

## **PUBLIC NOTICE**

### **NEW JERSEY DEPARTMENT OF HUMAN SERVICES**

### **DIVISION OF AGING SERVICES**

**Notice of Request for Applications for the Program of All-Inclusive Care for the Elderly for the following designated service area:**

#### **Somerset County**

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

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

**Purpose:** The Department of Human Services (DHS), DoAS, (hereinafter referred to as the “State Administering Agency” or “SAA”), is soliciting applications from eligible entities to establish a PACE program for **the following designated service area:**

#### **Somerset County**

Federal law, 42 U.S.C. § 1396u-4, permits the establishment of a PACE organization in accordance with the requirements of that law 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 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 admission to 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 at the time of enrollment (with the help of PACE services), and must reside in the service area of the PACE program.

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

1. 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 1396u-4(a)(3)(B) that is legally authorized to conduct business in the State of New Jersey;
2. If the entity is an existing PACE Organization, the applicant must have completed the CMS initial trial audit 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 eight steps. Only the highest scoring applicant in the first step, as determined by the SAA, will receive an award and proceed to the Request for Additional

Information. Steps 4 through 6 require review and approval by other State and Federal entities.

1. Letter of Intent (LOI);
2. Award of Service Area;
3. Request for Additional Information (RAI);
4. CMS PACE Application;
5. New Jersey Architectural Reviews;
6. New Jersey Ambulatory Care Facility License;
7. State Readiness Review; and
8. PACE Agreement.

**Request for Application Questions:** Interested applicants shall electronically submit questions regarding the RFA. All questions must be submitted to [Doas.Paceprogram@dhs.nj.gov](mailto:Doas.Paceprogram@dhs.nj.gov) no later than 4:00 P.M. on August 26, 2022. All questions and corresponding answers will be posted in the form of an updated FAQ at <https://www.state.nj.us/humanservices/providers/grants/rfprfi/> .

**Submission Instructions:** An eligible applicant shall electronically submit a LOI for the State-designated service areas of interest identified below. Paper submissions will not be considered.

All Letters of Intent must be submitted to [Doas.Paceprogram@dhs.nj.gov](mailto:Doas.Paceprogram@dhs.nj.gov) no later than 4:00 P.M. on September 15, 2022. Applicants applying to develop a PACE program

for one of the State-designated service areas must submit a LOI to the SAA using this email address by the deadline.

**Submission Deadline:** Proposals must be received by 4:00 P.M. on September 15, 2022.

**Notification Date:** Bidders will be notified on or before December 14, 2022.



*State of New Jersey*  
DEPARTMENT OF HUMAN SERVICES

## **DIVISION OF AGING SERVICES**

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

**Somerset County**

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## **I. 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 establish a PACE program.

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 admission to 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/her/their 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 at the time of enrollment (with the help of PACE services), and must reside in the service area of the PACE program.

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.

PACE programs are operated by a PACE organization. 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.

## II. PURPOSE OF REQUEST

The SAA has identified the following area for the development of a new PACE program:

**Somerset County.**

## III. APPLICANT QUALIFICATIONS

To be eligible for consideration:

1. 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.
2. If the entity is an existing PACE Organization, the applicant must have completed the CMS initial trial audit and must have implemented any plans of correction to the satisfaction of CMS and the SAA.

## IV. APPLICATION OVERVIEW/EXPECTATIONS

The PACE application process involves the following eight steps:

### 1. Letter of Intent (LOI)

- 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 proposes to develop a PACE program.

### 2. Award of Service Area

- LOIs are evaluated and the applicant must achieve a minimum score of 18 in each of four areas and a minimum total score of 72.
- The SAA reserves the right to withhold the awarding of any 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(s).
- The SAA sends an award letter to the highest scoring applicant(s) and instructions for submitting a Request for Additional Information (RAI), including deadlines.

### **3. 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.

### **4. 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 navigating to the [“Programs of All-Inclusive Care for the Elderly \(PACE\)”](#) section and downloading the following documents:
  - [PACE Initial and Service Area Expansion Application 2020 \(PDF\)](#)
  - [2020 PACE Application Presentation February 5 2020 \(PDF\)](#)

### **5. 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 A).
- 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 A).
- 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, as well as comply with requirements for facilities set forth in N.J.A.C. 8:43A.



- **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.**

#### **6. 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 opening.
- The New Jersey Ambulatory Care Facility License for PACE centers 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 C.F.R. § 460. (See Appendix A).

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

#### **8. PACE Agreement**

- The applicant, the SAA and CMS sign a three-way agreement and CMS grants PACE Provider Status to the applicant.
- Once the agreement is finalized, the PACE organization can open its facility and operate the program.

**Please note the SAA reserves the right to recall an award of a PACE service area prior to the three-way agreement initiation if the SAA determines, in its sole discretion, the development of the PACE program is delayed or stalled for a significant period of time.** A new service area award is expected to result in a center opening within 3 years of the award date. A service area expansion award is expected to result in serving the requested population within 2 years of the award date.

The PACE application process also includes the following requirements:

- **PACE Technical Assistance Center (TAC):** An applicant developing its 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. An existing New Jersey PACE organization awarded a new service area may contract with a qualified TAC at its discretion. The SAA reserves the right to require an existing New Jersey PACE organization to contract with a qualified TAC. The applicant may request a waiver of the TAC requirement in certain circumstances; however, granting such waiver is within the sole discretion of the SAA.

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 organization; 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 will 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 PACE organization is required to pay any fees associated with initial licensing and yearly fees to maintain the Ambulatory Care Facility License issued by DOH. (See Appendix A).

## **V. SUBMISSION INSTRUCTIONS**

Applicants applying to develop a PACE program must submit a LOI to the SAA by the deadline. An eligible applicant shall electronically submit a LOI for only one of the State-designated service areas identified above. Paper submissions will not be considered. All LOIs must be submitted to [Doas.Paceprogram@dhs.nj.gov](mailto:Doas.Paceprogram@dhs.nj.gov) by 4:00pm on September 15, 2022.

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

1. Name of applicant and the applicant's eligibility qualifications.
2. The 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)

- A. Identify the applicant's experience developing/operating a PACE program and/or directly providing home and community-based services.
- B. For each PACE program, provide the following information:
  - 1) Name and center location, including city and state.
  - 2) Status and time in each status from time of award:
    - In planning
    - CMS Application submitted
    - Awaiting State Readiness Review
    - Operational
  - 3) If operational, indicate the date the PACE facility opened.
  - 4) Indicate current participant enrollment and projected full enrollment.
  - 5) If operating at full enrollment, indicate the date when this was achieved.
  - 6) If an existing PACE program, identify any CMS corrective action letters from the most recent CMS survey and the reason for each letter.
- C. For each home and community-based service, provide the following information:
  - 1) Name the service and the geographic area in which it is/was delivered, including the state.
  - 2) Identify the population to which the service is/was delivered and the total number of people served annually.
  - 3) 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. Target Populations for Requested Service Area**  
(25 points)

- A) Identify the service area and explain why the applicant chose this location. The applicant should explain why it wants to serve this specific area, including any existing relationship within the area and how its mission/vision statement matches the identified need of the target population.

B) Identify populations within the service area from which the applicant anticipates recruiting PACE 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 service area and the distance between the population clusters and the proposed PACE center location.
- 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 PACE and strategies for overcoming these barriers.
- 7) Prior experience working with the target population and community institutions in the service area.
- 8) Evidence of community support for the development of a PACE program in the service area, including letters of support.

3. **PACE Physical Plant and Proposed Timeframe for Establishing a PACE program in the requested service area**  
(25 Points)

A. The applicant must outline a proposed physical plant plan to 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:

- 1) Proposed location which will ensure access to all zip codes within the service area.
- 2) Travel times and distances from the proposed PACE center to each of the target population clusters identified in Section 2 above.
- 3) Target populations' potential problems associated with this location.
- 4) Anticipated need to establish PACE alternate care sites or satellites to serve identified target population clusters.

B. The applicant must outline a detailed timeframe for Requested PACE Service Area Development

- 1) Number of anticipated months in each status from time of award:
  - Response to Request for Additional Information (RAI)
  - Preparation and submission of CMS Application

- Site Development and Approvals
- State Readiness
- Program Opening
- Target enrollment in Years 1 through 5

4. **Financial Support for PACE Project**

(25 points)

- A. Demonstrate the applicant's capacity to fund a PACE program start-up project.
- 1) Document how the applicant will support its current financial obligations to existing PACE programs and community-based services while initiating this new PACE program.
  - 2) For the proposed PACE program, identify anticipated sources of capital and operating funds.
  - 3) 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.
  - 4) Submit copies of the last two annual audited financial reports for the applicant.
  - 5) The financial statements and/or all financial information, including the Pro forma projections, shall be attested by a Certified Public Accounting Firm.
  - 6) If the applicant does not have audited financial statements, the applicant must submit the audited financial statements of the parent organization.
  - 7) 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.
- B. Provide evidence of the applicant's capacity to set aside an estimated month's operating expenses in the event of insolvency.

**VI. REVIEW OF PROPOSALS AND NOTIFICATION OF AWARD**

The SAA will award the 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 of the four areas and a minimum total score of 72. (See Appendix B). 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 a 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 any service area.

## **VII. APPEAL OF AWARD DECISION**

Appeals of any award determination may be made only by those applicants responding to this request. All appeals must be made in writing and must be received by the SAA no later than five business days after the date of the SAA's notification of award decision. Appeals must be addressed to Louise Rush, Division Director, and emailed to [Doas.Paceprogram@dhs.nj.gov](mailto:Doas.Paceprogram@dhs.nj.gov).

The written submission must set forth the basis for the appeal. The SAA 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. The award will not be considered final until all timely appeals have been reviewed and a final decision has been rendered.

## **VIII. REQUEST FOR ADDITIONAL INFORMATION AFTER AWARD**

Once a service area is awarded, the SAA will notify the applicant of the deadline for submitting a response to the SAA's RAI. The applicant then must submit a response to the RAI. 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. The applicant shall submit the complete PACE Application package within one year of the date of the RAI approval letter from the SAA. 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.

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 PACE 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 development. Provide information about those people on the chart below and identify their positions on the TO.

The applicant shall provide a job description for each of the PACE positions noted in the chart below. The applicant may identify individuals to serve in each position, if applicable. Identify the target date for hiring the permanent staff member and, if known, include the name and experience of that staff member.

<b>PACE Position</b>	<b>Expected date of hire</b>	<b>Name and Credentials</b>	<b># of years of professional experience</b>	<b>Resume (check if attached)</b>
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. Service Delivery Arrangements**

- Complete the chart labeled Appendix C, identifying if the PACE organization 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 and the status of their contractual agreements with the applicant. Submit letters of intent from these providers, identifying the services they will deliver:
  - Behavioral health services;
  - Substance use disorder services;
  - Acute inpatient services;
  - Sub-acute inpatient services;
  - Inpatient rehabilitation services;
  - Assisted living services;
  - Home care services; and
  - Home delivered meal services.

### **3. 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 the requirements of N.J.A.C. 10:51. 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.

### **4. 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.

## 5. 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 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 A for additional information.

## 6. 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 (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 operation and the number of PACE participants targeted as full enrollment.

## **7. 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 organization 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 organization 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 from 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.

#### 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.

## **8. Quality Improvement (QI) and Utilization Management**

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

- Experience developing and implementing quality improvement plans.
- Experience collecting data, maintaining records and developing reports for utilization management purposes.
- Plan for developing and implementing QI for the PACE program.
- Plan for collecting data, maintaining records and submitting reports for PACE program utilization management purposes, as required by CMS and the SAA.

## **9. 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 PACE program(s) for which the TAC has previously developed a CMS application.
- Copy of the PACE organization contract(s) with the TAC.

## **10. PACE Development Timetable**

The applicant must submit a timetable for developing the PACE program in the awarded service area. Refer 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.
- 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 New Jersey Ambulatory Care Facility 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.
- PACE program marketing and PACE participant enrollment activities are initiated.
- PACE program opens and services are delivered.
- PACE program target enrollment goals for operational years 1, 2, 3, 4 and 5.
- PACE program target date for full enrollment.

**Approval and Licensing Process for PACE Facilities by Other New Jersey State Agencies**

The applicant is required to pay any fees associated with the Functional Review and license application process.

An applicant may request from New Jersey Department of Health (DOH) a Functional Review any time after the State Administering Agency (SAA) issues a letter approving the Request for Additional Information (RAI) instructing the applicant to submit the Centers for Medicare and Medicaid Services (CMS) PACE application to CMS for review. During the CMS application process and prior to the issuance of the New Jersey Ambulatory Care Facility License pursuant to N.J.A.C. 8:43A, the applicant must submit architectural plans for review and approval to both the DOH and the New Jersey Department of Community Affairs (DCA). Both reviews must be completed and approved before any construction or reconstruction can begin and before DOH will grant an Ambulatory Care Facility License.

**New Jersey Department of Health Review**

The applicant must send to DOH the full scale, labeled schematics prepared by an architect (not the entire architectural plans, which must ultimately go to DCA after approval by DOH). The applicant should expect the DOH review to take approximately 90 days. DOH will make arrangements for the Functional Review. The applicant must then notify the Division of Aging Services (DoAS) PACE Program at [DoAS.Paceprogram@dhs.nj.gov](mailto:DoAS.Paceprogram@dhs.nj.gov) about the Functional Review arrangements as soon as possible.

If the Functional Review is in person, a representative from the architectural firm, as well as from the applicant, must be present for the Functional Review.

DOH will notify the applicant in writing, copying DoAS, once it approves the architectural drawings/blueprints. At this point, the applicant should apply to DCA for a Health Care Plan Review.

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:

For first class mail:

Michael J. Kennedy, Executive Director  
Division of Certificate of Need and Licensing  
PO Box 358  
Trenton, New Jersey 08625-0358

For overnight mail:

Michael J. Kennedy, Executive Director  
Division of Certificate of Need and Licensing  
120 South Stockton Street, 3rd Floor  
Trenton, New Jersey 08608-1832

For questions, please contact the DOH Certificate of Need and Healthcare Licensure Program: Theresa D'Errico at 609-292-6552 or [Theresa.DErrico@doh.nj.gov](mailto:Theresa.DErrico@doh.nj.gov).

### **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](#), then scroll down to Specific to Health Care Facilities→ [HCPR Supplemental Guide](#). 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.nj.gov](mailto:planreviewintake@dca.nj.gov) or mailed to the following address:

For first class mail:

New Jersey Department of Community Affairs

Health Care Plan Review  
PO Box 817  
Trenton, New Jersey 08625-0817

For courier service:

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

PACE Center architectural plans must meet requirements for “Free-Standing Ambulatory Care Facilities,” as set forth in the Uniform Construction Code, Title 5, Chapter 23, Subchapters 1 through 12, as well as with the requirements for facilities set forth in N.J.A.C. 8:43A.

For questions, please contact DCA, Bureau of Construction Project Review, Health Plan Review Unit: John Paluchowski@dca.nj.gov.

**New Jersey Department of Health PACE Ambulatory Care Facility License Process**

The applicant should apply for the Ambulatory Care Facility License after receiving approval of its Functional Review and at least 60 days prior to the planned opening of the PACE facility and approximately 45 days before receiving the Certificate of Occupancy. The applicant must complete and submit the license application to DOH according to the instructions. DOH will review the license application and will contact the applicant if there are any questions or if any additional information is needed. The license application is form CN-7. Applications are available by phone at 609-292-6552 or online at: <https://healthapps.state.nj.us/forms/subforms.aspx?pro=healthfacilities>.

License application should be sent to:

For first class mail:

Michael J. Kennedy, Executive Director



Division of Certificate of Need and Licensing  
PO Box 358  
Trenton, New Jersey 08625-0358

For overnight mail:

Michael J. Kennedy, Executive Director  
Division of Certificate of Need and Licensing  
120 South Stockton Street, 3rd Floor  
Trenton, New Jersey 08608-1832

The applicant must apply for a Certificate of Occupancy (CO). When the CO is received, the applicant must submit the CO to DOH, along with a letter of attestation stating the applicant read, understands and agrees to comply with the New Jersey ambulatory care regulations at N.J.A.C. 8:43.

After receiving and approving the license application, DOH will provide the applicant with oral approval of the Ambulatory Care Facility License. Oral approval is considered official notice and thereby allows the applicant to request a Readiness Review from DoAS.

DOH will provide written confirmation of the approval by email or fax. DOH will mail the Ambulatory Care Facility License to the applicant within a few weeks after oral approval. The date on the Ambulatory Care Facility License is based upon the date of oral approval.

To move forward with the PACE application process, the applicant must submit the DOH's written confirmation of Ambulatory Care Facility License approval and the CO to the SAA. The SAA then will schedule the State Readiness Review.

**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) Target Populations for requested service area; 3) Physical Plant and Development Timeline; and 4) Financial support. Each area is valued at 25 points, for a total score of 100 points. A minimum score of 18 points is required for each area.

Each criterion with a maximum value of 3 points will be scored as follows:

- 0 points for a “no” determination;
- 1 – 2 points for a “somewhat” determination; and
- 3 points for a “yes” determination.

Each criterion with a maximum value of 16 points will be scored as follows:

- 0 – 4 points for a “poor” determination;
- 5 – 8 points for an “adequate” determination;
- 9 – 12 points for a “good” determination; and
- 13 – 16 points for a “very good to excellent” determination.

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

1. Was the response by the applicant sufficient in addressing all of the requirements? **(3 points)**
2. Did the applicant provide complete and thorough responses for all 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. Target Populations (Total 25 points):**

1. Was the response by the applicant sufficient in addressing all of the requirements? **(3 points)**
2. Did the applicant provide complete and thorough responses for all 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. Physical Plant and Development Timeline (Total 25 points):**

1. Was the response by the applicant sufficient in addressing all of the requirements? **(3 points)**
2. Did the applicant provide complete and thorough responses for all of the requirements? **(3 points)**
3. Did the applicant provide responses that were organized, understandable, logical and responsive? **(3 points)**
4. Did the applicant organization give evidence of a solid timeline and plan for the development of a PACE program in the requested service area? **(16 points)**

## **4. Financial support (Total 25 points):**

1. Was the response by the applicant sufficient in addressing all of the requirements? **(3 points)**
2. Did the applicant provide complete and thorough responses for all of the requirements? **(3 points)**
3. Did the applicant provide responses that were organized, understandable, logical and responsive? **(3 points)**

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

**APPENDIX C**

**PACE SERVICE DELIVERY ARRANGEMENTS**

Required Services	D=Direct C=Contract	Contract D=Draft E=Executed	Name of Provider or Employee/Title
Multidisciplinary assessment/treatment planning			
Physician services			
Nursing services			
Social work			
Physical therapy			
Occupational therapy			

Required Services	D=Direct C=Contract	Contract D=Draft E=Executed	Name of Provider or Employee/Title
Speech therapy			
Services in the home			
Personal care and supportive services			
Nutritional counseling			
Recreational therapy			
Transportation			
PACE Center Meals			
Home Delivered Meals			

Required Services	D=Direct C=Contract	Contract D=Draft E=Executed	Name of Provider or Employee/Title
Medical specialty services including but not limited to:			
Addiction Services			
Anesthesiology			
Audiology			
Behavioral Health			
Cardiology			
Dentistry			
Dermatology			

Required Services	D=Direct C=Contract	Contract D=Draft E=Executed	Name of Provider or Employee/Title
Gastroenterology			
Gynecology			
Internal medicine			
Nephrology			
Neurosurgery			
Oncology			
Ophthalmology			
Oral surgery			



Required Services	D=Direct C=Contract	Contract D=Draft E=Executed	Name of Provider or Employee/Title
Orthopedic surgery			
Otorhinolaryngology			
Plastic surgery			
Pharmacy consulting services			
Podiatry			
Psychiatry			
Pulmonary disease			
Radiology			

Required Services	D=Direct C=Contract	Contract D=Draft E=Executed	Name of Provider or Employee/Title
Rheumatology			
Surgery			
Thoracic and vascular surgery			
Urology			
Laboratory tests, x-rays and other diagnostic procedures			
Drugs and biologicals			

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

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

Required Services	D=Direct C=Contract	Contract D=Draft E=Executed	Name of Provider or Employee/Title
Surgical care, including the use of anesthesia			
Use of oxygen			
Physical, speech, occupational, and respiratory therapies			
Social services			
Subacute Care			
In-Patient Rehabilitation			

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

Required Services	D=Direct C=Contract	Contract D=Draft E=Executed	Name of Provider or Employee/Title
Social services			
Medical supplies and appliances			
Additional services determined necessary by the multidisciplinary team			