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PUBLIC NOTICES**Reporter**

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Agency

HUMAN SERVICES > **DIVISION OF AGING SERVICES****Text**

Notice of Applications for Program of All-Inclusive Care for the Elderly (PACE) Program**Essex and Middlesex Counties**

Take notice that the Division of Aging Services (DoAS) hereby announces the Request for Applications.

Program Name: Program of All-Inclusive Care for the Elderly (PACE).

Purpose: The Department of Human Services (DHS), DoAS (hereafter referred to as the "State Administering Agency" (SAA)), is soliciting applications from eligible entities to become Programs of All-Inclusive Care for the Elderly (PACE) organizations.

Federal law (42 U.S.C. § 1396u-4) permits the establishment of PACE in accordance with the requirements of that law and rules promulgated by the Federal Centers for Medicare and Medicaid Services. PACE is an innovative program that provides frail individuals age 55 and older with comprehensive medical and social services, coordinated and provided by an interdisciplinary team of professionals in a community-based center and in their homes, thereby helping the program participants delay or avoid long-term care facilities.

To participate in the program, an individual must be 55 years of age or older, meet clinical eligibility, be able to live safely in the community (with the help of PACE services) at the time of enrollment, and must reside in the service area of a PACE organization.

Bidder Qualifications: To be eligible for consideration, the provider agency must satisfy the following requirements:

1. The applicant must be an entity, or be part of an entity, of a city, county, State, or Tribal government, or a private not-for-profit entity organized under section 501(c)(3) of the Internal Revenue Code of 1986 or a private for-profit entity permitted by 42 U.S.C. § 1395eee(a)(3)(B) and 42 U.S.C. § 1396u-4(a)(3)(B) that is legally authorized to conduct business in the State of New Jersey.
2. The applicant currently cannot be developing a PACE program or center in New Jersey.
3. If applicable, the applicant must have completed the initial CMS audit for a current PACE center or program and must have implemented any plans of correction to the satisfaction of CMS and the SAA.

PACE Application Overview/Expectations: The PACE application process involves the following seven steps:

- Letter of Intent (LOI);
- Request for Additional Information (RAI);
- CMS PACE Application;
- New Jersey Architectural Reviews;
- New Jersey Ambulatory Care Facility License;
- State Readiness Review; and
- PACE Agreements.

[page=103] **Submission Instructions:** An eligible applicant shall electronically submit a Letter of Intent for only one of the State-designated service areas identified below. Paper submissions will not be considered.

All Letters of Intent must be submitted to Doas.Paceprogram@dhs.state.nj.us no later than 4:00 P.M. on April 30, 2019. Applicants applying to develop a PACE program for one of the State-designated service areas must submit a Letter of Intent (LOI) to the SAA by the deadline.

Submission Deadline: Proposals must be received by 4:00 P.M. on April 30, 2019.

Notification Date: Bidders will be notified on or before July 31, 2019.



State of New Jersey
DEPARTMENT OF HUMAN SERVICES

DIVISION OF AGING SERVICES

Program of All-Inclusive Care for the Elderly (PACE)

Essex and Middlesex Counties

1. INTRODUCTION and BACKGROUND

The New Jersey Department of Human Services (DHS), Division of Aging Services (DoAS), hereafter referred to as the State Administering Agency (SAA), is soliciting applications from eligible entities to become PACE organizations.

Federal law (42 U.S.C. § 1396u-4) permits the establishment of Programs of All-inclusive Care for the Elderly (PACE) in accordance with the requirements and rules promulgated by the federal Centers for Medicare and Medicaid Services (CMS). PACE is an innovative program that provides frail individuals age 55 and older comprehensive medical and social services coordinated and provided by an interdisciplinary team of professionals in a community-based center and in their homes, thereby helping the program participants delay or avoid long-term care facilities. Each program participant receives customized care that is planned and delivered by a coordinated, interdisciplinary team of professionals working at the PACE center. The team meets regularly with each participant in order to assess his or her needs.

To participate in the program, an individual must be 55 years of age or older, meet clinical eligibility, be able to live safely in the community (with the help of PACE services) at the time of enrollment, and must reside in the service area of a PACE organization.

PACE provides its participants with all services covered by Medicare and Medicaid, without the limitations normally imposed by these programs. PACE also provides any other services deemed necessary by the interdisciplinary team that would allow the participant to remain in the community. Services include, but are not limited to, primary care (including doctor, dental and nursing services), prescription drugs, adult day health care, home and personal care services, nutrition services, hospital and nursing care (if and when needed) and transportation services to and from the PACE center and all off-site appointments.

A PACE organization (PO) must be, or be part of, an entity of a city, county, State or Tribal government or a private not-for-profit entity organized under section 501(c)(3) of the Internal Revenue Code of 1986 or a private for-profit entity permitted by 42 U.S.C. §1395eee(a)(3)(B) and 42 U.S.C. §1396u-4(a)(3)(B) that is legally authorized to conduct business in the State of New Jersey. For-profit entities became eligible to be PACE organizations on May 19, 2015, under sections 1894(a)(3)(B) and 1934(a)(3)(B) of the Social Security Act.

2. PURPOSE OF REQUEST

The SAA has identified the following areas for the development of new PACE centers:

Essex County and Middlesex County.

3. APPLICANT QUALIFICATIONS

To be eligible for consideration:

4. The applicant must be, or be part of, an entity of a city, county, State or Tribal government or a private not-for-profit entity organized under section 501(c)(3) of the Internal Revenue Code of 1986 or a private for-profit entity permitted by 42 U.S.C. §1395eee(a)(3)(B) and 42 U.S.C. §1396u-4(a)(3)(B) that is legally authorized to conduct business in the State of New Jersey.
5. The applicant currently cannot be developing a PACE program or center in New Jersey.
6. If applicable, the applicant must have completed the initial CMS audit for a current PACE center or program and must have implemented any plans of correction to the satisfaction of CMS and the SAA.

4. APPLICATION OVERVIEW/EXPECTATIONS

The PACE application process involves the following seven steps:

-- Letter of Intent (LOI)

1. The applicant must meet the requirements outlined above in Section III.

-- The applicant submits a Letter of Intent (LOI) to the SAA, identifying the State-designated service area in which it wishes to develop a PACE program.

-- LOIs are evaluated and the applicant must achieve a minimum score of 18 in each area and a minimum total score of 72.

-- The SAA reserves the right to withhold the awarding of a service area.

- If the SAA receives more than one LOI for the same State-designated service area, the SAA awards the service area to the highest scoring applicant.
- The SAA reserves the right to award the service area to more than one applicant if the SAA determines that the service area can support more than one PACE program.
- The SAA sends written notice to all applicants regarding the decision to award the State-designated service area to the highest scoring applicant.
- The SAA sends an award letter to the highest scoring applicant and instructions for submitting a Request for Additional Information (RAI), including deadlines.

(a) Request for Additional Information (RAI)

- The selected applicant responds to the RAI within the timeframe designated by the SAA.
- The SAA may request additional information during the RAI review.
- The SAA issues a letter approving the RAI and instructing the applicant to submit the CMS PACE Application to CMS for review.

(b) CMS PACE Application

- The applicant completes the CMS PACE Application and submits it to CMS for review and approval in accordance with federal regulations at 42 C.F.R. Part 460, Subchapter E.
- The applicant electronically submits the PACE Application to CMS.
- CMS may request additional information.
- CMS approves or disapproves the PACE Application.
- Current CMS PACE Application information, including dates for submission, may be found on the CMS website by clicking on "Programs of All-Inclusive Care for the Elderly: For all new applicants and existing PACE Organizations seeking to expand a service area" and "2018 Programs of All-Inclusive Care for the Elderly Application Guidance."

(c) New Jersey Architectural Reviews

- During the CMS application process, and prior to the issuance of a New Jersey Ambulatory Care Facility License pursuant to N.J.A.C. 8:43A, the applicant must submit a narrative and physical plant schematic drawings/plans to the New Jersey Department of Health (DOH) for review and approval. (See Appendix B).
- Upon receiving DOH approval, the applicant must submit complete and final architectural plans to the New Jersey Department of Community Affairs (DCA) for a Health Care Plan Review. (See Appendix B).
- PACE physical plant architectural plans must meet requirements for "Free-Standing Ambulatory Care Facilities" and New Jersey Uniform Construction Code, N.J.A.C. 5:23.

[page=104] -- **DCA approval is required before the applicant can apply for building permits from local building authorities and before the start of any renovations or construction.**

(d) New Jersey Ambulatory Care Facility License

-- The applicant must submit an original and two copies of a completed License Application (Form CN-7) to DOH no less than sixty (60) days prior to the PACE program's opening.

-- The New Jersey Ambulatory Care Facility License for PACE program requires the applicant to comply with New Jersey's ambulatory care regulations pursuant to N.J.A.C. 8:43A in addition to federal PACE regulations at 42 CFR § 460. (See Appendix B).

(e) *State Readiness Review*

-- Prior to the PACE program becoming operational, the SAA shall conduct an extensive on-site Readiness Review and approve all aspects of the planned PACE program.

-- The SAA submits State Readiness Review documentation to CMS, which may request additional information prior to approving the PACE program for operation.

(f) *PACE Agreements*

-- The applicant, the SAA and CMS sign a three-way agreement and CMS grants PACE Provider Status to the applicant.

-- The applicant and the SAA sign a two-way agreement.

-- Once both agreements are finalized, the PACE program can open.

The PACE application process also includes the following requirements: o ***PACE Technical Assistance Center (TAC)***: Applicants developing their first New Jersey PACE program must contract with a qualified TAC to complete the RAI and CMS PACE Application, as well as prepare for the State Readiness Review. The contract must continue for at least one year after the signing of the three-way agreement and the two-way agreement. Existing New Jersey PACE organizations awarded new service areas, or approved for PACE Expansion Applications, may contract with a qualified TAC at their discretion. The SAA reserves the right to require existing New Jersey PACE Organizations to contract with a qualified TAC if a PACE Organization has previously had problems operating its New Jersey PACE program.

To be a qualified TAC, the TAC must have completed at least one PACE application (from initiating the application through signing the three-way agreement) and must have a staff member with at least five years of experience in one of the following capacities: a CEO or Administrator of a PACE program; a PACE Application Reviewer for CMS (Administrative or Clinical); a state PACE Administrator; or a PACE application developer, from initial application through signing the three-way agreement.

o ***Start-Up Costs***: The SAA shall not reimburse the applicant for start-up costs incurred in the development and implementation of the PACE program.

o New Jersey Ambulatory Care Facility License: The State of New Jersey requires the applicant to hold an Ambulatory Care Facility License issued by DOH before beginning PACE operations.

The PACE Organization is required to pay any fees associated with initial licensing and yearly fees to maintain the PACE License issued by DOH. (See Appendix B).

5. SUBMISSION INSTRUCTIONS

An eligible applicant shall electronically submit a Letter of Intent *for only one of the State-designated service areas identified above*. Paper submissions will not be considered. All Letters of Intent must be submitted to Doas.Paceprogram@dhs.state.nj.us by 4:00pm on April 30, 2019. Applicants applying to develop a PACE program for one of the State-designated service areas must submit a Letter of Intent (LOI) to the SAA by the deadline.

The LOI shall include the following information, which shall not be scored:

1. Name of applicant and the applicant's eligibility qualifications.
2. State-designated service area requested by the applicant.
3. Primary contact for this application, including name, title, address, phone numbers, fax number and e-mail address.
4. Applicant's organizational mission and rationale for wanting to establish a PACE program.

The LOI shall include the following information, which shall be scored:

1. *Experience Providing PACE and/or Home and Community-Based Services*

(25 Points) **3.** Identify the applicant's experience developing/operating a PACE program and/or directly providing home and community-based services. **4.** For each PACE program, provide the following information:

- a. Name and location, including state.
- b. Status and time in this status (i.e., in planning, CMS Application submitted, awaiting State Readiness Review, operational).
- c. If operational, indicate the date the PACE program opened.
- d. Indicate current participant enrollment and projected full enrollment.
- e. If operating at full enrollment, indicate the date when this was achieved.
- f. Identify any CMS corrective action letters for the existing PACE program and the reason for each letter.

5. For each home and community-based service, provide the following information:

- a. Name the service and the geographic area in which it is/was delivered, including state.
- b. Identify the population to which the service is/was delivered and the total number of people served annually.

c. State the year the service was initiated and, if applicable, the year the service ended. If the applicant is no longer providing the service, explain why.

2. Proposed Arrangements for PACE Services

(25 Points)

-- Complete the chart in Appendix D, indicating the services that will be directly provided by the applicant and those for which the applicant will contract.

-- For each contracted service, identify the anticipated vendor or entity and location, if known. Note if the vendor or entity's location is within or outside the State-designated service area and attach letters of support or commitment from anticipated contractors.

-- If the applicant has previously worked with anticipated PACE vendors or entities, identify those contractors and indicate for how long, in what location, and in what capacity the work was performed. Attach letters of recommendation or commitment from these contractors.

3. History in the PACE State-Designated Service Area or Similar Area

(25 Points)

1. Identify if the applicant has a history serving the population of the State-designated service area for which it is applying.

a. If it does, identify the services provided; the populations to which the services are or have been provided; the number of people helped annually by each service; the date services were initiated; and, if applicable, when they stopped. If the applicant is no longer providing a service, explain why.

2. If the applicant does not have a history serving the State-designated service area, identify if it has provided services in a similar area.

a. Identify the geographic area served, including the state.

b. Identify the services provided; the populations to which the services are or have been provided; the number of people helped annually by each service; the date services were initiated; and, if applicable, when they stopped. If the applicant is no longer providing a service, explain why.

3. If the applicant has a history serving the State-designated service area, identify if the applicant has developed relationships with leaders, institutions and service providers.

a. Discuss the nature of these relationships and identify how long each has existed.

b. Provide letters of support from these individuals and entities.

4. If the applicant does not have a history serving the State-designated service area, but has served a similar area, identify if the applicant has developed relationships with leaders, institutions and service providers in this area.

[page=105] a. Discuss the nature of these relationships and identify how long each has existed.

b. Provide letters of support from these individuals and entities.

4. Financial Support for PACE Project

(25 Points)

-- Demonstrate the applicant's capacity to fund a PACE start-up. o Document how the applicant will support its current financial obligations to existing PACE projects/home and community-based services while initiating this new PACE project. o For the proposed PACE program, identify anticipated sources of capital and operating funds. o Provide an estimate of the total funds needed for the PACE program to break-even and provide evidence that the identified funding sources will furnish this amount. o Submit copies of the last two annual audited financial reports for the applicant. o The financial statements and/or all financial information, including the Pro forma projections, shall be attested by a Certified Public Accounting Firm. o If the applicant does not have audited financial statements, the applicant must submit the audited financial statements of the parent organization. o In the case of Joint Ventures, the applicant shall provide its independent audited financial statements or, in the absence of independent audited financial statements, the audited financial statements of each parent organization.

-- Provide evidence of the applicant's capacity to set aside an estimated month's operating expenses in the event of insolvency.

6. REVIEW OF PROPOSALS AND NOTIFICATION OF AWARD

The SAA will award each service area to the most qualified applicant based upon LOI scores. The SAA shall evaluate LOIs by using an internal panel to score each LOI. No applicant shall be awarded a State-designated service area unless it achieves a minimum score of 18 in each area and a minimum total score of 72. (See Appendix C). If more than one applicant applies for the same State-designated service area, the applicant receiving the highest score will be awarded the area. The SAA may consider awarding the State-designated service area to more than one applicant if the SAA determines that the service area can support more than one PACE program. All applicants submitting a LOI will receive written notification of the SAA's award decision. The State reserves the right to withhold the awarding of service areas.

7. APPEAL OF AWARD DECISION

Appeals of any award determination may be made only by the applicants responding to this request. All appeals must be made in writing and must be received by the DoAS at the address below no later than 5 business days after the date of the SAA's notification of award decision. Appeals must be addressed to:

Louise Rush, Division Director
Division of Aging Services
PO Box 807
Trenton, NJ 08625-0807
Fax: 609-588-7683

The written requests must set forth the basis for the appeal. DoAS will review appeals, render a final decision and issue the notification of award no later than 15 business days after the date of the SAA's notification of award decision. Awards will not be considered final until all timely appeals have been reviewed and final decisions have been rendered.

8. REQUEST FOR ADDITIONAL INFORMATION AFTER AWARD

Once the service area is awarded, the SAA will determine the deadline for the applicant to submit the response to the Request for Additional Information. The applicant then must submit a response to the Request for Additional Information (RAI) in accordance with PACE Policy and Procedure #018 (see Appendix A), and any requirements stated in the award letter.

The response to the RAI shall include the following information and chart:

1. Applicant Information

- Provide the applicant's name, address and contact information, including main phone number, fax number and webpage/social media sites.
- Provide documentation of government or corporate status, including articles of incorporation or other legal entity documentation.
- Provide copies of all licenses, accreditations, and certifications held by the applicant.
- Provide the applicant's table of organization (TO), including the relationship to any parent or subsidiary organizations.
- Describe the applicant's governing body, including members' names, titles, and addresses or the same for the individual designated as the organization's governing body.
- Provide information for the applicant's primary contact, including name, title, address, phone numbers, fax number and e-mail address.
- Describe the role(s) and responsibilities of the person primarily tasked with developing the PACE program. Provide information about that person on the chart below and identify his/her position on the TO.
- Describe the role(s) and responsibilities of additional leadership personnel involved in PACE program development. Provide information about those people on the chart below and identify their positions on the TO.

The applicant shall complete the chart below, identifying individuals currently serving in each position. Indicate if that person will remain when the PACE program opens. If not, identify the target date for hiring the permanent staff member and the name and experience of that person, if known. For each position, include a job description and resume for each person developing the PACE program and each person who will operate the PACE program, if known.

PACE	Name and	# of	# of	Check if
Position	Credentials	years	years of	attached

with	professional	job	Resum e
applicant	experience	desc.	
or			
date-of-hire			

Project
Development
Executive Director

Permanent
Executive Director

Project
Development
Program Director

Permanent Program
Director

Project
Development
Medical Director

Permanent Medical
Director

Project
Development Chief
Financial Officer

Permanent Chief

Financial Officer

2. Target Populations for Awarded Service Area

A. Identify the awarded service area and explain why the applicant chose this location.

B. Identify populations within the awarded service area from which the applicant anticipates recruiting PACE program participants. For each target population, submit the following information: 1) Profile of the target population, such as: race/ethnicity/religion/nationality of origin; percentage of population 65+, disabled, dually eligible for Medicare and Medicaid; economic status; housing/living arrangements; and family structure. 2) Special needs found in the target population. 3) Location where the population resides/clusters within the awarded service area and the distance between the population clusters and the PACE Center. 4) Specific community leaders/institutions with which the population identifies and to which it goes to meet its needs. 5) Specific strategies for engaging the target population and familiarizing them with the PACE program and the PACE Center. 6) Barriers to enrolling members of the target population in a PACE program and strategies for overcoming these barriers. 7) Prior experience working with the target population and community institutions in the awarded service area. 8) Evidence of community support for the development of a PACE program in the awarded service area, including letters of support.

1. Service Delivery Arrangements

A. Complete the chart labeled Appendix D, identifying if the PACE program will directly provide the listed service or will contract with an outside entity. For direct services, indicate the name of the employee, if known, and title. For contracted services, indicate the status of the contracting process and the name and location of the proposed provider. The applicant may add services to the chart, in addition to those listed.

B. In the narrative, identify providers for the following services and the status of their contractual agreements with the applicant. Submit letters of intent from these providers, identifying the services they will deliver: o Behavioral health services o Addiction services o Acute inpatient services o Sub-acute inpatient services o Inpatient rehabilitation services o Assisted living services o Home care services o Home delivered meal services

2. Pharmaceutical Services

The applicant must provide pharmaceutical services for PACE participants. To do so, the applicant must meet Medicare Part D requirements, as well as requirements of other insurances. Submit a plan for providing pharmaceutical services, including the following information:

-- Identify the pharmacy with which the applicant will contract for Part D and other pharmaceutical services.

-- Describe the process that will be used to submit the Part D bid to CMS.

3. Transportation Services

The applicant must have a plan for transporting PACE participants to and from the PACE Center, alternate PACE sites, and other community services, as needed. Submit a proposed transportation services plan that includes the following:

-- Describe how transportation will be provided and if it will be provided directly by the applicant or by a contracted vendor.

-- If directly provided, identify where vehicles will be housed.

-- If contracted, provide the name of the transportation company, location of its main business office, and the garage/lot where PACE vehicles will be housed.

-- Identify who will coordinate transportation services and the location of transportation coordination activities.

-- Identify technology to assist with transportation coordination, route changes, emergencies, etc.

-- Explain how the transportation department will be included in the Interdisciplinary Team (IDT).

-- List anticipated travel times between the outer most boundaries of the awarded service area and the PACE Center.

4. PACE Physical Plant

The applicant must identify a proposed physical plant(s) that will serve as the PACE Center, the hub for providing medical care, rehabilitation, social activities and dining. For each proposed physical plant, the applicant must submit the following:

-- Proposed location(s) with physical description of the premises, intended use, past use (if any) and address.

-- Information about property ownership (i.e., current ownership, documentation of willingness to rent or sell, proposed property partnerships, letters of intent from proposed partners).

-- Travel times and distances from the proposed PACE Center to each of the target population clusters identified in Section 2.

-- Target populations' potential problems associated with this location.

-- Anticipated need to establish PACE alternate care sites or satellites to serve identified target population clusters.

-- Physical plant(s) construction and/or renovations needed to provide PACE services at the identified location(s).

-- **DCA approval of final architectural plans is required before the applicant can apply for building permits from local building authorities and before the start of any renovations or construction.** See Appendix B, revised April 3, 2017, for additional information.

5. Marketing and Enrollment

The applicant must have a plan for marketing PACE and enrolling PACE participants. Submit the following information:

-- A detailed plan for all marketing activities to secure sufficient PACE enrollment from the awarded service area.

- o Identify various marketing approaches that will be used to educate the community and recruit PACE participants.
- o For each marketing approach, identify the target population.
- o Identify how marketing approaches will address the needs of people with different disabilities and will address the needs of individuals who are not fluent in English or are illiterate.

-- A detailed plan for enrolling PACE participants, identifying the local, State and federal entities with which the applicant will develop relationships to facilitate enrollment (i.e., Area Agency on Aging/Aging and Disability Resource Connection, County Welfare Agency).

-- A statement projecting the target enrollment numbers for each of the first five years of PACE program operation and the number of PACE participants targeted as full enrollment.

6. Financial Capacity

Fiscal Soundness - The applicant must 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 [page=107] year. If the PACE program will be a line of business of the applicant, it shall provide audited statements relating to the legal entity.

The applicant must also provide the following:

-- Copy of the most recent year-to-date unaudited financial statement of the entity.

-- Copies of independently certified audited financial statements of guarantors and lenders (organizations providing loans, letters of credit or other similar financing arrangements, excluding banks).

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

Financial Projections - The applicant must provide financial projections for a minimum of one year from the date of the latest submitted financial statement and give projections from this date through one year beyond the anticipated PACE program break-even point. Describe financing arrangements and include all documents and evidence supporting financing arrangements for any projected deficits.

The applicant must prepare financial projections using the accrual method of accounting that conforms to generally accepted accounting principles (GAAP). Projections using the pro-forma

financial statement methodology must be included. For a line of business, assumptions need only be submitted to support the projections of the line. Projections must include the following:

- Quarterly balance sheets for the applicant. The National Association of Insurance Commissioners (NAIC) Financial Report #1 may be substituted for GAAP if otherwise required.
- Quarterly statements of revenues and expenses for the legal entity. If the PACE program 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 applicant has a category of revenue and/or expense not included in the present definitions, provide an explanation.
- Quarterly statements of cash flows.
- 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. Assumptions should be based on such factors as the applicant's experience and the experience of other health plans. Describe hospital and health professional costs and utilization in detail.

Insolvency

- The applicant must describe provisions in the event of PACE program insolvency including:
 - o Continuation of benefits for the duration of the period for which capitation payment has been made;
 - o Continuation of benefits to PACE participants who are hospitalized on the date of insolvency through their discharge; and
 - o Protection of PACE participants from liability for payments that are legal obligations of the applicant.
- The applicant must provide documents that demonstrate that it can, in the event of insolvency, 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, etc.)

Claims and Payment Systems

The applicant must provide the following information:

- Experience with Medicare and Medicaid claiming.
- Experience claiming from other payment sources.
- Experience paying accounts/contracts.
- Experience with direct payments to workers and benefits management.

-- Plans to manage PACE program claims and payments.

7. Quality Assurance/Performance Improvement Plan (QAPI) and Utilization Management

The applicant must have a plan to conduct quality assurance/performance improvement activities, as well as to collect data, maintain records and generate reports for utilization management purposes. In preparation for developing full QAPI and utilization management plans, the applicant must submit the following information:

-- Experience developing and implementing quality assurance/performance improvement plans.

A. Experience collecting data, maintaining records and developing reports for utilization management purposes.

B. Plan for developing and implementing QAPI for the PACE program.

C. Plan for collecting data, maintaining records and submitting reports for PACE utilization management purposes, as required by CMS and the SAA.

8. PACE Technical Assistance Center (TAC)

If the applicant is utilizing the services of a qualified TAC, the following documents must be submitted:

-- Resumes of all TAC staff working on this project, including specific PACE experience.

-- Name(s) of PO(s) for which the TAC has previously developed a CMS application.

-- Copy of the PO's contract with the TAC.

9. PACE Development Timetable

The applicant must submit a timetable for developing the PACE program in the awarded service area. Refer to Appendix A, PACE Policy and Procedure #018, revised April 10, 2017, and to the award letter for timeframes. Milestones to be noted in the timetable include, but are not limited to, the following:

1. Award letter received from the SAA.

2. RAI response submitted to the SAA.

3. CMS PACE Application submitted to the SAA for review and approval.

4. PACE Application submitted to CMS for approval.

5. Architectural drawings/plans submitted to the DOH for review and approval.

6. Final architectural plans submitted to DCA for approval.

7. Construction/renovations initiated at the PACE physical plant(s).

8. Application for NJ PACE License submitted to DOH for review and approval.

9. State Readiness Review conducted by the SAA and submitted to CMS.
10. The applicant, CMS and SAA sign the three-way agreement and CMS grants PACE Provider Status to the applicant.
11. The PO and SAA sign the two-way agreement.
12. PACE marketing and PACE participant enrollment activities are initiated.
13. PACE program opens and services are delivered.
14. PACE target enrollment goals for operational years 1, 2, 3, 4 and 5.
15. PACE target date for full enrollment.

APPENDIX A

Date: March 19, 2018

Policy Number: 018

Type: Policy and
Procedures

Supersedes: 018-Awarding PACE Service
Areas and Procedure to Apply for New PACE
Programs (Rev. 9/5/17)

**Title: Awarding PACE Service Areas and
Procedure to Apply for New PACE Programs**

Effective Date: March 22, 2018

Requirements:

Federal Program of All-Inclusive Care for the Elderly (PACE)

Regulations

42 CFR 460.12 (b)(1)(2) - Application requirements

**(b) State assurance. An entity's application must be accompanied
by an assurance from the State administering agency of the State in
which the program is located indicating that the State -**

**(1)Considers the entity to be qualified to be a PACE
organization; and**

(2) Is willing to enter into a PACE program agreement with the entity.

Federal Program of All-Inclusive Care for the Elderly (PACE)

Regulations

42 CFR 460.22 (a)(b)-Service area designation

***An entity must state in its application the service area it proposes for its program.**

***CMS, in consultation with the State administering agency, may exclude from designation an area that is already covered under another PACE program agreement to avoid unnecessary duplication of services and avoid impairing the financial and service viability of an existing program.**

Policy

The Division of Aging Services (DoAS) is the designated State Administering Agency (SAA) for Programs of All-Inclusive Care for the Elderly (PACE) in New Jersey. As such, the SAA establishes policies and procedures to assure that entities are qualified to be PACE organizations (PO)* and to award service areas.

Procedures

-- The SAA shall issue a "Request for Applications for New PACE Programs," identifying State-designated service areas, application deadlines, and required content for Letters of Intent (LOI) and Requests for Additional Information (RAI).
o An applicant shall be eligible to apply to become a PACE program provider as long as it is not currently developing a PACE program or center in New Jersey.
o In addition, an applicant that is an existing PACE organization (PO) in New Jersey must have completed the initial Centers for Medicare and Medicaid Services (CMS) audit for its current New Jersey PACE program(s) and implemented any plans of correction to the satisfaction of CMS and the SAA.

-- An eligible applicant shall submit a LOI to the SAA, identifying the State-designated service area in which it wants to develop a new PACE program.
o An eligible applicant shall submit a LOI for only one State-designated service area per award cycle.
o LOIs shall be electronically submitted and shall meet the deadline set by the SAA in the "Request for Applications for New PACE Programs."
o LOIs shall be evaluated and shall achieve a minimum score, as set by the SAA and identified in the "Request for Applications for New PACE Programs."
o Should the SAA

receive more than one LOI for the same State-designated service area, the SAA shall award the service area to the highest scoring applicant. o The SAA reserves the right to award the service area to multiple applicants should the SAA determine that the service area can support more than one PACE program. o The SAA reserves the right to add contiguous geographical areas to the awarded State-designated service area, if it determines, in consultation with the applicant, that it is in the best interest of consumers. o All applicants submitting LOIs shall receive written notification of the SAA's initial award decision.

-- Appeals of initial award determinations may be made only by applicants that submitted LOIs. a. Appeals shall be made in writing and must be received by the SAA no later than 5 business days after the date of the SAA's initial notification of award determination. b. Written requests shall set forth the basis for the appeal. c. The SAA shall review appeals, render decisions, and issue final notifications of award as indicated in the "Request for Applications for New PACE Programs." a. The awarding of PACE service areas shall not be considered final until all timely appeals have been reviewed and final decisions rendered.

-- The selected applicant has up to six (6) months from the date of the SAA award notification to submit the RAI to the SAA. Upon approval of the RAI, the SAA shall notify the applicant in writing. The SAA shall instruct the applicant to submit to CMS a Notice of Intent to Apply (NOIA), if applicable, and a PACE Application, including the Medicare Part D Application.

o Certain applicants shall contract with a qualified Technical Assistance Center (TAC) to complete the RAI and the PACE Application. See PACE Policy and Procedure 026 for information regarding this requirement.

o The applicant may request a RAI time extension no later than four weeks prior to the expiration of the six (6) month period.

o The SAA reserves the right to approve or deny the extension request and to determine the length of the extension, if applicable.

o Only one RAI time extension shall be granted.

o Should the applicant fail to meet the RAI deadline, *the SAA reserves the right to recall the State-designated service area awarded to the applicant.*

-- A new applicant, i.e., an entity that has never been a PACE organization in any locale, shall submit a non-binding Notice of Intent to Apply (NOIA) to CMS. Existing PACE organizations are not required to submit a NOIA. o The new applicant shall electronically submit the NOIA data collection form to CMS through the PACE portal at <http://dmao.lmi.org> o The new applicant shall notify the SAA by email when it submits a NOIA.

-- All applicants shall submit to CMS a completed PACE Application, including a Medicare Part D Application as part of the initial application, within one (1) year of the date of the RAI approval letter from the SAA

1. The applicant shall submit the completed PACE Application to CMS through the Health Plan Management System (HPMS). -- The current PACE application is posted on the CMS website at the following link: <http://www.cms.gov/Medicare/Health-Plans/PACE/Overview.html>. o All

applicants shall notify the SAA by email when they submit the completed CMS PACE Application.

-- The applicant may request from the SAA a time extension for submission of the PACE Application to CMS no later than two weeks prior to the expiration of the one (1) year period. 1. The SAA reserves the right to approve or deny the extension request and to determine the length of the extension, if applicable. 2. Only one time extension shall be granted. 3. Should the applicant fail to meet the SAA's deadline for submitting the PACE Application, including the Medicare Part D Application, to CMS, *the SAA reserves the right to recall the State-designated service area awarded to the applicant.*

-- If the PACE Application is not approved by CMS within one (1) year of submission, *the SAA reserves the right to recall the State-designated service area awarded to the applicant.*

* A Pace organization must be, or be part of, an entity of a city, county, State or Tribal government **or** a private not-for-profit entity organized under section 501(c)(3) of the Internal Revenue Code of 1986 **or** a private for-profit entity permitted by 42 U.S.C. §1395eee(a)(3)(B) and 42 U.S.C. §1396u-4(a)(3)(B) that is legally authorized to conduct business in the State of New Jersey. For-profit entities became eligible to be PACE organizations on May 19, 2015, under sections 1894(a)(3)(B) and 1934(a)(3)(B) of the Social Security Act.

APPENDIX B

PACE Physical Plant Reviews and Licensure Procedure

The applicant must submit architectural plans for review and approval to both the New Jersey Department of Health (DOH) and the New Jersey Department of Community Affairs (DCA). *DCA approval of final architectural plans is required before the applicant can apply for building permits from local building authorities and before the start of any renovations or construction.* PACE Center architectural plans must meet [page=109] requirements for "Free-Standing Ambulatory Care Facilities," Uniform Construction Code State of New Jersey, Title 5, Chapter 23, Subchapters 1-12, as well as comply with requirements for facilities set forth in N.J.A.C. 8:43A.

New Jersey Department of Health Review

The applicant must request a Functional Review from DOH by submitting two copies of a clinical project narrative and schematic drawings/plans, accompanied by a transmittal form from the architect. For more information, call the DOH Certificate of Need and Healthcare Facility Licensure Program at 609-292-5960 and identify the PACE program and location in order to speak with the Analyst serving that area.

When submitting documents to DOH, identify the facility (name, address and facility number, if licensed) on all correspondence, narratives and drawings/plans and send to:

John A. Calabria, Director
Certificate of Need and Healthcare Facility Licensure Program
P.O. Box 385

25 South Stockton Street, 2nd Floor
Trenton, New Jersey 08608-0385

New Jersey Department of Community Affairs Review

Upon receiving approval from DOH, the applicant's design professional of record must request a Health Care Plan Review from the DCA Division of Codes and Standards, Bureau of Construction Project Review, Health Care Plan Review Unit. As stated above, *DCA approval of final architectural plans is required before the applicant can apply for building permits from local building authorities and before the start of any renovations or construction.*

As of January 1, 2016, all DCA plan submittals are required to be in an electronic format, as described in the NJDCA Electronic Plan Review manual. Procedures for submitting documents for the Health Care Plan Review can be found in a manual on the DCA website. Click on Codes & Standards Division#[right arrow]# Bureaus, Offices & Programs#[right arrow]# Bureau of Construction Project Review#[right arrow]# Specific to Health Care Facilities#[right arrow]# Health Care Facilities Plan Review Procedures. Inquiries regarding plan review procedures or building code interpretations can be directed to the supervisor of the Health Care Plan Review Unit at 609-633-8151 or faxed to 609-633-2525. Inquiries can also be emailed to planreviewintake@dca.state.nj.us or mailed to the following address:

New Jersey Department of Community Affairs
Health Care Plan Review
P.O. Box 817
101 South Broad Street, 4th Floor
Trenton, New Jersey 08625-0817

New Jersey Department of Health Ambulatory Care Facility License

An Ambulatory Care Facility License, issued by DOH, is mandatory *prior* to the start of new or expanded services. The applicant must submit an original License Application (Form CN-7) and two copies to DOH no less than sixty (60) days prior to the project's completion.

The New Jersey Ambulatory Care Facility License requires compliance with New Jersey ambulatory care regulations at N.J.A.C. 8:43A, in addition to federal PACE regulations at 42 CFR § 460. Compliances with N.J.A.C. 8:43A, Standards for Licensure of Ambulatory Care Facilities, Free-Standing Ambulatory Care Facilities, and physical plant requirements as referenced in the "Facility Guidelines Institute (FGI) Guidelines for Design and Construction of Hospitals and Outpatient Facilities" are required prior to licensure.

The license application form and instructions (Form CN-7) can be found on the DOH website. Click on Healthcare Facilities and Services#[right arrow]# Facility Licensing and Inspections#[right arrow]# License Forms. Questions regarding licensure can be addressed to the Analyst serving the county in which the PACE facility is located by calling 609-292-5960. License applications should be sent to:

John A. Calabria, Director

Certificate of Need and Healthcare Facility Licensure Program
P.O. Box 385
25 South Stockton Street, 2nd Floor
Trenton, New Jersey 08608-0385

APPENDIX C

New Jersey Department of Human Services - Division of Aging Services

Guidelines for Scoring the PACE Letter of Intent (LOI)

PACE Letters of Intent (LOI) must address the following four areas: 1) PACE/Home and Community-Based Services (HCBS) experience; 2) proposed service delivery plans; 3) history in service/similar area; and 4) financial support. Each area is valued at 25 points, for a total score of 100 points. A minimum of 18 points is required for each area.

Criteria *with a value of 3 points* will be scored as follows: i. 3 points = Yes; ii. 1- 2 points = Somewhat; and iii. 0 points = No.

Criteria *with a value of 16 points* will be scored as follows: iv. 0 - 4 points = Poor v. 5-8 points = Adequate vi. 9-12 points = Good vii. 13-16 points = Very Good to Excellent

1. PACE/HCBS experience (Total 25 points):

- I. Was the response by the applicant sufficient in addressing all of the requirements? **3 points**
- II. Did the applicant provide complete and thorough responses for all of the requirements? **3 points**
- III. Did the applicant provide responses that were organized, understandable, logical and responsive? **3 points**
- IV. How well has the applicant demonstrated a high degree of knowledge and experience with PACE and/or home and community-based services? **16 points**

2. Proposed service delivery plans (Total 25 points):

2. Was the response by the applicant sufficient in addressing all of the requirements? **3 points**
3. Did the applicant provide complete and thorough responses for all of the requirements? **3 points**
4. Did the applicant provide responses that were organized, understandable, logical and responsive? **3 points**
5. How well has the applicant exhibited a high level of preparation for providing anticipated PACE services? **16 points**

3. History in service/similar area (Total 25 points):

- Was the response by the applicant sufficient in addressing all of the requirements? **3 points**

-- Did the applicant provide complete and thorough responses for all of the requirements? **3 points**

-- Did the applicant provide responses that were organized, understandable, logical and responsive? **3 points**

-- How well has the applicant provided evidence of solid relationships with leaders, institutions and vendors in the PACE State-designated service area or a similar area? **16 points**

4. Financial support (Total 25 points):

-- Was the response by the applicant sufficient in addressing all of the requirements? **3 points**

-- Did the applicant provide complete and thorough responses for all of the requirements? **3 points**

-- Did the applicant provide responses that were organized, understandable, logical and responsive? **3 points**

-- Did the applicant satisfactorily explain how it will meet its financial obligations to current service programs while developing the new PACE project and did it provide credible data and reports to explain how it will meet future PACE financial requirements. **16 points**

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APPENDIX D

PACE SERVICE DELIVERY ARRANGEMENTS

Required Services	D=Direct	Contract	Name of Provider or
	C=Contract	D=Draft	Employee/Title
		E=Executed	

Multidisciplinary
assessment/treatment
planning

Physician services

Nursing services

Social work

Physical therapy

Occupational
therapy

Speech therapy

Services in the
home

Personal care and
supportive services

Nutritional
counseling

Recreational
therapy

Transportation

PACE Center Meals

Home Delivered
Meals

Medical specialty
services including
but not limited to:

Addiction Services

Anesthesiology

Audiology

Behavioral Health

Cardiology

Dentistry

Dermatology

Gastroenterology

Gynecology

Internal medicine

Nephrology

Neurosurgery

Oncology

Ophthalmology

Oral surgery

Orthopedic surgery

Otorhinolaryngology

Plastic surgery

Pharmacy

consulting services

Podiatry

Psychiatry

Pulmonary disease

Radiology

Rheumatology

Surgery

Thoracic and
vascular surgery

Urology

Laboratory tests,
x-rays and other
diagnostic procedures

Drugs and
biologicals

Prosthetics and
durable medical
equipment, corrective
vision devices such
as eyeglasses and
lenses, hearing aids,
dentures, and
repairs and
maintenance for these
items

Assisted Living
Facility

Acute inpatient
care, including, but
not limited to:

Ambulance

Emergency room
care and treatment
room services

Semi-private room
and board

General medical
and nursing services

Medical
surgical/intensive
care/coronary care
unit, as necessary

Laboratory tests,
x-rays and other
diagnostic procedures

Drugs and
biologicals

Blood and blood
derivatives

Surgical care,
including the use of
anesthesia

Use of oxygen

Physical, speech,
occupational, and
respiratory therapies

Social services

Subacute Care

In-Patient
Rehabilitation

Nursing facility care,
including, but not
limited to:

Semi-private room
and board

Physician and
skilled nursing
services

Custodial care

Personal care and
assistance

Drugs and
biologicals

Physical, speech,
occupational and
recreational
therapies, if
necessary

Social services

Medical supplies
and appliances

Additional
services determined
necessary by the
multidisciplinary
team