A G E N D A

1. Welcome

2. State budget and legislative update (15 minutes)

3. PACE rate setting update (20 minutes)

4. DHCS and CMS guidance and initiatives (20 minutes)
   ▪ DHCS PACE Policy Letter 17-03 & work on DPH licensing issues
   ▪ Recent CMS PACE guidance and quality initiatives

5. Upcoming meetings and events (5 minutes)

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
<th>Place</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>02.22.2018</td>
<td>New Care Model Meeting</td>
<td>CEI San Leandro PACE Center</td>
<td>8:30am-11:00am</td>
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<tr>
<td></td>
<td></td>
<td>1850 Fairway Drive, San Leandro, CA 94577</td>
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<tr>
<td>02.22.2018</td>
<td>Board Member Post-Retreat Strategic Planning Meeting</td>
<td>CEI San Leandro PACE Center</td>
<td>11:00am-4:30pm</td>
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<td></td>
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<td>1850 Fairway Drive, San Leandro, CA 94577</td>
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<tr>
<td>02.27.2018</td>
<td>Quarterly Public Policy Call</td>
<td>Phone (267) 930-4000</td>
<td>10:00am-11:00am</td>
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<tr>
<td>02.28.2018</td>
<td>PACE Directors Webinar: Fall Prevention</td>
<td>Link coming shortly</td>
<td>1:30pm-2:45pm</td>
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<td>03.05.2018</td>
<td>Getting to Know PACE - New Member Call</td>
<td>Phone (267) 930-4000</td>
<td>10:00am-11:00am</td>
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<td>03.08.2018</td>
<td>Monthly Member Call</td>
<td>Phone (267) 930-4000</td>
<td>3:00pm-4:00pm</td>
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<td>03.13.2018</td>
<td>Member Meeting</td>
<td>Capitol Event Center 1020 11th Street, Sacramento, CA 95814</td>
<td>8:30am-12:00pm</td>
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<tr>
<td>03.13.2018</td>
<td>Combined DHCS CMS Meeting</td>
<td>Capitol Event Center 1020 11th Street, Sacramento, CA 95814</td>
<td>12:00pm-3:00pm</td>
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<tr>
<td>03.13.2018</td>
<td>Board Meeting</td>
<td>Capitol Event Center 1020 11th Street, Sacramento, CA 95814</td>
<td>3:00pm-4:30pm</td>
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<td>03.13.2018</td>
<td>Member Dinner</td>
<td>Sacramento - TBA</td>
<td>5:30pm-7:30pm</td>
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<td>03.14.2018</td>
<td>CalPACE Day in the Capitol</td>
<td>Legislator of the Year Award</td>
<td>Clear Advocacy</td>
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<tr>
<td>03.19.2018</td>
<td>NPA Spring Policy Forum</td>
<td>Omni Shoreham, 2500 Calvert St., NW, Washington, DC 20008</td>
<td>8:00am-5:00pm</td>
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<tr>
<td>03.20.2018</td>
<td>Capitol Hill Visits</td>
<td>Omni Shoreham, 2500 Calvert St., NW, Washington, DC 20008</td>
<td>8:00am-5:00pm</td>
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<td>03.20.2018</td>
<td>Member Dinner</td>
<td>Lebanese Taverna</td>
<td>5:30pm-7:45pm</td>
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<td>2641 Connecticut Avenue, NW, Washington, D.C. 200008</td>
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6. Other business

7. Adjourn

Attachments

- A. CalPACE 12/20/17 letter to DHCS re: PACE application process
- B. NPA overview and strategic initiatives -- CalPACE retreat -- 2-1-18
December 20, 2017

Jennifer Kent
Director
CA Department of Health Care Services
1501 Capitol Ave, MS 0000
Sacramento, CA 95814

Dear Director Kent:

CalPACE and its members have reviewed the Department’s recently issued guidance on the PACE application process (PACE Policy Letter 17-03) and have significant concerns about its provisions to only allow two dates per year for start-up of new PACE organizations and PACE expansions.

CalPACE and its members appreciate the changes the department has made to the PACE application and level of care review processes to date, which have greatly simplified and streamlined the processes needed to get new programs and expansions approved, and to get beneficiaries who need PACE enrolled in PACE in a timely way. These changes have enabled PACE to grow in California and to reach more older adults and seniors who need the level of care that PACE provides.

However, we are quite concerned that some of the changes to the application process outlined in the recent policy letter will stall and impede PACE expansion in the state, which is not an outcome that we believe the department is intending. In particular, we strongly urge the department to reconsider the proposal to only allow two dates per year for start-up of new programs and expansions and would request a meeting with you and your staff to discuss our concerns in greater detail. We believe that with further changes, it will be possible to meet the department’s goal of better aligning its resources and staffing needs and ensuring continued, healthy development of PACE in California.

As you know, the process for developing a new PACE organization or expansion is complicated and involves numerous steps, many of which are outside the control of the PACE organization. Those include purchasing or leasing land and buildings, obtaining local building permits and approvals, and obtaining applicable clinic, ADHC, and home health agency licenses from the CA Department of Public Health (DPH). At the point of the readiness review survey, PACE organizations usually have invested several million dollars in facilities and staffing. The uncertainty of the timing of these steps, and frequent delays, make it virtually impossible for PACE organizations to align their development and application steps with the start-up windows outlined in the policy letter. This places PACE start-up and expansion applications at a very high risk of missing applicable start-up windows and forcing them to incur substantial losses before they can begin operating and generating revenue.

While CalPACE and its members are committed to utilizing available procedures to streamline the PACE application and licensing processes, we believe a number of further changes in the recent guidance are necessary to ensure that communities who need the services PACE provides are not delayed in receiving them and that PACE organizations do not incur substantial losses.
Among the changes we would like to discuss with the department are:

- Use of estimated or interim rates for PACE start-ups and expansions that may be quicker to develop, as well as the use of rate trending to adjust rates, if applications are delayed for reasons beyond the control of PACE organizations, to allow start-ups and expansions to occur on a month-to-month basis;

- Better coordination of the PACE readiness review and DPH licensing processes, including possible revisions to the readiness review process that would eliminate the need for separate DPH licensing surveys;

- Waiver of the department’s policy that PACE organizations obtain at least one license if they obtain exemptions from licensing from DPH and have policies and procedures in place to ensure that they meet all licensing requirements;

- Working with DPH to ensure that PACE organizations are able to utilize existing clinic license streamlining measures, and that license applications are processed by the central applications unit in a manner that is consistent with the DHCS PACE application and rate development timelines. Streamlining measures include use of intermittent clinics, affiliate clinics, consolidated clinic licenses, and consolidated clinic administration;

- Commencing the rate development process for expansions of PACE organizations in good standing upon the filing of the letter of intent rather than upon approval of the initial expansion application.

We appreciate the department’s support of PACE to date and its attention to our concerns. We look forward to working with department on solutions that will meet the department’s goals and continue to ensure a healthy environment for PACE development in California.

Sincerely,

Linda Trowbridge
CalPACE Chair and CEO, Center for Elders’ Independence

cc: Sarah Brooks, Deputy Director, Health Care Delivery Systems
Sarah Eberhardt-Rios, Director, Integrated Systems of Care Division
Joseph Billingsley, Chief, Program Policy & Operations Branch, Integrated Systems of Care Division
Stryder Morissette, Chief PACE Unit, Integrated Systems of Care Division
Jennifer Lopez, Chief, Capitated Rates Development Division
Strategic Outlook for PACE

Shawn Bloom
President and CEO
National PACE Association
NPA Strategic Plan
2016-2021 NPA Strategic Plan

Champion the value of PACE and support growth

Advocate for effective regulatory and payment policies

Mission
To provide leadership and support for the growth, innovation, quality and success of the PACE model of care.

Vision
PACE recognized as the most innovative, accessible, valuable and effective model of care for individuals with significant health care needs.

Support PACE operational quality through education and data

Distinguish and promote the PACE brand
2016-2021 NPA Strategic Plan

**Champion the value of PACE and support growth**
- PACE pilot programs
- New population expansion
- New payer arrangements
- Regulatory support for growth
- Local, grassroots advocacy
- Benefits of population health management strategies
- Benchmarking tools capabilities
- Vendor support for data analytics

**Advocate for effective regulatory and payment policies**
- Strong relationships with regulators
- Operational flexibility in regulatory policies
- Appropriate payment
- Interested stakeholder collaboration
- Population health management advocacy

**Support PACE operational quality through education and data**
- Training and education programs readily available
- Industry and PACE-specific model practices
- Educational partnerships
- Investment in data
- Value of data for benchmarking and analytics
- Onboarding programs for new members
- Membership tiers

**Distinguish and promote the PACE brand**
- Positive awareness of PACE
- Common communications strategy for members
- Social media support for members
- Cross-marketing with like-minded organizations
- Data analytics demonstrate value
- Standards and performance based quality assurance system
Strategic Goal 1

• Champion the PACE model of care through program expansion and demonstrated value
  • Objective 1-1: Support expansion of PACE to new populations and payer sources
  • Objective 1-2: Advocate for state and federal policies to support PACE expansion and growth within the context of managed care initiatives for the duals and other PACE-like models of care
  • Objective 1-3: Support PACE organizations’ operational efficiency, effectiveness and innovation through the use of population health management strategies (including data analytics), technology and shared services vendors
Strategic Goal 2

• Advocate for adequate and appropriate Federal and State payments and regulations for PACE that support the PACE program’s operational efficiency, flexibility, innovation and growth
  • Objective 2-1: Build on existing relationships with federal lawmakers and regulators to continue to advocate for statutory and regulatory changes that allow expanded eligibility and operational flexibility for PACE
  • Objective 2-2: Advocate for appropriate Medicare payment and Medicaid rate-setting methodologies for PACE
  • Objective 2-3: Collaborate with interested stakeholders to increase political clout
  • Objective 2-4: Advocate for regulatory changes that foster use of proven population management strategies, including data analytic tools
Strategic Goal 3

• Develop effective PACE leaders and staff through training, education and sharing model practices to advance PACE effectiveness, support staff growth and promote retention
  • Objective 3-1: Develop resources and PACE training and education programs to support the growth and success of all levels of PACE staff
  • Objective 3-2: Encourage PACE organizations to invest in data and adopt the participant-level common data set (CDS) by training and educating PACE leaders and staff on the value of data
  • Objective 3-3: Expand NPA’s capabilities to support growing membership
Strategic Goal 4

• Raise awareness of PACE and distinguish its value vis-à-vis market competitors
  • Objective 4-1: Promote positive awareness of PACE through common marketing/informational materials
  • Objective 4-2: Undertake efforts, including qualitative research, to define, measure and illustrate PACE quality, value and cost effectiveness to federal and state policy makers, like-minded organizations, consumers and advocacy groups
  • Objective 4-3: Consider developing a standards and performance measurement based quality assurance system with the potential to shape federal oversight requirements and/or replace those requirements with an accreditation program