**Summary of Change to CMS 906**

The change was made in response to a comment submitted by the National PACE Association (NPA). The NPA indicated that requiring PACE organizations to submit financial statements prepared only in accordance with Statutory Accounting Principles might cause undue burden on some PACE organizations and require some of them to revamp their accounting systems. Therefore we’re modifying Section lV of the Fiscal Soundness Reporting Requirements to allow for the reporting of independently audited financial statements prepared in accordance with Statutory Accounting Principles (SAP) or Generally Accepted Accounting Principles (GAAP). Currently PACE organizations may report under either method. The change has no impact on burden.

**Response to NPA comment:**

Taking into account the comment submitted by the NPA we’re going to modify the requirement to allow for the reporting of audited financial statements prepared in accordance with GAAP or SAP.