

March 14, 2025

VIA EMAIL ONLY

Mary Austin, CEO  
Valley PACE  
4837 E. McKinley Ave.  
Fresno, CA 93703

Dear Mary Austin:

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.<sup>1</sup>

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

- Monthly financial reports;
- Quarterly financial reports;
- Annual forecasts.

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

Pursuant to this, Valley PACE must create a plan of correction for each deficiency listed within the enclosed CAP. Valley 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](mailto:PACECompliance@dhcs.ca.gov). The CAP response must be approved by DHCS.<sup>2</sup> 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 Valley's PACE contract with DHCS.<sup>3</sup>

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.

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<sup>1</sup> 42 CFR § 460.80

<sup>2</sup> 42 CFR § 460.194

<sup>3</sup> 42 CFR § 460.194(c)

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If you have any questions, please contact Niti Malhotra, Compliance Analyst, at [PACECompliance@dhcs.ca.gov](mailto:PACECompliance@dhcs.ca.gov).

Sincerely,

**ORIGINALLY 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: Next Page

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

Lastsanok (Nokie) Salinthon, Contract Manager  
PACE Contracts Management and Processing Unit  
Integrated Systems of Care Division  
Department of Health Care Services

Derick Daniels, Branch Chief  
Capitated Rates Development Division  
Department of Health Care Services

Erica Johnson, Section Chief  
Capitated Rates Development Division  
California Department of Health Care Services

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

Kathy Newborn, Liaison  
Capitated Rates Development Division  
California Department of Health Care Services

# VALLEY PACE

## Corrective Action Plan (CAP)

Program Assurance	Findings	Provider's Plan of Correction
<p><b>PACE Contract Exhibit A, Attachment 2, Provision 2(B)(3) (Financial Audit Reports)</b></p> <p>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).</p>	<p>1. PACE Organization (PO) failed to submit <b>quarterly</b> financial reports in a timely manner for the following:</p> <p><u>2024 Quarterly Deliverables:</u></p> <ul style="list-style-type: none"><li>• September 30, 2024 – due date 11/14/2024; revised files due 12/19/2024; revised files not received.</li><li>• December 31, 2024 – due date 2/14/2025; quarterly financial report not received.</li></ul>	

Program Assurance	Findings	Provider's Plan of Correction
<p><b>PACE Contract Exhibit A, Attachment 2, Provision 3 (Monthly Financial Statements)</b></p> <p>3. If Contractor and/or subcontractor is required to file monthly financial statements with the DMHC, Contractor and/or subcontractor shall file an exact copy of the monthly financial statements with DHCS. Contractor and/or subcontractor shall submit monthly financial statements to DHCS upon request, if deemed necessary, to monitor the Contractor and/or subcontractor's financial viability.</p> <p>Contractor shall submit to DHCS <u>no later than 30 calendar days after the close of Contractor's fiscal month, monthly financial reports</u> in accordance with Title 22 CCR Section 53862(c)(6).</p>	<p>2. PO failed to submit <b>monthly</b> financial reports in a timely manner for the following:</p> <p><u>2024 Monthly Deliverables:</u></p> <ul style="list-style-type: none"> <li>• July 2024 - Due date 8/30/2024; received financials on 10/3/2024.</li> <li>• August 2024 – Due date 9/30/2024; received financials on 10/3/2024.</li> <li>• September 2024 – Due date 10/30/2024; received financials on 11/12/2024.</li> <li>• October 2024 – due date 12/2/2024; received financials on 12/12/2024.</li> <li>• November 2024 – due date 12/30/2024; received financials on 1/13/2025.</li> <li>• December 2024 – due date 1/31/25; monthly financial report not received</li> </ul> <p><u>2025 Monthly Deliverables:</u></p> <ul style="list-style-type: none"> <li>• January 2025 – due date 3/3/2025; monthly financial report not received.</li> </ul>	

Program Assurance	Findings	Provider's Plan of Correction
<p><b>PACE Contract Exhibit A, Attachment 2, Provision 5 (Annual Forecasts)</b></p> <p>5. Contractor shall submit to DHCS at least <u>60 days prior to the beginning of the FY</u>, an annual forecast for the next FY.</p>	<p>3. PO failed to submit <b>annual financial forecast report</b> in a timely manner for the following:</p> <p><u>2025 CY Deliverable:</u></p> <ul style="list-style-type: none"> <li>Financial Forecast CY 2025 – due date 11/4/2024; received on 12/13/2024.</li> </ul>	

April 22, 2025

VIA EMAIL ONLY

Mary Austin, CEO  
Valley PACE  
4837 E. McKinley Ave.  
Fresno, CA 93703

Dear Mary Austin:

The Department of Health Care Services (DHCS) concluded its review of the Corrective Action Plan (CAP) submitted by Valley PACE on April 15, 2025. 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 Valley PACE to use 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 Niti Malhotra, Compliance Analyst, at [PACECompliance@dhcs.ca.gov](mailto:PACECompliance@dhcs.ca.gov).

Sincerely,

**ORIGINALLY SIGNED BY**

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

Enclosure: CAP Grid

cc: See Next Page

Mary Austin  
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April 22, 2025

cc: Elva Alatorre, Chief  
PACE Branch  
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Nageena Khan, Chief  
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