

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, Maryland



CENTER FOR MEDICARE

CORRECTIVE ACTION PLAN REQUEST

January 23, 2026

Contract ID: H2882

Parent Organization Name: PACE Central Michigan, Inc.

Legal Entity Name: PACE CENTRAL MICHIGAN, INC.

Brenda Reeves
Medicare Compliance Officer
1750 East Bellows Street
Mt Pleasant, MI 48858

VIA EMAIL: bkreeves@pacecmi.org

Subject: Failure to Meet Participant Needs Through Interdisciplinary Team Assessments and Provision of Specialty Services

Dear Brenda Reeves:

The Centers for Medicare & Medicaid Services (CMS) is issuing this determination for a Corrective Action Plan (CAP) to PACE Central Michigan, which operates the Program of All-Inclusive Care for the Elderly (PACE) Contract ID H2882, regarding your organization's failure to provide medically necessary covered services to and adequately document medical records of your participants.

As a result of your organization's pervasive failure to adhere to CMS regulations, CMS directs your organization to take corrective action to address the identified areas of non-compliance.

Your organization is non-compliant with the following:

- 42 C.F.R. § 460.70(a)(3), which states that PACE organizations are responsible for making all reasonable and timely attempts to contract with medical specialists. If a PACE organization is unable to directly contract or maintain a contract with a specific specialty, the PACE organization must ensure care and services that would otherwise be provided to participants by a contracted specialist are provided and that the participant's needs are met through a different mechanism to include hospitalization.

- 42 C.F.R. § 460.98(b)(4), clarifies that PACE organizations must provide services as expeditiously as the participant's health condition requires, taking into account the participant's medical, physical,

emotional, and social needs.[1]

- 42 C.F.R. § 460.98(b)(5), which requires PACE organizations to document, track and monitor the provision of services across all care settings in order to ensure the interdisciplinary team (IDT) remains alert to the participant's medical, physical, emotional, and social needs regardless of whether services are formally incorporated into the participant's plan of care. CMS notes that this provision is now located at § 460.98(b)(4) per [CMS-4205-F](#) (published in April 2024).

- 42 C.F.R. § 460.100(b), which states that emergency care is appropriate when services are needed immediately because of an injury or sudden illness and the time required to reach the PACE organization or one of its contract providers, would cause risk of permanent damage to the participant's health.

- 42 C.F.R. § 460.100(c), which clarifies that an emergency medical condition means a condition manifesting itself by acute symptoms of sufficient severity (including severe pain) such that a prudent layperson, with an average knowledge of health and medicine, could reasonably expect the absence of immediate medical attention to result serious jeopardy to the health of the participant, serious impairment to bodily functions, and/or serious dysfunction of any bodily organ or part.

- 42 C.F.R. § 460.102(d)(2)(i), which states that each team member is responsible for regularly informing the interdisciplinary team of the medical, functional, and psychosocial condition of each participant.

- 42 C.F.R. § 460.104(d)(1), which explains that if the health or psychosocial status of a participant changes, the members of the IDT must conduct an in-person reassessment.

- 42 C.F.R. § 460.106(b)(2) and (5), which explain that the plan of care must identify measurable outcomes to be achieved and identify how each intervention will be evaluated to determine progress in reaching specified goals and desired outcomes.[2]

- 42 C.F.R. § 460.106(e), which requires the IDT to develop, review, and reevaluate each plan of care in collaboration with the participant, the participant's caregiver, or both to ensure that there is agreement with the plan of care and that the participant's concerns are addressed.[3]

- 42 C.F.R. § 460.112(c)(3), which states that each participant has the right to reasonable and timely access to specialists. CMS notes that this provision is now located at § 460.112(d)(3) per [CMS-4205-F](#).

- 42 C.F.R. § 460.112(e), which describes each participant's right to participate fully in all decisions related to their treatment, and their right to designate a representative.

Through a routine review of your quarterly Root Cause Analysis (RCA) submissions, CMS became aware of the death of one of your participants in May 2024. CMS subsequently requested supplementary information from your organization, including access to the participant's medical record. CMS and the State Administering Agency (SAA) for Michigan met with representatives of your organization to gather additional information regarding the deceased participant. As a result of that call and CMS's review of the participant's medical record, CMS determined that your organization was aware that the participant had a complex health history and that your organization ultimately failed to provide necessary services. CMS identified that your organization is out of compliance with the PACE regulations because your organization's IDT did not remain alert to or formally assess changes in the participant's condition. Your organization did not thoroughly respond to the participant's concerns that were reasonably indicative of an emergency. Your organization also failed to make timely attempts to arrange for the delivery of IDT approved services as expeditiously as the participant's health condition required.

CMS has determined that your organization is out of compliance with PACE requirements because of the

failure to provide the medically necessary covered services to the participant. An inadequate process of tracking and monitoring of behavioral health services, as well as an inadequate process for updating medical records, pose harm to the health and safety of participants and risk negative impacts to the participants' overall wellbeing, which, in this case, resulted in the death of a participant.

CMS requests that your organization develop and implement a detailed CAP. This CAP should address the corrective actions your organization will take to remediate your inadequate process of tracking and monitoring of participants with serious medical and behavioral health conditions, as well as your failure to ensure participant's timely access to behavioral health services to mitigate potential harm to health and safety of participants. This CAP should also include other actions your organization identifies as necessary to correct this problem and prevent it from reoccurring. Because of the complexity and sensitivity of this matter, CMS will review materials and intermediary implementation steps throughout the process.

CMS is issuing this compliance notice pursuant to 42 C.F.R. § 460.50(b)(2), which requires CMS to afford an organization at least 30 days to develop and implement a CAP to correct deficiencies. Therefore, by February 23, 2026, please send a timeline for implementing each element of the CAP to your CMS Account Manager. CMS expects that the correction timeline will be no longer than necessary and will reflect an appropriate level of urgency in resolving this matter.

Please be aware that this letter will be included in the record of your organization's past PACE performance, which CMS will consider as part of the review of any application for new or expanded PACE program agreements your organization may submit.

CMS has the authority to impose sanctions, penalties and other enforcement actions as described in 42 C.F.R. Part 460 Subpart D. Should your organization fail to develop, implement, or complete its CAP, CMS may consider the imposition of intermediate sanctions (e.g., suspension of enrollment activities), civil money penalties, or PACE program agreement termination.

If you have any questions about this notice, please contact your CMS Account Manager Kirby McGahagin at: (404) 562-7161, or Kirby.McGahagin1@cms.hhs.gov.

Sincerely,



Jeremy C. Willard, Director
Division of Surveillance, Compliance & Marketing
Medicare Drug & Health Plan Contract Administration Group
Centers for Medicare and Medicaid Services

CC via email:

Kirby McGahagin Jr, Dustin Rider, CMS

Christine Reinhard, Theresa Wachter, CMS Baltimore

[1] Applicable January 1, 2025, per [CMS-4205-F](#), this section of the regulation will be moved within § 460.98 and include new language as follows: § 460.98(c)(2) ***Timeframes for arranging and providing services – All other services.*** The PACE organization must arrange or schedule the delivery of

interdisciplinary team approved services, other than medications, as identified in [paragraph \(c\)\(2\)\(i\)](#) of this section, as expeditiously as the participant's health condition requires, but no later than 7 calendar days after the date the interdisciplinary team or member of the interdisciplinary team first approves the service, except as identified in [paragraph \(c\)\(3\)](#) of this section.

[2] Applicable January 1, 2025, per [CMS-4205-F](#), these sections of the regulation will be moved within § 460.106 and include new language as follows: § 460.106(c)(5) and (6) ***Content of plan of care***. Each plan of care must identify a measurable goal for each intervention and identify how the goal for each intervention will be evaluated to determine whether the intervention should be continued, discontinued, or modified.

[3] Applicable January 1, 2025, per [CMS-4205-F](#), this section of the regulation will be moved within § 460.106 and include new language as follows: § 460.106(e)(1) ***Participant and caregiver involvement in plan of care***. The interdisciplinary team must develop, evaluate, and revise each plan of care in collaboration with the participant, the participant's caregiver, or both.