# PUBLIC NOTICES

# HUMAN SERVICES

**DIVISION OF AGING SERVICES**

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

**Request for Applications for New PACE Programs**

# INTRODUCTION and BACKGROUND

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

42 U.S.C. § 1396u-4 permits the establishment of Programs of All-inclusive Care for the Elderly (PACE), in accordance with the requirements of the statute 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 ofacity, 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.

1. **PURPOSE OF REQUEST**

The SAA has identified the following areas for development of new PACE centers: Ocean County and Essex County.

 Please note that, in the next year, the SAA anticipates soliciting applications for PACE centers in Bergen, Passaic, and Middlesex Counties, depending upon available funding and staff resources.

1. **APPLICANT QUALIFICATIONS**

To be eligible for consideration:

1. The applicant must be, or be part of, an entity ofacity, 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 implemented any plans of correction to the satisfaction of CMS and the SAA.

# APPLICATION OVERVIEW/EXPECTATIONS

# The PACE application process involves the following seven steps:

1. Letter of Intent (LOI)
* 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 must achieve a minimum score of 70, as set by the SAA.
* Should the SAA receive 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 should the SAA determine 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, with instructions for submitting a Request for Additional Information (RAI), including deadlines.
1. Request for Additional Information (RAI)
* The selected applicant responds to the RAI.
* The SAA may request additional information during the RAI review.
* The SAA issues a letter approving the RAI and identifying the date by which the applicant must submit the CMS PACE Application to the SAA for review.
1. CMS PACE Application
* The applicant completes the CMS PACE Application and submits it to the SAA for review and approval prior to submission to CMS, in accordance with PACE Policy and Procedure No. 018, revised April 10, 2017. (See Appendix A). As part of this application process, the SAA reviews and approves PACE applications prior to submission for CMS approval, in accordance with Federal regulations in 42 CFR Part 460, Subchapter E.
* Upon receiving SAA approval, the applicant electronically submits the PACE Application to CMS.
* CMS may request additional information.
* CMS approves/disapproves the PACE application.
* For current CMS PACE application information, including dates for submission, go to the CMS website and click on “Programs of All-Inclusive Care for the Elderly: For all new applicants and existing PACE Organizations seeking to expand a service area” and “2017 Programs of All-Inclusive Care for the Elderly Application Guidance.”
1. 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,” Uniform Construction Code State of New Jersey, Title 5, Chapter 23, Subchapters 1 – 12.
* 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.
1. 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 60 days prior to the PACE program’s opening.
* The New Jersey Ambulatory Care Facility License for PACE programs requires the applicant to comply with New Jersey’s ambulatory care rules pursuant to N.J.A.C. 8:43A, in addition to Federal PACE regulations at 42 CFR Part 460. (See Appendix B).
1. 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.
1. 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.

Timelines for some of these steps are described in PACE Policy and Procedure No. 018, revised April 10, 2017. (See Appendix A).

The PACE application process also includes the following requirements:

# 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 (PO) to contract with a qualified TAC if a PO 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) andmust 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.

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

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

# 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 4:00 P.M. on December 18, 2017.

# All attachments shall be in PDF format. Total attachment size is limited to 10MB per e-mail. Each applicant shall specify, in the body of the e-mail, the total number of attachments for the application. If the applicant submits more than one e-mail, then the applicant shall specify, in the subject line of each e-mail, the sequence of e-mails (for example, 1 of 3, 2 of 3, 3 of 3).

# 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:

* Name of applicant and the applicant’s eligibility qualifications.
* State-designated service area requested by the applicant.
* Primary contact for this application, including name, title, address, phone numbers, fax number, and e-mail address.
* 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)
* Identify the applicant’s experience developing/operating a PACE program and/or directly providing home and community-based services.
* For each PACE program, provide the following information:
	+ Name and location, including state.
	+ Status and time in this status, for example, in planning, CMS Application submitted, awaiting State Readiness Review, operational, etc.
	+ If operational, indicate the date the PACE program opened.
	+ Indicate current participant enrollment and projected full enrollment.
	+ If operating at full enrollment, indicate the date when this was achieved.
	+ Identify any CMS corrective action letters for the existing PACE program and the reason for each letter.
* For each home and community-based service (HCBS), provide the following information:
	+ Name the service and the geographic area in which it is/was delivered, including state.
	+ Identify the population to which the service is/was delivered and the total number of people served annually.
	+ 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.
1. 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/entity and location, if known. Note if the vendor/entity’s location is in or outside of the State-designated service area and attach letters of support/commitment from anticipated contractors.
* If the applicant has previously worked with anticipated PACE vendors/entities, identify those contractors and indicate for how long, in what location, and in what capacity the work was performed. Attach letters of recommendation/commitment from these contractors.
1. History in the PACE State-Designated Service Area/Similar Area (25 Points)
* Identify if the applicant has a history serving the population of the State-designated service area for which it is applying.
	+ If it does, identify the services provided; the populations to which the services are/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.
* If the applicant does not have a history serving the State-designated service area, identify if it has provided services in a similar area.
	+ Identify the geographic area served, including the state.
	+ Identify the services provided; the populations to which the services are/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.
* 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.
	+ Discuss the nature of these relationships and identify how long each has existed.
	+ Provide letters of support from these individuals/entities.
* 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.
	+ Discuss the nature of these relationships and identify how long each has existed.
	+ Provide letters of support from these individuals/entities.
1. Financial Support for PACE Project (25 Points)
* Demonstrate the applicant’s capacity to fund a PACE start-up.
	+ 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.
	+ For the proposed PACE program, identify anticipated sources of capital and operating funds.
	+ Provide an estimate of the total funds needed for the PACE program to break-even and evidence that the identified funding sources will furnish this amount.
	+ Submit copies of the last two annual audited financial reports for the applicant.
* Provide evidence of the applicant’s capacity to set aside an estimated month’s operating expenses, in the event of insolvency.

# REVIEW OF PROPOSALS AND NOTIFICATION OF AWARD

# The SAA will award each service area to the most qualified applicant based upon Letter of Intent 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 its LOI receives a minimum score of 70. (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 an LOI will receive written notification of the SAA’s award decision.

# APPEAL OF AWARD DECISION

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

 Laura Otterbourg, 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.

1. **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 No. 018, revised April 10, 2017 (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 organization’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 or 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 Position | Name and Credentials | # of years with applicant or date-of-hire | # of years of professional experience | Check if attachedjob Resumedesc. |
| Project Development Executive Director |  |  |  |  |  |
| PermanentExecutive Director |  |  |  |  |  |
| Project Development Program Director |  |  |  |  |  |
| PermanentProgram Director |  |  |  |  |  |
| Project Development Medical Director |  |  |  |  |  |
| Permanent Medical Director |  |  |  |  |  |
| Project Development Chief Financial Officer |  |  |  |  |  |
| Permanent ChiefFinancial Officer |  |  |  |  |  |

2.Target Populations for Awarded Service Area

* Identify the awarded service area and explain why the applicant chose this location.
* Identify populations within the awarded service area from which the applicant anticipates recruiting PACE program participants. For each target population, submit the following information:
	+ 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.
	+ Special needs found in the target population.
	+ Location where the population resides/clusters within the awarded service area and the distance between the population clusters and the PACE Center.
	+ Specific community leaders/institutions with which the population identifies and to which it goes to meet its needs.
	+ Specific strategies for engaging the target population and familiarizing them with the PACE program and the PACE Center.
	+ Barriers to enrolling members of the target population in a PACE program and strategies for overcoming these barriers.
	+ Prior experience working with the target population and community institutions in the awarded service area.
	+ Evidence of community support for the development of a PACE program in the awarded service area, including letters of support.
1. Service Delivery Arrangements
* 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.
* In the narrative, identify providers for the following services. Indicate their distance from the proposed PACE Center and the status of their contractual agreements with the applicant. Submit letters of intent from providers, identifying the services they will deliver:
	+ Behavioral health services
	+ Addiction services
	+ Acute inpatient services
	+ Sub-acute inpatient services
	+ Inpatient rehabilitation services
	+ Assisted living services
	+ Home care services
	+ Home delivered meal services
1. 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.
1. 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.
1. 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, that is, current ownership, documentation of willingness to rent or sell, proposed property partnerships, letters of intent from proposed partners, etc.
* Travel times and distances from the proposed PACE Center to each of the target population clusters identified in Section 2 above.
* 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.
1. 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.
	+ Identify various marketing approaches that will be used to educate the community and recruit PACE participants.
	+ For each marketing approach, identify the target population.
	+ 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, for example, area agency on aging/ADRC, county welfare agency, etc.
* 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.
1. 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 year. If the PACE program will be a line of business of the applicant, it should 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 No. 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:
	+ Continuation of benefits for the duration of the period for which capitation payment has been made;
	+ Continuation of benefits to PACE participants who are hospitalized on the date of insolvency through their discharge; and
	+ 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.
1. 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.
* Experience collecting data, maintaining records, and developing reports for utilization management purposes.
* Plan for developing and implementing QAPI for the PACE program.
* Plan for collecting data, maintaining records, and submitting reports for PACE utilization management purposes, as required by CMS and the SAA.
1. 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, as described in “Part 1 – Background Information.”
* Copy of the PO’s contract with the TAC.
1. 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 No. 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:

* Award letter received from the SAA.
* RAI response submitted to the SAA.
* CMS PACE Application submitted to the SAA for review and approval.
* PACE Application submitted to CMS for approval.
* Architectural drawings/plans submitted to the DOH for review and approval.
* Final architectural plans submitted to DCA for approval.
* Construction/renovations initiated at the PACE physical plant(s).
* Application for NJ PACE License submitted to DOH for review and approval.
* State Readiness Review conducted by the SAA and submitted to CMS.
* The applicant, CMS, and SAA sign the three-way agreement and CMS grants PACE Provider Status to the applicant.
* The PO and SAA sign the two-way agreement.
* PACE marketing and PACE participant enrollment activities are initiated.
* PACE program opens and services are delivered.
* PACE target enrollment goals for operational years one, two, three, four, and five.
* PACE target date for full enrollment.

**APPENDIX A**

New Jersey Department of Human Services (DHS) Division of Aging Services (DoAS)

PACE

POLICY AND PROCEDURE

 # 018

AWARDING PACE SERVICE AREAS

and PROCEDURE to APPLY for NEW PACE PROGRAMS

The Department of Human Services (DHS), 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 the policies and procedures for applying to become a PACE organization (PO)\*, including awarding PACE service areas.

* The SAA issues a “Request for Applications for New PACE Programs,” identifying available State-designated service areas, deadlines for applying and the required content for Letters of Intent (LOI) and Requests for Additional Information (RAI).
* An applicant is eligible to apply to become a PO as long as it currently is not developing a PACE program or center in New Jersey and, if applicable, it has completed the initial CMS audit for its most recently opened PACE program and implemented any plans of correction to the satisfaction of CMS and the SAA.
	+ - An eligible applicant shall submit a LOI for only one State-designated service area per award cycle.
* 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.
	+ LOIs must be submitted electronically by the deadline set by the SAA in the “Request for Applications for New PACE Programs.”
	+ LOIs are evaluated and must achieve a minimum score, as set by the SAA and identified in the “Request for Applications for New PACE Programs.”
	+ Should the SAA receive 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 multiple applicants should the SAA determine that the service area can support more than one PACE program.
	+ 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.
* The selected applicant has up to six (6) months from the date of the SAA award letter to submit the RAI. Upon approval of the RAI, the SAA notifies the applicant, in writing, that it can submit its CMS PACE Application to the SAA for review.
	+ The applicant may request a RAI time extension no later than four weeks prior to the expiration of the six (6) month period.
	+ The SAA reserves the right to refuse the extension request or, if granted, to determine the length of the extension.
	+ Only one RAI time extension may be granted.
	+ 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.
* The applicant must complete the CMS PACE Application and submit it to the SAA within six (6) months of the date of the RAI approval letter.
	+ An applicant may request a CMS PACE Application time extension from the SAA no later than two weeks prior to the expiration of the six (6) month period.
	+ The SAA reserves the right to refuse the extension request or, if granted, to determine the length of the extension.
	+ Only one CMS PACE Application extension may be granted.
	+ Should the applicant fail to meet the SAA’s CMS PACE Application deadline, the SAA reserves the right to recall the State-designated service area awarded to the applicant.
* Once the SAA approves the CMS PACE Application, the applicant electronically submits it to CMS.
	+ If the CMS 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 ofacity, 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.

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**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 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→ Bureaus, Offices & Programs→ Bureau of Construction Project Review→ Specific to Health Care Facilities→ 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→ Facility Licensing and Inspections→ 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

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**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/HCBS (Home and Community-Based Services) 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.

Criteria with a value of 3 points will be scored as follows:

* + - 3 points = Yes;
		- 1- 2 points = Somewhat; and
		- 0 points = No.

Criteria with a value of 16 points will be scored as follows:

* + - 0 - 4 points = Poor
		- 5 – 8 points = Adequate
		- 9 – 12 points = Good
		- 13 – 16 points = Very Good to Excellent

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

1. Did the applicant address each of the requirements? **3 points**
2. Did the applicant provide a thorough response to each of the requirements? **3 points**
3. Did the applicant provide responses that were organized, understandable, logical and responsive? **3 points**
4. 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):**

1. Did the applicant address each of the requirements? **3 points**
2. Did the applicant provide a thorough response to each of the requirements? **3 points**
3. Did the applicant provide responses that were organized, understandable, logical and responsive? **3 points**
4. 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):**

1. Did the applicant address each of the requirements? **3 points**
2. Did the applicant provide a thorough response to each of the requirements? **3 points**
3. Did the applicant provide responses that were organized, understandable, logical and responsive? **3 points**
4. 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):**

1. Did the applicant address each of the requirements? **3 points**
2. Did the applicant provide a thorough response to each of the requirements? **3 points**
3. Did the applicant provide responses that were organized, understandable, logical and responsive? **3 points**
4. How well has the applicant satisfactorily explained how it will meet its financial obligations to current service programs while developing the new PACE project and provided credible data and reports to meet future PACE financial requirements? **16 points**

**APPENDIX D**

**PACE SERVICE DELIVERY ARRANGEMENTS**

| Required Services | D=DirectC=Contract | ContractD=DraftE=Executed | Name of Provider or Employee/Title |
| --- | --- | --- | --- |
| 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 |  |  |  |