

July 8, 2025

VIA EMAIL ONLY

David Ko, CEO
ASIAN HERITAGE PACE
1818 W. Western Ave. Suite 100
Los Angeles, CA 90006

Dear David Ko:

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.

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

Pursuant to this, Asian Heritage PACE must create a plan of correction for each deficiency listed within the enclosed CAP. Asian Heritage 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 Asian Heritage's PACE contract with DHCS.³

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.

¹ 42 CFR § 460.80

² 42 CFR § 460.194

³ 42 CFR § 460.194(c)

David Ko
Page 2
July 8, 2025

If you have any questions, please contact Niti Malhotra, Compliance Analyst, 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

La Donna Christensen, 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

ASIAN HERITAGE PACE

CORRECTIVE ACTION PLAN (CAP)

Program Assurance	Findings	Provider's Plan of Correction
<p>PACE Contract Exhibit A, Attachment 2, Provision 2(B)(3)</p> <p>(Financial Audit Reports)</p> <p>3) Contractor shall submit to DHCS within 45 calendar days after the close of Contractor's fiscal quarter, <u>quarterly financial reports</u> required by Title 22 CCR Section 53862(b)(1).</p>	<p>1. PO failed to submit quarterly financial reports in a timely manner for the following:</p> <p><u>2025 Quarterly Deliverables:</u></p> <ul style="list-style-type: none"> March 31, 2025 – due date 5/16/2025; received Consolidated financials on 5/16/2025 with corrections still needed. Missed deadlines and submitted incomplete financials. Received Medi-Cal Only financials on 5/23/2025. Missed deadlines and submitted incomplete financials with no attestation. 	

Program Assurance	Findings	Provider's Plan of Correction
<p>PACE Contract Exhibit A, Attachment 2, Provision 3</p> <p>(Monthly Financial Statements)</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 monthly financial reports in a timely manner for the following:</p> <p><u>2025 Monthly Deliverables:</u></p> <ul style="list-style-type: none"> • January - Due date 3/3/2025; received financials 10/4/2025 with corrections still needed. Missed deadlines and submitted incomplete financials with no attestation. • February – Due date 4/1/2025; received financials on 4/1/2025 with corrections still needed. Missed deadlines and submitted incomplete financials with no attestation. 	

Program Assurance	Findings	Provider's Plan of Correction
	<ul style="list-style-type: none"> • March – Due date 4/30/2025; received financials on 5/1/2025 not on DMHC required financial reporting form. Missed deadlines and submitted incomplete financials with no attestation. • April – due date 5/30/2025; financials received on 6/4/2025. Missed deadlines and submitted incomplete financials with no attestation. Corrected financials and attestation still pending. 	

August 19, 2025

VIA EMAIL ONLY

David Ko, CEO
ASIAN HERITAGE PACE
1818 W. Western Ave. Suite 100
Los Angeles, CA 90006

Dear David Ko:

The Department of Health Care Services (DHCS) concluded its review of the Corrective Action Plan (CAP) submitted by Asian Heritage PACE on August 6, 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 Asian Heritage 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.

Sincerely,

ELECTRONICALLY SIGNED BY

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

Enclosure: CAP Grid

cc: See Next Page

cc:

Kevin Phomthevy, Chief
PACE Monitoring and Oversight Unit
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