
MEMORANDUM

DATE: November 1, 2018
TO: Independent PACE Organizations
FROM: Candice Gomez, Executive Director, Program Implementation
SUBJECT: Requests for CalOptima Letters of Support

Attached please find the instructions for independent PACE organizations to request a letter of support from CalOptima. Completed requests are due to CalOptima no later than 5 p.m. PST on Thursday, January 31, 2019.

Questions may be submitted to CalOptima via email to Business Integration at businessintegration@caloptima.org or by contacting Candice Gomez, Executive Director, Program Implementation, at 714-246-8849.

Requests for CalOptima Letters of Support: Independent PACE Organizations

Overview

On October 27, 2017, and on August 17, 2018, the Department of Health Care Services (DHCS) issued PACE Policy Letters 17-03 and 18-01, respectively, regarding the PACE application process, including guidance on operation of an independent PACE organization (PO) in County Organized Health System (COHS) counties, including Orange County. Historically, the only entity that could operate a PACE program in a COHS county was the designated Medi-Cal managed care plan. Welfare & Institutions code section 14087.5 *et seq.* provides that a managed care plan that elects to organize as a COHS holds the exclusive right to contract for Medi-Cal services, including PACE, in the respective county.

The DHCS policy letters describe a process by which an organization interested in becoming an independent PO in a COHS county may, with the formal support of the local COHS plan, be considered to operate in that county. Specifically, DHCS will only consider an application from an independent PO in a COHS county if its application to DHCS includes a letter of support from the COHS Medi-Cal managed care plan.

On September 6, 2018, the CalOptima Board of Directors approved the process to consider requests for letters of support from organizations seeking to offer PACE services in Orange County independent of CalOptima. This document provides instructions for interested POs on submitting requests to CalOptima.

Instructions to Responders

Submissions

CalOptima will accept requests for letters of support from November 1, 2018, through January 31, 2019. No submissions will be accepted after 5 p.m. PST on January 31, 2019.

Please provide responses in an attachment separate from this document. In addition to the information requested below, responses should include:

- a. Identification of the primary contact, organization name, address, email and telephone number
- b. Information is requested in an appropriate format for the file content, such as Word, PDF or Excel

Materials will be accepted via a secure File Transfer Protocol (FTP) site specifically for requests for letters of support. An FTP client software is required to connect to the site. Prior to submission, please send a request to the Business Integration inbox at businessintegration@caloptima.org, including a primary contact with whom CalOptima staff can

coordinate. CalOptima will respond to the email request with information related to submissions via FTP, including FTP host name and log in information.

Proprietary Information

CalOptima is a local public agency that is subject to the California Public Record Act (California Government Code Sections 6250 *et seq.*). Pursuant to that Act, all submissions constitute public records and are subject to disclosure upon the request of any person and will be disclosed upon such a request. Only those matters that are specifically identified in California state statutes may be withheld from such disclosures. By submitting a letter of support request, submitters expressly waive any right to claim any exemption from disclosure that may apply for any material submitted.

Required Information

CalOptima will evaluate requests for letters of support based on responses to the items listed below. Responses must be provided for all requested information. Incomplete responses will not be considered.

I. Geographic ZIP Code Designation

Provide the specific ZIP code(s) and city(ies) that the PO is interested in serving.

II. Threshold Criteria

PACE Operating Experience

- Provide proof of a minimum of five (5) years of operating experience.
- Provide proof of regulatory audits with no sanctions.
- Submit, or make access available to, operational policies and procedures.
- Submit reference letters from member advocates, providers and community stakeholders.

Financial Soundness

- Submit financial statements (income statements and balance sheets) for the three most recent consecutive years.
- Report financial metrics: Submit evidence of financial stability sufficient to demonstrate reasonable stability and solvency.
 - If the respondent is a corporation required to report to the Securities and Exchange Commission, it must submit its two (2) most recent SEC Forms 10K, Annual Reports.
 - If the respondent is not a corporation required to report to the Securities and Exchange Commission, it must submit its current financial statement plus the previous two (2) years of audited financial reports, including all supplements, management discussion and analysis, and actuarial options. At a minimum, such financial statements and reports shall include: balance sheet; statement of income and expenses (also referred to as “statement of profit and loss”); statement of changes in financial position; cash flows; and capital expenditures.

- If any change in ownership is anticipated during the twelve (12) months following the proposal due date, the respondent must describe the circumstances of such change and indicate when the change is likely to occur.
- The respondent must disclose any conditions (e.g., bankruptcy, pending litigation, planned office closures, impending merger, etc.) that may impede CalOptima's ability to determine whether to provide a letter of support.

Quality Performance/Metrics

- Report PO performance against current CalPACE averages for the following areas for the date range of January 1, 2017–June 30, 2017:
 - Participants residing in nursing homes
 - Hospital admissions per 1,000
 - Hospital days per 1,000
 - Hospital readmission rate
 - Emergency room visits per 1,000
 - Participant satisfaction rating as reported in the 2017 Vital Research Participant Satisfaction Survey

Demographic Competence

- Provide general PACE demographic profile data of the ZIP code area(s) of interest.
- Demonstrate staff experience and/or understanding in serving PACE participants similar to those in the potential geographic area, including:
 - Training in cultural competency
 - Language capability
 - Accommodations for low literacy
 - Response to socioeconomic factors

III. Potential Impact on CalOptima PACE Center/Operations and Other POs Operating in Orange County, if any

Additionally, CalOptima will evaluate responses for the potential impact of the independent PO on CalOptima's existing PACE center and operations. Please provide information related to the following items and include any applicable supporting documentation.

- Discuss anticipated overlap with CalOptima's existing PACE center in Orange County.
- Discuss how the independent PO services may or may not be complementary to CalOptima's existing PACE services, including but not limited to serving unique member populations, serving remote or underserved geographic areas, bringing new providers, enhancing existing PACE facilities, or other meaningful enhancements.
- Share any additional information to assist in CalOptima's overall impact evaluation.

CalOptima Evaluation Process

Incomplete responses will not be considered. Fifty percent (50%) of the weighting criteria will be based on responses to the Threshold Criteria, and the remaining fifty percent (50%) of the weighted criteria will be based on responses to the Potential Impact on CalOptima PACE Center/Operations and Other POs Operating in Orange County, if any.

Following the submission period, CalOptima staff will analyze the information shared in the requests for letters of support and submit to the CalOptima Board of Directors for consideration.

Questions

For questions related to this document, contact:

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714-246-8849
businessintegration@caloptima.org