



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 12, 2019 at 2:00PM ET

Addendum Number: 4

Addendum Date: June 25, 2019

Addendum Description/Purpose: Responses to Questions

Contract Specialist: Amanda Roberson, Contract Manager
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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 proposal.
 2. Following are questions received for the solicitation and the Department's responses to the questions.

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| Q# | RFA Section | RFA Page Number | Question | Response |
|----|--|-----------------|--|---|
| 1 | Section I | p. 4 | Does this RFA also apply to programs requesting to add an additional PACE center while not expanding their existing service area? | Yes. Since there are budgetary impacts to the State of NC, any PACE organization seeking to expand should do so by responding to this RFA. This includes expansion of service area by zip code or adding a physical site within the PO's existing service area. See Addendum 5. |
| 2 | Section II.A.,2 | p. 5 | What date must the one copy of the signed, original executed application named/marred RFA 30-2019-022-DHB Applicant's name be received by DHB? | The deadline to submit applications will be extended to July 22, 2019 by 2:00 PM ET See Addendum 5. |
| 3 | Section II, G.3.b. and Section VI., Attachment A | p. 12 and p. 20 | If an applicant is not subject to a correction action plan ("CAP") at the time it submits a response to the RFA but the applicant receives a CAP prior to issuance of an RFA award, does it meet the minimum eligibility requirements? | No, it does not meet the minimum eligibility requirements. If an applicant is not subject to a corrective action plan upon submission of its application to the Department but receives a notice or statement of deficiency from CMS or SAA requiring a corrective action plan prior to the issuance of the Department's Notification of Selected Applications, the applicant does not meet the Minimum Eligibility Requirements. See Addendum 5. |

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| 4 | Section II, G.3.b. and Section VI., Attachment A | p. 12 and p. 20 | If an applicant is not subject to a correction action plan (“CAP”) at the time it submits a response to the RFA but the applicant receives a CAP after it receives an RFA award but prior to submission of an application to CMS, does it meet the minimum eligibility requirements? | No, it does not meet the minimum eligibility requirements. If an applicant submitted an application to the Department, received a notification that the Department selected its application for recommendation to CMS, and then receives a notice or statement of deficiency from CMS or SAA requiring a corrective action plan before the application is submitted to CMS, the Department will rescind its selection of the application and recommendation since the applicant failed to meet the Minimum Eligibility Requirements. See Addendum 5. |
| 5 | Section II, G.3.b. and Section VI., Attachment A | p. 12 and p. 20 | Please clarify whether an applicant meets the minimum eligibility criteria if it is implementing an approved corrective action plan at the time of submission of its RFA response or prior to an RFA award. | The applicant does not meet Minimum Eligibility Requirements if the applicant is implementing a corrective action plan at the time applications are due or is subject to a corrective action plan at any time prior to issuance of the Department’s Notification of Selected Application(s). See responses to Questions #3 and #4. See Addendum 5. |

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| 6 | Section II, G.3.b. and Section VI., Attachment A | p. 12 and p. 20 | If the existence of an approved but not closed corrective action plan makes an applicant ineligible, please consider revising the minimum eligibility criteria to permit approval of an entity that is implementing a corrective action plan approved by CMS as meeting the minimum eligibility criteria. This request is based on the reality that nearly all audits lead to some finding of noncompliance, often minor, which requires a CAP and at least one of the potential applicants (and perhaps more than one) is scheduled for a routine audit during the period of preparation and/or review of the RFA response. As in other regulated health care settings which are regulated/surveyed by DHB/DHHS/CMS, the presence of a purported noncompliance event does not preclude a provider from program participation or even advancement/growth as long as the applicant has timely submitted an acceptable plan of correction and is implementing it according to schedule. The same should be true regarding the PACE program and this RFA. | <p>PACE Organizations with an active corrective action plan are not eligible for selection or recommendation by the Department.</p> <p>See responses to Questions #3, #4, and #5.</p> <p>See Addendum 5</p> |
| 7 | Section III, Part B, Number 5 | p. 18 | Did the 18 month time limit for service area expansion take into consideration the CMS expansion application process for new geographic service area and new physical PACE Site as well as the Division of Aging and Adult Services Adult Day Health Certification? | <p>Yes, the CMS expansion application process and the Division of Aging and Adult Services Adult Day Health Certification process were considered.</p> <p>The Department may allow a PO to make a one-time request for an extension.</p> <p>See Addendum 5.</p> |

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| 8 | Section VI. | p. 20 | Our PO is currently undergoing a Routine CMS Audit. Based on the timing of this SAE would Observations, Corrective Action Required (CAR) or an Immediate Corrective Action Required (ICAR) from this Routine CMS audit fall under the definition of “programmatic corrective action”? Would DHB please provide clarification to the definition of an active plan of correction-programmatic. | <p>An observation made by CMS during an audit does not fall under the definition of a “programmatic corrective action” since observations are conditions of non-compliance that do not require the submission of a corrective action plan.</p> <p>ICARs and CARs, do however fall under the definition of “programmatic corrective actions” since an ICAR and CAR are deficiencies identified by CMS during an audit which must be corrected.,</p> <p>An active plan of correction is a plan of correction where CMS or the SAA has not formally closed or released the PO from the Corrective Action Plan.</p> <p>See Addendum 5.</p> |
| 9 | Attachment B, Part C, Number 1 | p. 26 | In the previous RFA opportunity, an addendum was issued which removed ‘religion’ from the market analysis. Will this addendum be reissued? | <p>Yes, the reference to religion has been removed from the RFA.</p> <p>See Addendum 5.</p> |
| 10 | Section VI. | p. 26 | Would DHB remove the reference to religion in the RFA as the census bureau has discontinued collection of this information? | See response to Question #9. |
| 11 | Section VI, Attachment B, SOI, C.1 | p. 26 | Would DHB consider removing the reference to religion in the RFA as the census bureau has discontinued collection of this information? | See response to Question #9. |
| 12 | Attachment B, Part D, Number 2 | p. 28 | Are PACE Organizations allowed to resubmit the same Letter of Support as included in the previous application for service area expansion? | Current, updated letters of support are preferred; however, the Department will accept prior letters of support that continue to be valid. |

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| 13 | Section VI. | p. 28 | Would DHB please elaborate on what is described as “an organization assessment to determine if demographics and organization resource and services will support the service area expansion”? We are unclear as to what information the Department is seeking in terms of an “organizational assessment”. | <p>An organizational assessment is a structured or systematic process, approach or analysis of an organization’s operating environment and market demographics, its organizational capabilities, such as its strengths and resources to support achieving its mission, goals and objectives as well as its weaknesses, and any risks or challenges to operational success.</p> <p>The Department seeks to understand the PO’s process for organizational assessment as well as the results of the assessment, particularly as it relates to service area expansion. The assessment should articulate what and how the organization will need to be realigned as a result of the service area expansion.</p> |
| 14 | Section IV | p. 28 | Would DHB please provide clarification on the definition of “Business Plan”? | The Department is seeking a formal written document or plan containing the organization’s mission, vision, values, and goals and/or objectives; the methods, strategies, initiatives or steps for meeting its goals; and the time frame within which its goals are expected to be achieved. It might be a strategic plan, operating model, or program or business plan. |
| 15 | Section VI, Attachment B, SOI, D.4 | p. 28 | Would DHB please elaborate on what is described as “an organization assessment to determine if demographics and organization resource and services will support the service area expansion”? It is unclear as to what information the Department is seeking in terms of an “organizational assessment”. | See response to Question #13. |

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| 16 | Section VI., Attachment B, SOI, E.6. | p.30 | Please clarify whether the receipt of a Notice or Notices from CMS related to Fiscal Soundness dated on or after January 1, 2015 will disqualify an applicant or deem an applicant ineligible for consideration. | The receipt of a Notice or Notices from CMS related to Fiscal Soundness dated on or after January 1, 2015 will not disqualify an applicant or deem an applicant ineligible for consideration. |
| 17 | Section VI., Attachment B, SOI, E.6. | p. 30 | Please explain how the receipt of a Notice or Notices from CMS related to Fiscal Soundness dated on or after January 1, 2015 will be considered and scored by the Evaluation Committee. What, if any, action by an applicant subsequent to such a notice will be considered by DHB and to what extent will an applicant’s corrective steps be considered/weighed even if no formal acknowledgement of them by DHB or CMS has been received, since such notices often are not provided as part of the oversight of PACE programs by CMS. | The applicant is required to disclose and provide each notice from CMS related to Fiscal Soundness dated on or after January 1, 2015. Applicants should describe and provide supporting documentation of the corrective action steps the PO has taken to address each notice from CMS related to its fiscal soundness. |
| 18 | Section VI., Attachment B, SOI, E.6 | p.30 | Please identify the “documentation of resolution or current status” that the Department and Evaluation Committee will consider. Also, please identify what evidence the Department and Evaluation will consider to demonstrate resolution and current status. | See response to Question #17. |
| 19 | Section VI., Attachment C, Certification of Financial Condition and Legal Action Summary | p.31 | Please identify or clarify when and how the information in this summary will be used by the Evaluation Committee and the Department. | As provided in Section II.E.3.f of the RFA, Attachment C: Certification of Financial Condition and Legal Action Summary is to be completed by the Applicant to demonstrate its financial stability. The Applicant should consider its financial statements and results and consult with its financial officer and/or auditors in determining whether to check the various boxes in the certification. If an Applicant does not check a box, it must explain the reason in the space provided. |

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| 20 | Section VI., Attachment C, Certification of Financial Condition and Legal Action Summary | p.31 | Please clarify the term “sound financial condition” as it is not a defined term. | See response to Question #19. The Applicant should also consider the requirements detailed in 42 CFR 460.80. |
| 21 | Section VI., Attachment C, Certification of Financial Condition and Legal Action Summary | p.31 | Please identify the information needed to document financial stability. | See response to Questions #19 and #20. |

Addendum Execution Page Follows

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES

Execute Addendum #4:

Applicant: _____

Authorized Signature: _____

Name and Title (Typed): _____

Date: _____