, phased in on a state-by-state compliance timeline.

- *Mandatory service:* Amends §1934(a) so that, as of each state's compliance date, the state must offer PACE program services rather than electing to do so; the existing authority for states to cap PACE enrollment is struck.
- *Compliance dates*: For a state that already has a PACE program agreement in effect with at least one PACE provider as of enactment, the compliance date is 180 days after enactment. For a state with no PACE program agreement in effect as of enactment, the compliance date is 3 years after enactment.
- *New state plan requirement*: Amends §1902(a) to add a new paragraph (91), requiring state Medicaid plans to provide PACE program services to eligible individuals who are enrolled in a PACE program, beginning on the state's compliance date.
- *Effective date and state-legislation delay:* The amendments generally take effect on enactment and apply to medical assistance provided 180 days after enactment. If HHS determines a state needs state legislation (beyond appropriations) to comply, the state will not be found out of compliance until the start of the first calendar quarter following the close of the state legislature's first regular session ending after enactment; for states with 2-year legislative sessions, each year counts as a separate regular session.

Section 5. Repeal of Overly Burdensome Regulations on Outreach
This section allows PACE organizations to begin outreach and marketing earlier in the application process, rather than waiting for full application approval.

- *Earlier marketing permitted:* A "specified PACE program" an existing PACE program or an entity applying for PACE program approval – that submits a complete application to CMS for any of the following purposes may begin marketing to prospective enrollees once that complete application is submitted: (a) approval as a new PACE program; (b) service area expansion; (c) adding a new PACE center; or (d) both expanding the service area and adding a new center.
- *Permitted materials:* Marketing materials conditionally approved by CMS may be used, and permissible marketing practices are those described in 42 C.F.R. §460.82(e)(5) as in effect on June 1, 2025; that regulatory provision is otherwise repealed.
- *Effective date:* Applies to marketing activities conducted on or after the date that is 180 days after enactment.

Section 6. Repeal of Outdated and Burdensome Numerical Limitation
This section removes an outdated statutory constraint tied to PACE's original establishment as a Medicare and Medicaid provider type, replacing it with an open-ended requirement that CMS establish standard procedures for entering into, extending, and terminating PACE program agreements. It amends both §1894(e)/(h) (Medicare) and §1934(e)/(h) (Medicaid) to remove distinctions between PACE providers based on organization type (e.g., for-profit vs. nonprofit) and to apply the same terms and conditions across provider types. Effective date: date of enactment.