



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**

Solicitation Addendum

Solicitation Number: 30-2019-022-DHB

Solicitation Description: Program of All-Inclusive Care for the Elderly (PACE) Service Area Expansion

Solicitation Opening Date and Time: July 22, 2019 at 2:00 PM ET

Addendum Number: 5

Addendum Date: June 25, 2019

Addendum Description/Purpose: Changes to RFA

Contract Specialist: Amanda Roberson, Contract Manager
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NOTIFICATIONS AND INSTRUCTIONS:

1. Return one properly executed copy of this Addendum with response. Failure to sign and return this Addendum may result in the rejection of Applicant's application.
2. Carefully read, review, and adhere to all of Department's changes to the RFA in this Addendum.

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Revisions to the RFA:

1. **Section I. B. Purpose is revised and restated in its entirety as follows:**

B. Purpose

The purpose of this RFA is for the expansion of PACE in North Carolina into areas where PACE is currently not available. This RFA solicits applications from existing qualified PACE providers, to potentially expand their existing service areas. Service area expansions include PACE Organizations that propose to (i) provide services to a new service area (e.g. city, county, zip code) where PACE services are not currently provided; or (ii) add a new PACE site to an existing service area.

This RFA is issued in direct response to recommendations to “consider the expansion of PACE” included in the March 2018 Study of the Program of All-Inclusive Care Legislative Report, submitted in accordance with Section 11H.25.(b) of Session Law 2017-57. As a means of expanding the PACE program in NC, the SAA will solicit and may select service area expansion applications from existing PACE organizations for further application to CMS. The SAA is not required to make any recommendations for expansion and will only make recommendations that are in the best interest of the State

2. **Section II. D. Schedule and Important Events, 1. is revised and restated in its entirety as follows:**

1. The Department will make every effort to adhere to the schedule detailed below in *Section II.D. Table 1. RFA Schedule*. The Department reserves the right to adjust the schedule and will post an Addendum at: <https://medicaid.ncdhhs.gov/pace-service-area-expansion-rfa>.

| Section II.D. Table 1: RFA Schedule | | |
|--|--------------------------|----------------------------|
| Activity | Responsible Party | Due Date |
| Issue Request for Applications | Department | May 24, 2019 |
| Deadline to Submit Written Questions to the Department | PACE Organization | June 3, 2019 by 12:00PM ET |
| Issue Addendum with Responses to Questions | Department | June 25, 2019 |
| Deadline to Submit Applications | PACE Organization | July 22, 2019 by 2:00PM ET |

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| | | |
|---|-------------------|---|
| Conduct Evaluation of Applications | Department | July 23, 2019 through August 19, 2019 |
| Notification of Selected Applications | Department | August 26, 2019 |
| Deadline for Electronic Submission of CMS PACE Application via HPMS | PACE Organization | 3 rd Quarter: September 27, 2019 4 th Quarter: December 27, 2019 |

3. Section II. G. Evaluation Process and Application Selection, 3 Scoring, Criteria, and Overall Weights, b. is revised and restated in its entirety as follows:

- b. The Department will determine if Applicant meets the minimum eligibility requirements in accordance with Section IV. Minimum Eligibility Requirements and Attachment A.

4. Section II. G. Evaluation Process and Application Selection, 5. Application Selection and Recommendation for Expansion is revised and restated in its entirety as follows:

5. Application Selection and Recommendation for Expansion

Upon conducting a comprehensive, fair, and impartial evaluation of the applications received in response to this RFA, the Department reserves the right to select none, one or more applications to recommend for service area expansion. Upon selection, the Department will sign the “*Selection of Application*” found at the bottom of the Execution Page (Page2).

Application selections and recommendations by the Department will be based on anticipated funding availability, the recommendation of the evaluation committee and in the best interest of the State. Selection of a PACE Organization’s application reserves the zip code service area requested in response to this RFA and permission to move forward with submission of the application to CMS.

The Department reserves the right to rescind its Notification of Selected Application for any PO that becomes subject to a CMS or SAA corrective action plan prior to submitting an application for Service Area Expansion to CMS.

For PACE Organizations submitting an application for Service Area Expansion to CMS, final approval for expansion is contingent upon CMS approval of the application, completion of the final state readiness review, continued operation without the need for a corrective action plan, maintaining a fiscally sound operation as required in 42 CFR 460.80, and the availability of funds for the SFY in which expansion is scheduled to take effect.

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5. Section III.A. Definitions, Acronyms and Abbreviations, 1. Active Plan of Correction is revised and restated in its entirety as follows:

1. **Active Plan of Correction:** A response to a notice or statement of deficient practice documented by the SAA or CMS during an audit or other monitoring activity that has not been closed by the SAA or CMS. Plans of Correction may also be referred to as Corrective Action Plans. Plans of Correction include:
 - a. **Corrective Action Required (CAR):** A CAR is a deficiency that must be corrected, but the correction can wait until the final audit report is issued. These issues may impact participants but are not of a nature that immediately affects their health and safety or their ability to advocate for care and/or services. Generally, they involve deficiencies with respect to lacking or inadequate policies and procedures, systems, internal controls, training, operations or staffing.¹
 - b. **Immediate Corrective Action Required (ICAR):** An ICAR is a deficiency that requires immediate correction. These conditions of non-compliance result in a lack of access to care and/or services, may pose an immediate threat to participant health and safety, and/or result in harm or the potential for harm. Situations that restrict, hinder, or limit a participant's ability to request or advocate for care and/or services are considered a lack of access to care or services.¹
 - c. Corrective action required to correct deficiencies pursuant to 42 CFR 460.194.

6. Section III. B. Terms and Conditions, Section 2. CMS PACE Application is revised and restated in its entirety as follows:

2. **CMS PACE Application:**
 - a. Applicant shall follow the application process and requirements specified by CMS for PACE service area expansion as well as any requirements specified in this RFA, including collaborating with the SAA in developing the provider application and cooperating in the readiness review process, as applicable.
 - b. Applicant shall provide information as required by the SAA to complete the State Attestations required by CMS as part of the CMS PACE service area expansion application.
 - c. Applicant agrees to notify the Department within five (5) State business days if it receives a notice or statement of deficiency from CMS or SAA requiring a corrective action plan at any time after submitting an application for Service Area Expansion to CMS.

¹ US Department of Health and Human Services, Centers for Medicare and Medicaid Services, 2019 PACE Audit Process Improvements Memorandum dated February 22, 2019.

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7. Section III. B. Terms and Conditions, Section 5. Time Limit for Service Area Expansion is revised and restated in its entirety as follows:

5. Time Limit for Service Area Expansion

- a. Applicants selected for recommendation shall have eighteen (18) months from the date of Notice of Selected Applications to complete all requirements for service area expansion and commence providing services in the approved expansion area.
- b. Applicants unable to commence services in the approved expansion area within eighteen (18) months due to events beyond its reasonable control (e.g. natural disaster) may request a one-time extension of no more than twelve (12) months. Applicant's request must be submitted to the Department in writing within thirty (30) days of the 18-month deadline and include sufficient justification to warrant an extension as well as a revised implementation plan and timeline. The Department reserves the unqualified right to reject any request for an extension. Any PACE Organization receiving an extension agrees to adhere to the Department's terms and conditions regarding the extension.
- c. Failure to commence services within the timeline established in this section will result in expiration of the Department's selection of the application under this RFA and recommendation to CMS for PACE service area expansion.

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8. **Section IV. Minimum Eligibility Requirements is revised and restated in its entirety as follows:**

IV. Minimum Eligibility Requirements

The Department has defined minimum eligibility requirements that the Applicant must meet to be considered and have its response evaluated as defined in *Section II.G. Evaluation Process and Application Selection*. Applicants that do not meet all the following criteria are **not** eligible for selection and recommendation of expansion:

| Section IV. Table 1: Minimum Requirements | |
|--|--|
| 1. | Applicant is an existing PACE organization seeking to expand the service area of an existing contract number. This includes an expansion of the currently-approved geographic service area and/or the addition of a new PACE center site. |
| 2. | Applicant must be fully certified as an Adult Day Health Program. |
| 3. | Applicant does not have an active plan of correction (programmatic or financial) with the SAA or CMS at the time of application. |
| 4. | Applicant agrees to notify the Department within five (5) State business days if it receives a notice or statement of deficiency from CMS or SAA requiring a corrective action plan at any time prior to submitting an application for Service Area Expansion to CMS. |
| 5. | Applicant acknowledges that it does not meet the Minimum Eligibility Requirements if it has an active plan of correction, whether for programmatic or financial issues, at the time of its application or it becomes subject to a corrective action plan at any time prior to submitting an application for Service Area Expansion to CMS. |

The Applicant must complete *Attachment A: Minimum Eligibility Requirements Table* and provide the appropriate details and responses to support each requirement as part of the *Applicant's PACE Expansion Application*.

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9. **Attachment A: Minimum Eligibility Requirements Table** is revised and restated in its entirety as follows:

ATTACHMENT A: MINIMUM ELIGIBILITY REQUIREMENTS TABLE

The Applicant must complete the following table and provide the appropriate details and responses to support each requirement.

Include the section citation, attachment or exhibit name/number and page numbers where details can be found in Applicant’s response if not included in this table.

| Minimum Eligibility Requirement | | Applicant’s Confirmation of Eligibility and Statement of Demonstration, Affirmation or Acknowledgement. |
|--|--|--|
| 1. | Applicant is an existing PACE organization seeking to expand the service area of an existing contract. This includes an expansion of the currently-approved geographic service area and/or the addition of a new PACE center site. | |
| 2. | Applicant must be fully certified as an Adult Day Health Program. | |
| 3. | Applicant does not have an active plan of correction (programmatic or financial) with the SAA or CMS at the time of application. | |
| 4. | Applicant agrees to notify the Department within five (5) State business days if it receives a notice or statement of deficiency from CMS or SAA requiring a corrective action plan at any time prior to submitting an application for Service Area Expansion to CMS. | |
| 5. | Applicant acknowledges that it does not meet the Minimum Eligibility Requirements if it has an active plan of correction, whether for programmatic or financial issues, at the time of its application or it becomes subject to a corrective action plan at any time prior to submitting an application for Service Area Expansion to CMS. | |

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10. **Attachment B: STATEMENT OF INTENT (SOI), Section C. Market Assessment, Question 1 is revised and restated in its entirety as follows:**

| | |
|-----------|---|
| 1 | Market size; highlighting underserved and difficult to serve cohorts. Profiling of the target population to include race/ethnicity; nationality of origin, percentage of population 65+, disabled, dually eligible for Medicare and Medicaid, special needs, economic status, housing/living arrangements and family structure. |
| Response: | |

Addendum Execution on Next Page

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Execute Addendum #5:

Applicant: _____

Authorized Signature: _____

Name and Title (Typed): _____

Date: _____