agency in writing about termination and transition procedures.

(2) Assist participants to obtain rein-
statement of conventional Medicare
and Medicaid benefits.

(3) Transition participants’ care to
other providers.

(4) Terminate marketing and enrollment
activities.

(b) An entity whose PACE program
agreement is in the process of being
terminated must provide assistance to
each participant in obtaining necessary
transitional care through appropriate
referrals and making the participant’s
medical records available to new pro-
viders.

§ 460.54 Termination procedures.

(a) Except as provided in paragraph
(b) of this section, if CMS terminates
an agreement with a PACE organiza-
tion, it furnishes the PACE organiza-
tion with the following:

(1) A reasonable opportunity to de-
velop and implement a corrective ac-
tion plan to correct the deficiencies
that were the basis of CMS’s deter-
mination that cause exists for termi-
nation.

(2) Reasonable notice and oppor-
tunity for hearing (including the right
to appeal an initial determination) be-
fore terminating the agreement.

(b) CMS may terminate an agreement
without invoking the procedures de-
scribed in paragraph (a) of this section
if CMS determines that a delay in ter-
mination, resulting from compliance
with these procedures before termi-
nation, would pose an imminent and
serious risk to the health of particip-
ants enrolled with the organization.

Subpart E—PACE Administrative
Requirements

§ 460.60 PACE organizational struc-
ture.

(a) A PACE organization must be, or
be a distinct part of, one of the fol-
lowing:

(1) An entity of city, county, State,
or Tribal government.

(2) A private not-for-profit entity or-
ganized for charitable purposes under
section 501(c)(3) of the Internal Rev-
ue Code of 1986. The entity may be a
corporation, a subsidiary of a larger
corporation, or a department of a cor-
poration.

(b) Program director. The organization
must employ, or contract with in ac-
cordance with §460.70, a program direc-
tor who is responsible for oversight and
administration of the entity.

(c) Medical director. The organization
must employ, or contract with in ac-
cordance with §460.70, a medical direc-
tor who is responsible for the delivery
of participant care, for clinical out-
comes, and for the implementation, as
well as oversight, of the quality assess-
ment and performance improvement
program.

(d) Organizational chart. (1) The PACE
organization must have a current orga-
nizational chart showing officials in the
PACE organization and relation-
ships to any other organizational enti-
ties.

(2) The chart for a corporate entity
must indicate the PACE organization’s
relationship to the corporate board and
to any parent, affiliate, or subsidiary
corporate entities.

(3) A PACE organization planning a
change in organizational structure
must notify CMS and the State admin-
istering agency, in writing, at least 14
days before the change takes effect.

[64 FR 66279, Nov. 24, 1999, as amended at 67
FR 61505, Oct. 1, 2002; 71 FR 71334, Dec. 8,
2006]