

April 24, 2026

VIA EMAIL ONLY

Kathryn Stambaugh, Executive Director
AgeWell PACE
5789 State Farm Drive, Suite 110
Rohnert Park, CA 94928

Dear Kathryn Stambaugh:

The Department of Health Care Services (DHCS) monitors and reviews financial data to ensure fiscal soundness and verify the Contractor's ability to meet and maintain financial viability and standards of compliance with the Programs of All-Inclusive Care for the Elderly (PACE) regulations.¹

DHCS' review included, but was not limited to, the following items:

- Monthly financial reports.
- Quarterly financial reports.
- Annual financial reports.

From this review, DHCS found AgeWell PACE deficient in several areas, which are entailed in the enclosed Corrective Action Plan (CAP). These deficiencies require prompt remediation by AgeWell PACE.

Pursuant to this, AgeWell PACE must create a plan of correction for each deficiency listed within the enclosed CAP. AgeWell PACE must submit a completed CAP response within 30 days of the date of this letter at the following email address: PACECompliance@dhcs.ca.gov. The CAP response must be approved by DHCS.² Failure to submit a CAP and obtain DHCS approval of the CAP may result in sanctions or remedial action by DHCS, up to and including termination of AgeWell PACE contract with DHCS.³

¹ 42 CFR § 460.80

² 42 CFR § 460.194

³ 42 CFR § 460.194(c)

Kathryn Stambaugh
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DHCS would like to thank you and your team for your cooperation and your continued efforts towards ensuring contract requirements and deadlines are being met.

If you have any questions, please contact Blia Lor, Compliance Analyst, at PACECompliance@dhcs.ca.gov.

Sincerely,

ELECTRONICALLY SIGNED BY

Kevin Phomthevy, Chief
PACE Monitoring and Oversight Unit
Office of Medicare Innovation & Integration
Department of Health Care Services

Enclosure: Corrective Action Plan (CAP)

cc: Elva Alatorre, Chief
PACE Branch
Office of Medicare Innovation & Integration
Department of Health Care Services

Nageena Khan, Chief
PACE Section
Office of Medicare Innovation & Integration
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Erika Origel, Chief
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Holly Yellenik, Analyst
Capitated Rates Development Division
Department of Health Care Services

Kou Khang, Research Data Analyst II
Capitated Rates Development Division
California Department of Health Care Services

AGEWELL PACE

Corrective Action Plan (CAP)

Program Assurance	Findings	Provider's Plan of Correction
PACE Contract Exhibit A, Attachment 2, Provision 2(B)(3) (Financial Audit Reports) 3) Contractor shall submit to DHCS <u>within 45 calendar days after the close of Contractor's fiscal quarter, quarterly financial reports</u> required by Title 22 CCR Section 53862(b)(1). The PACE Organization "shall submit" quarterly and annual financial reports within the timelines specified in the agreement. Financial reports must be "complete, accurate, and submitted as required by DHCS."	1. PACE Organization (PO) failed to submit quarterly financial reports in a timely manner for the following: <u>2023 Quarterly Deliverables:</u> • Quarter Ending (QE) 09/30/23 – Due date 01/05/24. ○ On 01/03/24 and 01/22/24, Capitater Rates Development Division (CRDD) sent multiple emails to PO for corrections. ▪ PO resubmitted the Quarterly Financials on 01/24/24. • QE 12/31/23 – Due date 04/02/24. ○ On 03/22/24 and 03/28/24, CRDD sent multiple emails to PO for corrections.	

Program Assurance	Findings	Provider's Plan of Correction
	▪ PO resubmitted the Quarterly Financials on 04/02/24. <u>2024 Quarterly Deliverables:</u> • QE 09/30/24 – Due date 11/15/24. ○ On 11/15/24, CRDD sent follow-up email notifying PO that Quarterly Financials for QE 09/30/24 were not received and they are currently out of compliance. ▪ PO submitted the Quarterly Financials on 03/18/25. <u>2025 Quarterly Deliverables:</u> • QE 03/31/25 – Due date 07/18/25. ○ On 07/07/25 and 07/10/25, CRDD sent multiple emails to PO for corrections. ○ PO resubmitted the Quarterly Financials on 07/18/25.	

Program Assurance	Findings	Provider's Plan of Correction
PACE Contract Exhibit A, Attachment 2, Provision 4 (Annual Financial Statements) 4. Contractor shall submit to DHCS no later than 180 calendar days after the close of Contractor's fiscal year, annual financial reports.	2. PO failed to submit Audited financial reports in a timely manner for the following: <u>2024/2025 FY Deliverable:</u> • Audited FY 24/25 – Due date 12/26/25. ○ On 12/26/25, CRDD sent follow-up email notifying PO that Audited Financials were not submitted with the Annual Financials. ○ PO responded “We do not have them back from our auditor yet. Can we request an extension?” ▪ CRDD responded that future requests, extensions are to be submitted a minimum of two business days prior to due date. Requested anticipated.	

Program Assurance	Findings	Provider's Plan of Correction
	date of submission. ▪ PO responded with 03/13/2026. ▪ CRDD approved the extension date. ○ On 03/10/26, PO notified DHCS auditor would not be able to provide financials to meet deadline. ▪ CRDD approved the extension date to 03/16/26. ▪ PO requested extension to 04/09/26. ○ On 03/11/26, CRDD requested pre-approved Audited Financials by 03/20/26 and updated Audited Financials once approved by 04/09/26.	

Program Assurance	Findings	Provider's Plan of Correction
	○ On 03/25/26, CRDD sent follow-up email notifying PO that implementation of CAP would proceed. ▪ PO confirmed receipt and stated auditor would provide update 03/26/26.	

August 5, 2026

VIA EMAIL ONLY

Kathryn Stambaugh, Executive Director
AgeWell PACE
5789 State Farm Drive, Suite 110
Rohnert Park, CA 94928

Dear Kathryn Stambaugh:

The Department of Health Care Services (DHCS) concluded its review of the Corrective Action Plan (CAP) submitted by AgeWell PACE on May 22, 2026. DHCS determined that the submitted document(s) addresses the deficiencies identified in the CAP and satisfies the Program of All-Inclusive Care for the Elderly (PACE) requirements. The CAP is attached to this letter for ease and allows AgeWell PACE to use as a reference document.

DHCS appreciates your assistance and commitment in meeting contractual requirements.

If you have any questions or concerns regarding this letter, please contact Blia Lor, Compliance Analyst, via PACECompliance@dhcs.ca.gov.

Sincerely,

ELECTRONICALLY SIGNED BY

Kevin Phomthevy, Chief
PACE Monitoring and Oversight Unit
Office of Medicare Innovation & Integration
Department of Health Care Services

Enclosure: CAP Grid

cc: Next page

Kathryn Stambaugh

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August 5, 2026

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