

## **Programs of All-Inclusive Care for the Elderly (PACE)** **Application Checklist**

### **For DHCS Use Only**

LOI Submission Date: \_\_\_\_\_  
Application Submission to DHCS Date: \_\_\_\_\_  
CMS Submission Window Date: \_\_\_\_\_  
For-profit or non-profit: \_\_\_\_\_  
CMS Clock Cycle (45/45 or 90/90): \_\_\_\_\_  
Expected Go-Live Date \_\_\_\_\_

### **DISCLAIMERS:**

- The purpose of this document is to be a tool for POs to use to ensure they are on track to complete their application successfully. The checklist is not the initial application and additional documentation may be required upon request.
- The following are components required to start the PACE application process for new or expansion PACE applications.
- Submitting all required material on this application checklist does not guarantee approval of the PACE application. DHCS may request further information as the application moves forward in the approval process.
- This checklist is divided into sections for approval of the following:
  - To operate/expand a PACE Organization, and
  - To operate a PCC, ADHC, and/or HHA serving only PACE participants or applicants under W&I code 14592(c).

### **A. Type of Application (check one):**

- ☐ Initial Application for new PACE Organization (90/90)
- ☐ Initial Application for new PACE Organization in COHS county (90/90)
- ☐ Service Area Expansion Zip Code & New Center in COHS county (90/90)
- ☐ Service Area Expansion Zip Code & New Center in non-COHS county (90/90)
- ☐ Service Area Expansion Zip Code Only (45/45)
- ☐ Service Area Expansion New center only (45/45)
  - ☐ Initial (90/90)
- ☐ Change of Ownership (CHOW)

**B. Please check one:**

- ☐ For-Profit      ☐ Non-Profit

**C. Federal employer's Tax ID number:** \_\_\_\_\_

**D. Attach National Provider Identifier (NPI)**

**E. If applicable, Parent Organization Name:** \_\_\_\_\_

**F. Serving PACE participants only:**

HHA      ☐ Yes      ☐ No

ADHC    ☐ Yes      ☐ No

PCC      ☐ Yes      ☐ No

*Note: If applicant chooses to serve participants outside of the PACE program in their center and/or clinic, applicant will need to obtain an ADHC and/or PCC license through CDPH.*

**G. Please identify if you will apply for CDPH licensure or apply for DHCS approval to operate under W&I 14592(c) for each of the following:**

☐ HHA \_\_\_\_\_

☐ ADHC \_\_\_\_\_

☐ PCC \_\_\_\_\_

*Note: If applying for DHCS oversight, under W&I 14592(c), the applicant must also complete and submit the required information from the checklist for the PCC, ADHC, HHA as applicable.*

**H. Are you requesting a Program Flex under HCS section 100315?**

If so, the applicant must attach a completed "Request for PACE Flex" Form

**I. Requested Date - State Readiness Review (SRR) Timeframe:**

Month & Year: \_\_\_\_\_

If new PACE Center, is construction required? Yes/No

If yes, Attach copy of OSHPD form

If yes, Date construction scheduled to be completed \_\_\_\_\_

**J. Requested Program Start Date:**

Month & Year: \_\_\_\_\_

*Notes:*

- Jan/July start dates do not apply to service area expansions in existing counties.

- *To align with DHCS budget and rate development processes, all new and existing PO expansion applications requiring new rate development (applying in a new county) may only commence operations on either January 1, or July 1, of a given year.*

**K. Requested CMS Submission Deadline (check one):**

- ☐ First Quarter (March)
- ☐ Second Quarter (June)
- ☐ Third Quarter (September)
- ☐ Fourth Quarter (December)

*Note: Specific CMS application submission deadlines can be found under the application training guide here: <https://www.cms.gov/Medicare/Health-Plans/PACE/Overview.html>. The Letter of Intent (LOI) to DHCS must be submitted at least 90 days prior to the proposed CMS submission date, and the initial application must be submitted at least 60 days prior to the proposed CMS submission date. However, submission in accordance with these dates does not guarantee that the application will be approved prior to the proposed CMS submission date.*

**L. Address of PACE Center:**

Street	City	State	Zip Code
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**M. PACE Center Property Information**

1. Check one:  
☐ Own   ☐ Rent   ☐ Lease   ☐ Sublease   ☐ Other (specify):
2. Attach building layout

**N. Zip Codes Requested (Specified by County):**

1. County: \_\_\_\_\_
  - Zip Codes: \_\_\_\_\_

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2. County: \_\_\_\_\_

○ Zip Codes: \_\_\_\_\_

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3. County: \_\_\_\_\_

○ Zip Codes: \_\_\_\_\_

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*Note: An entity must be able to serve all requested zip codes from PACE center (subject to the 60-minute one-way travel time limit to and from the participants' homes to the PACE center). When analyzing this 60-minute one-way travel times from the farthest points on the geographic boundaries to the PACE center, an entity must use the traffic times during commute hours (6-8am and 2-4).*

**O. Overlapping Service Area (attach additional page if necessary):**

PACE Organization: \_\_\_\_\_

Overlapping Zip Codes: \_\_\_\_\_

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PACE Organization: \_\_\_\_\_

Overlapping Zip Codes: \_\_\_\_\_

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*Note: If an application has any questions about whether there is an existing or pending PO operating in its proposed service area it can refer to the DHCS PACE website for a listing of all zip codes by county that PO's currently operate in at: <http://www.dhcs.ca.gov/individuals/Pages/PACEPlans.aspx>. Pending applications for new or expansion POs are also posted to the DHCS website.*

**P. Service Area Map**

**Attach a detailed map with the following:**

○ Location of PACE center clearly marked

- Map to include a scale of the complete geographic service area that includes county, zip code, street boundaries, census tract or block or tribal jurisdiction
- and main traffic arteries, physical barriers such as mountains and rivers and location of the PACE center, hospital providers, ambulatory and institutional services sites
- Map to depict the mean travel time (as described in section N above) from the farthest points on the geographic boundaries to the nearest ambulatory and institutional service sites. If the geographic service area includes an area covered by another PACE organization, identify the duplicate area

*Note: The map must be developed in accordance with 42 CFR §460.22, §460.70, and §460.98.*

**Q. Letters of Support**

1. All PACE applicants must submit letters of support from local entities or individuals in the area that the applicant proposes to serve. The purpose of these letters is to demonstrate that the applicant is connecting with local entities who will work closely with the incoming PO and provide community support. Refer to the PACE Application Process Policy Letter for further guidance.
2. If new PO or expansion is into a COHS county, the PO must secure letters of support from the county's COHS plan. COHS counties are listed on the DHCS website here:

<https://www.dhcs.ca.gov/services/Documents/MMCD-Cnty-Map.pdf>

**R. Legal Entity and Organizational Structure**

1. Attach a description of the organizational structure of the PACE organization including the following:
  - Relationship to, at a minimum, the governing body, owner, program director, medical director, and to any parent, affiliate, or subsidiary entity
2. Attach evidence of non-profit or for-profit status

**S. Governing Body**

1. Attach a list of the members of the Board of Directors and their titles. Indicate which, if any, members are consumer representative.
2. Include the name and phone number of a contact for the governing body.

3. Include the name and phone number of the PACE Program director responsible for oversight and administration as described in 42 CFR §460.62(a).
4. Name and title of person in charge of center \_\_\_\_\_
5. If applicable, Name, title and license of administrator \_\_\_\_\_
6. Name and license number of Medical Director \_\_\_\_\_
7. List persons having 10 percent (10%) or more direct or indirect interest in ownership of this center (42 CFR Section 455.102). Include what percentage is owned, EIN # and relationship:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

8. Attach articles of incorporation

9. Attach By-Laws

10. Partnerships:

- Attach a copy of partnership agreement
- First partner: Name \_\_\_\_\_  
Business Address \_\_\_\_\_
  - ☐ Limited
  - ☐ General
- Second partner: Name \_\_\_\_\_  
Business Address \_\_\_\_\_
  - ☐ Limited
  - ☐ General

#### **T. Fiscal Soundness**

1. Breakeven Month & Year: \_\_\_\_\_
2. Projected census at breakeven: \_\_\_\_\_
3. Attach a Description of your reserve requirements and other financial requirements set by the State and supporting documentation to demonstrate how the applicant meets these requirements. Refer to the most recent version of the DHCS PACE Application Process Policy Letter.
4. Attach independently audited financial statement for the three most recent fiscal year periods or, if operational for a shorter period of time, for each operational fiscal year

*Note: If a PACE program is a line of business of the applicant, it should provide audited statements relating to the legal entity. Audits provided in the Documents section of the application, are to include:*

- *Opinion of a certified public accountant*
- *Statement of revenues and expense*
- *Balance sheet*

- *Statement of cash flows*
  - *Explanatory notes*
  - *Statements of changes in net worth*
5. Attach the most recent year-to-date unaudited financial statement of the entity and independently audited financial statements of guarantors and lenders (e.g., organizations providing loans, letters of credit or other similar financing arrangements, excluding banks)
6. Attach Financial Projections

Note: Provide financial projections beginning with program commencement through one year beyond break-even. (Financial projections should be prepared using the accrual method of accounting in conformity with generally accepted accounting principles (GAAP). Prepare projections using the pro-forma financial statement methodology. For a line of business, assumptions need only be submitted to support the projections of the line.)

- Projections must include:
- Opening and annual balance sheet
  - Quarterly statements of revenues and expenses for legal entity
  - Give projections in gross dollars and include year-end totals. (In cases where the plan is a line of business, the applicant should also complete a statement of revenue and expenses for the line of business).
- Statement and justification of assumptions;
  - State major assumptions in sufficient detail to allow an independent financial analyst to reconstruct projected figures using only the stated assumptions
  - Include operating and capital budget breakdowns. Stated assumptions should address all periods for which projections are made and include inflation assumptions
  - Justify assumptions to the extent that an independent financial analyst would be convinced that they are reasonable
  - Base justification on such factors as the applicant's experience and the experience of other PACE organizations
- Evidence of applicant's financing arrangements for any projected deficit
- Insolvency Plan:
  - Documents that demonstrating that the PACE Organization can, in the event it becomes insolvent, cover expenses of at least the sum of one month's total capitation revenue to cover expenses the month prior to insolvency and one month's average payment to all contractors, based on the prior quarter's average payment, to cover expenses the month after the date insolvency is declared or operations cease. (Arrangements to cover expenses may include, but are not limited to, insolvency insurance

or reinsurance, hold harmless arrangements, letters of credit, guarantees, net worth, restricted state reserves or State law provisions.)

7. Attach an attestation on your subordinated debt arrangements:

*Note: The agreement must include the amount (whether it changes or not) and the account name under which the subordinate debt falls. (Subordinated debt is unsecured debt, which refers to any type of debt or general obligation that is not collateralized by a lien on specific assets of the borrower in the case of bankruptcy, liquidation, or failure to meet the terms for repayment, whose repayment to its parent company or another lending entity ranks after all other debts have been paid when the subsidiary files for bankruptcy. It can also be defined as a loan that ranks below all other loans with regard to claims on assets or earnings).*

8. Attach a copy of the applicant's most recent Insurance Protection table to summarize insurance or other arrangements for major types of loss and liability in accordance with 42 CFR §460.80.

**U. Market Feasibility Study**

- a. All PACE applications, except those only seeking approval to operate a PCC, ADHC, and/or HHA under 14592(c), including Service Area Expansions, must submit a market feasibility study of the area that they propose to serve. The feasibility study should include the following:
- i. Estimate of the number of PACE-eligible individuals
  - ii. Description of the methodology/assumptions used to determine potential membership
  - iii. Identify all competitive factors impacting the market, such as:
    - 1. Existing PO's
    - 2. Medi-Cal MCPs
    - 3. Demonstration County MCPs (Cal MediConnect and Managed Long-Term Services and Supports (LTSS))
    - 4. Medi-Cal Waiver Programs
    - 5. In-Home Supportive Services (IHSS)
  - iv. Identify projected market capture/saturation rates
  - v. Demonstrate that there is an unmet need for PACE in the proposed service area

*Note: When multiple applications are received for the same county/zip code service area the order of submission and number of pre-existing plans may have an impact on the decision to approve/deny an application.*



**Check these boxes if applying for approval to operate under W&I code section 14592(c):**

- ☐ The applicant agrees that it will comply with all the requirements and standards set forth in the H&S code and CA code of regulations for the provider type, as required by W&I code section 14592(c), except as modified by DHCS through policy letter.
  
- ☐ Applicant agrees that it will notify DHCS immediately if the applicant intends to serve or is serving individuals other than PACE enrollees or prospective PACE enrollees, as required by W&I code section 14592(c), except as modified by DHCS through policy letter.

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Signature

Printed Name & Title

Date