

PACE EXPANSION APPLICATION REQUIREMENTS TABLE

Department of Health Care Services, Long-Term Care Division (DHCS/LTCD)

SUMMARY OF PACE EXPANSION APPLICATION REQUIREMENTS

Purpose

The purpose of this PACE Expansion Application Requirements Table is to identify the basic requirements for California PACE Organization Expansions. It combines both federal regulations – refer to federal PACE expansion application – and state requirements. It may also be helpful as a review checklist for PACE Organizations to ensure all requirements have been met prior to submitting PACE Expansion Applications.

Instructions

- In Column 2 (see **Notes** below), place a check ✓ if requirement is relevant to the expansion application. If requirement is not applicable, due to the type of expansion, enter N/A in Column 2. If there is no change in operating policies and procedures previously approved by OLTC, enter N/C in Column 2.
- Complete and return the PACE Expansion Application Requirements Table and the CMS PACE Expansion Application to your OLTC Contract Manager.

Notes

- Column 1 identifies the federal regulations followed by state requirements. To align with the CMS PACE Expansion Application, narrative and document sections are identified.
- Column 2 is for PACE Organization comments, (check ✓ or enter N/A or N/C).

Resources

- CMS PACE Expansion Application (10/04) CFR Part 460, CMS Expansion Scenarios (via CMS website 10/20/05), State Contract, and PACE Plan Letter 06-03 Key Personnel Changes (07/15/06).
- For questions or further information on the PACE Expansion Application Requirements Table, contact your Contract Manager.

PACE EXPANSION APPLICATION

DATE:

NAME OF PACE ORGANIZATION:

NAME OF PACE SITE:

SUBMITTED BY:

TYPE OF EXPANSION REQUEST:

(Check all that apply)

- ADD NEW SITE, SAME COUNTY
- ADD NEW SITE, NEW COUNTY
(Will require new Plan Code)
- ADD NEW ZIP CODES IN SAME COUNTY
- ADD NEW ZIP CODES IN A NEW COUNTY
(Will require new Plan Code)
- Other *(Describe)*

Will expansion activities impact enrolled participants' existing level of or access to services? Yes No

If yes, describe what services will be impacted and what measures will be taken to mitigate the impact:

CMS Federal Regulations and DHCS State Requirements For Expansion

✓ or
N/A or
N/C

FEDERAL - 1. SERVICE AREA (§460.22)

STATE

Narrative Section:

- Identify the maximum distance of the new PACE Center to the edges of the service area, use distance legend;
- Identify the mean travel time from the farthest points of the geographic boundary to the nearest contracted ambulatory and institutional services. Discuss allowances for rush hour traffic;
- Discuss how the proposed expansion will impact the program’s administrative structure and health plan operations;
- Discuss changes/additions of key personnel, board members, officers, and principals and describe how these changes will impact operations;
- Provide an attestation that all policies, procedures, protocols and reporting requirements previously approved for the PACE program, or as subsequently amended and approved by DHCS, will be in effect for the expansion site;
- Provide all policy and procedure changes specific to this expansion, e.g. delivery of meals, staffing, fire and disaster plan. (New P&Ps to be placed in Documents section);
- Provide policy and procedure for conducting background checks for new employees. Provide attestation that background checks will be completed for all key personnel prior to operations. (To be placed in Documents Section);
- Provide an attestation that existing site staffing levels will not be impacted; and
- Provide an estimate of the Medi-Cal recipient population residing in the proposed service area that are eligible to enroll in the PACE program.

Document Section:

- Include the following items on the map:
 - Postal Zip codes, with the service area outlined in red; (recommend color coding the proposed service area);
 - Main traffic arteries, physical barriers such as mountains, rivers; and
 - A legend and markings on the service area map to describe the following:

P = PACE Center

Rx = Pharmacy

Cx = Primary Care Service Site (PACE Center), including the number of primary care providers at the site to serve Members

<p align="center">CMS Federal Regulations and DHCS State Requirements For Expansion</p>	<p align="center">✓ or N/A or N/C</p>
<p>S = Medical specialist, subcontractor or referral provider E = Contracted Hospital and Emergency facilities, open 24 hours N = Nursing Facilities</p> <ul style="list-style-type: none"> ▪ Provide an updated corporate organization/structure chart identifying <u>changes</u> in the relationships between the PACE program and its parent company, affiliates, subsidiaries, and principal subcontractors. • Provide an organization chart for the proposed expansion and or new site which identifies the management and organizational structure. This includes names and functional descriptions of each organizational unit indicating the lines of authority and the identity of key personnel and the time base for all personnel. • Provide copies of new Policies and Procedures. • Provide duty statements for key personnel. • Provide resumes for key personnel upon hire. • Provide a spreadsheet/table showing the monthly projected enrollments for a two (2) year period commencing with the first month of anticipated enrollment until the break-even point for operating costs and operating income, or through two years, whichever is longer. 	
<p>FEDERAL - 2. CONTRACTED SERVICES (\$460.70)</p> <p>STATE</p> <p><u>Narrative Section:</u></p> <ul style="list-style-type: none"> • Provide certification that there have been no changes to the OLTC approved boilerplate, or • Submit boilerplate with changes for review/approval. (To be placed in Documents section). • Provide attestation that all subcontractors are near or within the service area. <p><u>Document Section:</u></p> <ul style="list-style-type: none"> • Provide a list of Contractors, Name, Addresses, Contact Person, Phone Number, Specialty, and; <ul style="list-style-type: none"> ➤ Days and hours of operation. ➤ Estimated waiting times in the provider's office. ➤ Estimated time related to telephone calls (to answer and return). ➤ Estimated time taken to obtain an appointment. • Submit changes to boilerplate for review/approval. 	

FEDERAL - 3. FINANCIAL (§460.80)

STATE

Narrative Section:

- Describe any reserve requirements and other financial requirements set by the State in which the PACE organization operates and demonstrate how the entity meets these requirements. Include any supporting documentation, as necessary.
- Provide an attestation that the plan is prepared to increase its financial security deposit to accommodate the projected increase in enrollments.

Document Section:

- Provide independently certified audited financial statements for the three most recent fiscal year periods or if operational for a shorter period of time, for each operational fiscal year. If the PACE program is a line of business of the applicant, it should provide audited statements relating to the legal entity. Audits are to include:
 1. Opinion of certified public account
 2. Statement of revenues and expenses
 3. Balance sheet
 4. Statement of cash flows
 5. Explanatory notes
 6. Management letters
 7. Statements of changes in net worth
 8. Actuarially certified statement of incurred but not reported claims. (If required by State licensure.)
- Provide a copy of the most recent year-to-date unaudited financial statement of the entity.
- Provide independently certified audited financial statements of guarantors and lenders (organizations providing loans, letters of credit or similar financing arrangements, excluding banks).

If the entity is a public corporation or subsidiary of a public corporation, provide in the Documents section the most recent Annual Report pursuant to Section 13 or 15 (d) of the Securities Exchange Act of 1934, Form 10-K.

- Provide financial projections for a minimum of one year from the date of the latest submitted financial statement. Give projections from this date through one year beyond break-even. Describe financing arrangements and include all documents supporting these arrangements for any projected deficit. (If the PACE organization has reached break-even, provide projections from this date until one year from anticipated date of execution of contract.)

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 the following:

<p align="center">CMS Federal Regulations and DHCS State Requirements For Expansion</p>	<p align="center">✓ or N/A or N/C</p>
<p>Quarterly balance sheets for the applicant</p> <p>Quarterly Statements of revenues and expenses for the legal entity. 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. Give projections in gross dollars as well as on a per member per month basis. Quarters should be consistent with standard calendar year quarters. Include year end totals. If an organization has a category of revenue and/or expense that is not included in the present definitions, provide an explanation.</p> <p>Quarterly Statements of Cash Flows</p> <p>Statement and Justification 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.</p> <p>Stated assumptions should address all periods for which projections are made and include inflation assumptions. Details of minor assumptions will be verified on site. Justify assumptions to the extent that a knowledgeable reviewer would be convinced that they are reasonable. Base justification on such factors as the applicant’s experience of other health plans. Describe hospital and health professional costs and utilization in detail.</p>	
<p>FEDERAL - 4. MARKETING (\$460.82)</p> <p>STATE</p> <p><u>Document Section:</u></p> <ul style="list-style-type: none"> • Provide copies of new or revised marketing materials as a result of the proposed expansion. Marketing materials include, but are not limited to, all printed materials, illustrated materials, videotapes, digital media (CD/DVD), websites, and media scripts, etc 	
<p>FEDERAL - 5. PACE CENTERS (\$460.98)</p> <p>STATE</p> <p><u>Narrative Section:</u></p> <ul style="list-style-type: none"> • Discuss the method used to transfer participants enrolled at the current site interested (if any) in transferring to the proposed new site. The transfer of the enrolled participant to the proposed expansion site must be on a voluntary basis. <p><u>Document Section:</u></p> <ul style="list-style-type: none"> • Provide a copy of the voluntary transfer agreement along with the procedure to accomplish the transfer. • Provide copies of the clinic, adult day health care and home health licenses, as applicable. 	

<p align="center">CMS Federal Regulations and DHCS State Requirements For Expansion</p>	<p align="center">✓ or N/A or N/C</p>
<p>FEDERAL - 6.TRANSPORTATION (§460.76)</p> <p>STATE</p> <p><u>Narrative Section:</u></p> <ul style="list-style-type: none"> • Discuss how the expansion will affect current participants, e.g. schedule changes, routing changes? Will additional escorts be needed? • Discuss how transportation changes will impact existing sites or the need for Program Flexibility Requests. 	
<p>FEDERAL - 7. INTERDISCIPLINARY TEAM (§460.102)</p> <p>STATE</p> <p><u>Document Section:</u></p> <ul style="list-style-type: none"> • Provide a roster of IDT members. 	
<p>FEDERAL - 8. READINESS REVIEW</p> <p>STATE</p> <p><u>Narrative Section:</u></p> <ul style="list-style-type: none"> • Provide attestation that the Organization understands that any PACE organization opening a new PACE center must undergo a readiness review, which will be conducted by the State Administering Agency after the application has been submitted. • Provide an estimated date for the site readiness review. 	