CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES
Michelle Baass | Director

December 19, 2025

VIA EMAIL ONLY

Grady Dodson, Program Director
Family HealthCare Network PACE
500 E. School Ave.
Visalia, CA 93291

Dear Grady Dodson:

On August 25, 2025, pursuant to 42 Code of Federal Regulations §460.192 of the Program of All-Inclusive Care for the Elderly (PACE), the Department of Health Care Services (DHCS) performed an on-site monitoring review to ensure quality of participant care as well as to verify clinical and administrative compliance with the PACE regulations at Family HealthCare Network PACE.

DHCS' review included the following items, but was not limited to: PACE participant activities and care delivery in the PACE Center, confirmed that the Interdisciplinary Team (IDT) performed timely in-person assessments and members of the IDT collaborated in development of orders; medical records are complete and available, progress notes are current; unusual/critical incidents identified have corrective action plans; participants have access to emergency care; care plans and diet are appropriate; medication is properly prescribed, ordered, stored and delivered; transportation meets statutory requirements; and subcontracts reviewed.

DHCS found Family HealthCare Network PACE deficient in the noted areas on the enclosed Corrective Action Plan (CAP). These deficiencies require prompt remediation by Family HealthCare Network PACE.

Pursuant to 42 Code of Federal Regulations §460.194 a CAP addressing the deficiencies must be reviewed and approved by DHCS. Please submit a completed CAP to PACECompliance@dhcs.ca.gov within 30 days of the date of this letter.

DHCS would like to thank you and your team for your assistance and cooperation during the visit. We acknowledge your continued efforts towards building the relationships with the PACE participants and ensuring appropriate care is provided.

If you have any questions, please contact Bianca Pernice, Nurse Evaluator, at PACECompliance@dhcs.ca.gov.

Sincerely,

ELECTRONICALLY SIGNED BY

Kevin Phomthevy, Chief
PACE Monitoring and Oversight Unit
Integrated Systems of Care Division
Department of Health Care Services

Enclosure: Corrective Action Plan (CAP)

cc: Elva Alatorre, Chief
PACE Branch
Integrated Systems of Care Division
Department of Health Care Services

Nageena Khan, Chief
PACE Section
Integrated Systems of Care Division
Department of Health Care Services

Erika Origel, Chief
PACE Contracts Management & Processing Unit
Integrated Systems of Care Division
Department of Health Care Services

Erick De La Torre, Contract Manager
PACE Contracts Management and Processing Unit
Integrated Systems of Care Division
Department of Health Care Services

SIERRA PACE

Corrective Action Plan (CAP)

Program Assurance	Findings	Provider's Plan of Correction
PACE Contract Exhibit A, Attachment 14, Section 4.C Within five days of receipt of a Grievance, Contractor shall provide the Member who files a Grievance, an acknowledgement of receipt of the Grievance and identification of the person or unit, which may be contacted about the Grievance.	1. PO (PACE Organization) did not ensure participants received a copy of a grievance acknowledgment identifying the person or unit to be contacted about the Grievance within 5 days after grievance was filed with the PO. PO interview: FHCN's Department Work Instructions, Grievance Process (May 2024) contains the grievance acknowledgment receipt provisions of 5 days. However, the PO stated that they did not provide the acknowledgment letter because they were under the impression that verbal discussion related to details of grievance filed with the participant complies with the contractual	

Program Assurance	Findings	Provider's Plan of Correction
	requirement of grievance acknowledgment. All grievance samples reviewed did not contain the grievance acknowledgment letter for the participant/designee. • **Grievance sample #6** • **Grievance sample #7** • **Grievance sample #8**	
PACE Contract Exhibit A, Attachment 6, Section 12 Subcontractor's agreement to assist Contractor and DHCS in the transfer of care in the event of Sub-contract termination for any reason.	2. PO did not ensure that subcontractors' agreements contained the required contractual requirement to assist PO in the transfer of care in the event of sub-contract termination for any reason PO Interview: PO acknowledged that subcontractor's agreement did not contain the transfer of care provisions but verbalized that they were in the	

Program Assurance	Findings	Provider's Plan of Correction
	understanding that subcontractors are given 60 days upon termination to finish or complete any outstanding services. All subcontractor samples reviewed did not contain the required transfer of care provisions on their subcontractor agreements in the event of contract termination for whatever reason. • **Subcontractor sample #1** • **Subcontractor sample #3** • **Subcontractor sample #5** • **Subcontractor sample #23** • **Subcontractor sample #69**	
42 CFR 460.106 Plan of Care (e)(2) (e)Participant and caregiver involvement in plan of care. (2) The interdisciplinary team must review and	3. The PO did not ensure participants or its designated representative reviewed and signed the Plan of Care (POC) to ensure agreement with the POC and that	

Program Assurance	Findings	Provider's Plan of Correction
discuss each plan of care team must review and discuss each plan of care with the participant or the participant's caregiver or both before the plan of care is completed to ensure that there is agreement with the plan of care and that the participant's concerns are addressed.	participant's concerns are addressed. PO Interview: PO acknowledged oversight. Two participant samples did not have signed POCs by participants. • **Participant #37:** Initial and subsequent POCs were not signed by the participant or her designated representative. • **Participant #26:** Initial POC not signed by the participant or her designated representative.	
22 CCR § 78429 (b)(2)(A) Chest X-ray or test for tuberculosis infection that is recommended by the federal Centers for Disease Control and Prevention (CDC) and licensed by the federal Food and Drug Administration (FDA) performed not more than	4. One Personnel sample #19 did not have TB test or chest x-ray record information. Instead, an FHCN PACE Risk Assessment for Infectious Disease Screening Questionnaire administered by the PACE Medical Director.	

Program Assurance	Findings	Provider's Plan of Correction
12 months prior to employment or within 7 days of employment.		
PACE Contract, Exhibit A, Attachment 13, Section 2.E.1 Each member of Contractor's staff that has direct member contact, (employee or contractor) must meet the following conditions, as required by 42 CFR 460.64: 1) Be legally authorized (for example, currently licensed, registered or certified if applicable) to practice in the State in which he or she performs the function or action.	5. One Personnel sample #19 had no license or document information provided or submitted. She had a cancelled Associate Clinical Social Worker License #83172 expired on 6/30/2024, "License has been expired for at least 3 years and is not renewable". This information was not disclosed by the PO during this audit.	
CCR 22, § 78303(e)(5) Evidence of tuberculosis screening upon initial physician's assessment which shall be included in the participant's health record.	6. One Participant sample #78 did not have evidence of tuberculosis screening in her health record.	
42 CFR § 460.106 Plan of Care (c) (c) Content of plan of care. At a minimum, each plan of care must meet the following requirements:	7. The PO did not ensure participant's Plan of Care identified all the participant's current medical, physical, emotional, and social	

Program Assurance	Findings	Provider's Plan of Correction
the safety of their home environment. (x) Home care. xi) Center attendance. (xii) Transportation. (xiii) Communication, including any identified language barriers.	needs, including all needs associated with chronic diseases, behavioral disorders, and psychiatric disorders that require treatment or routine monitoring. At a minimum, the care plan must address the following factors: (i) Vision, (ii) Hearing…(xiii) Communication, including any identified language barriers. PO Interview: PO follows its FHCN Department Work Instructions, Physician-led Initial Assessment (Aug 2025) to comply with the Plan of Care contractual requirements and utilizes the logical and technological features of RTZ, its electronic health record system. Two of the five participant samples had missing documentation for some of the factors that must be addressed in their initial POCs. PO Interview: PO follows its FHCN Department Work Instructions, Physician-	

Program Assurance	Findings	Provider's Plan of Correction
	led Initial Assessment (Aug 2025) to comply with the Plan of Care contractual requirements and utilizes the logical and technological features of RTZ, its electronic health record system. Two of the five participant samples had missing documentation for some of the factors that must be addressed in their initial POCs. However, since their subsequent POCs addressed the missing factors, this does not rise to a level of a finding. • Participant #78: Initial POC did not address vision, hearing, dentition, and skin integrity factors. • Participant #20: Initial POC did not address vision, dentition, skin integrity, and pain management.	

CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES
Michelle Baass | Director

August 3, 2026

VIA EMAIL ONLY

Norma Verduzco, Program Director
Family HealthCare Network PACE
500 E. School Ave.
Visalia, CA 93291

Dear Norma Verduzco:

The Department of Health Care Services (DHCS) concluded its review of the Corrective Action Plan (CAP) submitted by Family HealthCare Network PACE on April 29, 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 Family HealthCare Network PACE to use it as a reference document.

DHCS appreciates your assistance and commitment in providing quality care and oversight to our PACE participants.

If you have any questions or concerns regarding this letter, please contact Bianca Pernice, Nurse Evaluator, 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

cc: Elva Alatorre, Chief
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