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Sent: Tuesday, April 20, 2010 11:10 AM
To: FN-OMB-OIRA-Submission
Cc: chrisvr@npaonline.org; Shawn Bloom
Subject: National PACE Association comment on CMS-906 (OMB#: 0938-0469) -- The Fiscal Soundness Reporting Requirements

April 20, 2010

Office of Management and Budget
Office of Information and Regulatory Affairs
Attention: CMS Desk Officer
E-mail: OIRA_submission@omb.eop.gov
RE: CMS-906 (OMB#: 0938-0469) -- The Fiscal Soundness Reporting Requirements

Dear Sir/Madam,

I am submitting this comment on behalf of the National PACE Association (NPA). NPA represents all 73 operating PACE (Program of All-inclusive Care for the Elderly) organizations across the country as well as additional members supportive of the PACE model of care. This comment is in regard to proposed revisions to fiscal soundness reporting requirements for PACE organizations as published in the Federal Register on March 22, 2010.

Referring to the fiscal soundness reporting requirement specified for PACE in Section IV.A. of the supporting document titled, Fiscal Soundness Reporting Requirements, it states that, "All PACE Organizations will submit a copy of their independently audited financial statements (which are statutory based or GAAP based) within one hundred eighty days following their fiscal year end or within 10 days or [of] receipt of those statements, whichever is earlier, directly to CMS. **Entities may not report under GAAP for a period longer than 36 months.**" We are commenting specifically on the second sentence in IV.A. (bolded here) that would restrict PACE organizations from submitting financial statements that are GAAP based for a period longer than 36 months.

Unlike Medicare Advantage and Part D plans, PACE provider organizations are not required to be licensed as risk-bearing entities. Consequently, most PACE organizations do not generate financial statements using statutory accounting principles; rather, their financial statements are GAAP-based. Limiting PACE organizations' ability to submit financial statements that are prepared on a GAAP basis beyond a period of 36 months, which is what the language in IV.A. would do, will be extremely burdensome to these entities. If implemented, this would require a complete revision of many PACE organizations' accounting practices. Moreover, for those PACE organizations that are sponsored by larger health systems, restrictions on the option for PACE organizations to submit GAAP-based financial statements would significantly impact these larger systems' accounting practices. **For these reasons, NPA asks that PACE organizations have the ability to submit GAAP-based financial statements indefinitely and that the 36-month limitation be removed. We are confident that allowing PACE organizations to provide GAAP-based financial statements will not impact CMS' ability to monitor PACE organizations' fiscal soundness as GAAP-based statements are currently used to assure fiscal soundness and this approach has not been found to be inadequate.**

If you have questions regarding this comment, please contact Chris van Reenen at the National PACE Association at chrisvr@npaonline.org or (703) 535-1568. Thank you for your consideration.

Sincerely,

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