

NEW PACE APPLICANT OVERVIEW - APPLICATION AND CONTRACT PROCESS

Prepared by DHCS –Long-Term Care Division

Foreword	Section IV – Ancillary Requirements to PACE Start-Up Operations
Section I – Acronym List	<ul style="list-style-type: none"> ▪ A. MMCD/LTCD Policy Letters. ▪ B. DHCS Level of Care Reviews. ▪ C. Spousal Impoverishment Implementation. ▪ D. DHCS Training to PA Staff. ▪ E. DHCS Marketing Examination. ▪ F. Clinical Laboratory Improvement Amendments (CLIA)
Section II – PACE Application Process	
<ul style="list-style-type: none"> ▪ A. PACE Provider Application Review of Chapters 1 & 3. ▪ B. Licensing, Certification and Fire Clearance. ▪ C. PACE Application Review of Chapters 2 & 4-10. <ul style="list-style-type: none"> 1. Provider Application to CMS. 2. State Readiness Review. ▪ D. PACE Application Approved. ▪ E. Three-Way Program Agreement Prepared and Signed. 	
Section III – Requirements for State PACE Contract	
<ul style="list-style-type: none"> ▪ A. Review of Policy and Procedures. ▪ B. State Contract Development. <ul style="list-style-type: none"> 1. Health Care Plan Code Request. 2. Capitation Rates and Rate Manual. 3. Request for Encumbrances. 4. Final Preparation of State Contract. 5. Execution of State Contract. 	
	Section V – Estimated Timeline
	<ul style="list-style-type: none"> ▪ Estimated Timeline

FOREWORD

The following information is intended to be used as a framework for the PACE Application and contract process. Timeframes will vary depending on the Department/Unit workload constraints and on the completeness of the Application package. To ensure timely and efficient processing of PACE Applications and Contracts, the **PACE Application process and Contract process run concurrently**. This document is a working tool that is subject to revisions.

NOTE: LTCD CRITERIA FOR PROCESSING NEW APPLICATIONS IS AS FOLLOWS:

1. Number of new applications processed during a 12-month period is estimated to be two applications.
2. Applications will be processed in a rank order based on the date LTCD receives the PACE Applicant Letter of Interest.
3. Applications stay on the rank order list based on the completeness of chapters 1 & 3 of the application package.

SECTION I - ACRONYM LIST

Days noted are Business Days unless otherwise noted.

DHCS – DEPARTMENT OF HEALTH CARE SERVICES	PACE APPLICANT (PA)
DHCS – LONG-TERM CARE DIVISION (LTCD)	OPERATING INSTRUCTION LETTER (OIL)
DHCS - MEDI-CAL MANAGED CARE DIVISION (MMCD)\	HEALTH CARE PLAN (HCP)
<ul style="list-style-type: none"> • Fiscal Monitoring Unit (FMU) • Capitation Rate Unit (CRU) • Contract Management Unit (CMU) • Systems Support Unit (SSU) • Fiscal Analysis Unit (FAU) • Policy Unit (PU) 	CLINICAL LABORATORY IMPROVEMENT AMENDMENTS (CLIA)
DHCS - MEDI-CAL OPERATIONS DIVISION (MCD)	UPPER PAYMENT LIMIT (UPL)
DHCS - INFORMATION TECHNOLOGY SERVICES DIVISION (ITSD)	HEALTH CARE PLAN (HCP) PROGRAM OVERSIGHT
CDPH - LICENSING AND CERTIFICATION DIVISION (L&C)	ALL COUNTY WELFARE DIRECTOR'S LETTER (ACWDL)
DHCS - MEDI-CAL ELIGIBILITY BRANCH (MCEB)	STATE READINESS REVIEW (SRR)
DHCS - OFFICE OF LEGAL SERVICES (OLS)	MEDI-CAL EXTRA-NET FOR STATEWIDE HEALTHCARE (MESH)
DHCS – PAYMENT SYSTEMS DIVISION (PSD)	FISCAL-INTERMEDIARY ACCESS TO MEDI-CAL ELIGIBILITY (FAME)
CENTERS FOR MEDICARE & MEDICAID SERVICES (CMS)	PLAN OF CORRECTION (POC)
<ul style="list-style-type: none"> • Regional Office (RO) - San Francisco • Central Office (CO) - Baltimore 	
CALIFORNIA DEPARTMENT OF AGING (CDA)	CDPH – CALIFORNIA DEPARTMENT OF PUBLIC HEALTH
DEPARTMENT OF FINANCE (DOF)	REQUEST FOR ADDITIONAL INFORMATION (RAI)

SECTION II – THE PACE APPLICATION PROCESS

DHCS/CMS Requirements for Plan Implementation	Responsible Entity	Activity	Estimated Time Frame for Completion	Status
A. PACE PROVIDER APPLICATION REVIEW <input checked="" type="checkbox"/> Chapters 1 & 3				
	PA	<ul style="list-style-type: none"> ▪ Submits three hard copies of Chapters 1 & 3 to LTCD. ▪ Submits one electronic copy or mails a CD to LTCD <i>(Chapters must be complete, organized and in sequence order.)</i>		
	LTCD	Receives, conducts preliminary review, and forwards copy of application to MMCD. <i>(LTCD will <u>only forward complete applications to MMCD and OLS.</u>)</i>	Within 5 days of receipt , LTCD forwards a complete and organized application to MMCD/ FMU.	
	LTCD	Conducts comprehensive review of Chapters 1 & 3.	30 – 45 days from receipt of application.	
	LTCD	Consolidates and provides findings of FMU to PA. <i>(If necessary, LTCD will schedule Conference Call with PA.)</i>	30-45 days from receipt of application.	
	PA	Prepares and submits written response to LTCD.	15 days upon receipt of finding.	
	LTCD	<ul style="list-style-type: none"> ▪ Reviews PA responses. ▪ Approves PA response and forwards PA response to FMU for review. 	15 days upon receipt of PA response.	

DHCS/CMS Requirements for Plan Implementation	Responsible Entity	Activity	Estimated Time Frame for Completion	Status
	FMU	<ul style="list-style-type: none"> ▪ Notifies LTCD of approval, denial, or need for responses on add'l. questions. 	15 days upon receipt of PA response.	
<input checked="" type="checkbox"/> Chapters 1 & 3 Notification Letter Sent to PA	LTCD	Prepares and sends Notification Letter to PA. <input type="checkbox"/> Requirements Met: LTCD requests submission of three sets of Chapters 2 & 4-10. LTCD sends copies of Notification Letter to CMS, MMCD, CDA and MCOD <input type="checkbox"/> Requirements <u>Not</u> Met: LTCD discontinues review of application.	Upon FMU and LTCD approval.	
	PA	<ul style="list-style-type: none"> ▪ Submits three hard copies of Chapters 2 & 4-10 to LTCD. ▪ Submits one electronic copy or mails a CD to LTCD. <i>(Chapters must be complete, organized and in sequence order.)</i>	30 days from receipt of LTCD Notification Letter.	
B. Capitation Rates and Rate Manual <u>Note:</u> Rates cannot be shared with the PA until DOF approves.	LTCD/MMCD	<ul style="list-style-type: none"> ▪ Upon approval of Chapter's 1&3 LTCD prepares letter to MMCD requesting rates. ▪ MMCD prepares and submits the UPL rates for the State Contract to LTCD. 	Estimated 2 months.	
	LTCD	Reviews and forwards the rate worksheets to FFD for review.	Estimate of 10 days.	
	LTCD	Forwards the rate worksheets to DOF for notification.		

DHCS/CMS Requirements for Plan Implementation	Responsible Entity	Activity	Estimated Time Frame for Completion	Status
<p>C. <input checked="" type="checkbox"/> CDPH LICENSING <input checked="" type="checkbox"/> CDA CERTIFICATION <input checked="" type="checkbox"/> FIRE CLEARANCE¹</p> <p>Note:</p> <ul style="list-style-type: none"> ▪ ADHC, Clinic and Home Health Entity (HHA) Licensure through CDPH L&C. ▪ Fire Clearance through local Fire District Office. <p>PA must obtain licensing approval and fire clearance prior to commencing operation – these processes may take up to 6 months.</p>				
	PA	Contacts CDPH L&C to schedule survey in coordination with LTCD SRR.	PA contacts L&C after LTCD Notice of Approval of Chapter's 1 & 3.	
	PA	<ul style="list-style-type: none"> ▪ If applicable, submits POC to CDPH L&C within prescribed periods. ▪ A copy of POC is sent to LTCD. 	TBD by CDPH L&C.	
	CDPH L&C	<ul style="list-style-type: none"> ▪ Approves POC. ▪ Provides PA with notice of approval/denial. 	Within 30 days of receipt of PA POC.	
<p>Note: PA must first be licensed through L&C before contacting CDA for MediCal certification.</p>	PA	Contacts CDA for Medi-Cal certification. (PA discretion to pursue – applies to applicants who wish to receive Medi-Cal reimbursement for services provided prior to official PACE enrollment of participant.)		
	PA	<p>Submits to LTCD:</p> <ul style="list-style-type: none"> ▪ Copy of license; ▪ Copy of Fire Clearance. 	TBD by PA .	

¹ PACE applicant should begin licensing and fire clearance process upon receiving LTCD approval of chapters 1 & 3.

DHCS/CMS Requirements for Plan Implementation	Responsible Entity	Activity	Estimated Time Frame for Completion	Status
D. PACE APPLICATION REVIEW				
<input checked="" type="checkbox"/> Chapters 2 & 4 - 10				
	LTCD	<ul style="list-style-type: none"> ▪ Reviews Chapters 2 & 4-10 and associated documentation. ▪ Approves, disapproves or Requests Additional Information (RAI). 	60 days from date of receipt.	
	PA	Prepares and submits written response to RAI to LTCD. <i>(Revised pages must be in sequence order.)</i>	30 days from receipt of RAI.	
	LTCD	Reviews PA submission of RAI.	30 days from receipt of RAI.	
★ Application Approval Notice Sent to PA	LTCD	Sends application approval, signed DHCS Certification Letter, and description of various DHCS processes to PA for inclusion in PA final application to CMS.	5 days from approval of RAI.	
1. Provider Application to CMS	PA	Sends application as follows: <ul style="list-style-type: none"> ▪ CMS Regional Office – 2 copies; ▪ CMS Central Office – 3 copies and one set of CD-ROM/DVDs; and ▪ LTCD – 2 copies and one set of CD-ROM/DVDs. 		
	CMS	<ul style="list-style-type: none"> ▪ Conducts initial review of application. ▪ Approves, disapproves or Requests Additional Information (RAI). ▪ Notifies LTCD of first review findings. 	CMS: 1 st 90-day clock begins day after receipt of application. Once RAI is requested, the 1 st 90-day clock stops.	
	PA	Submits RAI response to CMS and LTCD.		
	LTCD	<ul style="list-style-type: none"> ▪ Reviews, comments on RAI response. ▪ Sends comments to CMS. 		

DHCS/CMS Requirements for Plan Implementation	Responsible Entity	Activity	Estimated Time Frame for Completion	Status
<p>2. State Readiness Review (SRR) – starts after LTCD sends RAI response to CMS.</p> <p>Notes:</p> <ul style="list-style-type: none"> The 2nd 90-day clock begins when CMS receives SRR Report and RAI comments from LTCD. 	LTCD		LTCD will coordinate review with CDPH L&C surveyors.	
	LTCD	Schedules and conducts SRR. <i>(Facility must be complete and ready to go and key PACE employees must be identified.)</i>	On-site SRR may take 3-5 days.	
	LTCD	Submits findings of SRR to PA.	7-10 business days post completion of SRR.	
	PA	Submits POC to LTCD.	Within 10 days of receipt of LTCD SRR Report. <i>(Corrections must be complete before LTCD can submit SRR to CMS.)</i>	
	LTCD	Submits findings of SRR Report to CMS.		
	CMS	Processes the SRR.	The 2 nd 90-day clock begins when CMS receives SRR Report and RAI comments from LTCD.	
	CMS	Approves, disapproves or formally requests additional information. If approved, CMS moves forwards to prepare the Program Agreement.	Anytime during the 2 nd 90-day clock.	

DHCS/CMS Requirements for Plan Implementation	Responsible Entity	Activity	Estimated Time Frame for Completion	Status
E. PACE APPLICATION APPROVED				

F. THREE-WAY PROGRAM AGREEMENT PREPARED AND SIGNED.	CMS, DHCS, PA	CMS prepares 4 original copies of the Program Agreement for signatures by CMS, DHCS, and PA. <i>(The signature date for the PACE Program Agreement must coincide with the effective date of the State Contract.)</i>		
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PACE APPLICATION PROCESS COMPLETE.				
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SECTION III – THE PACE/DHCS STATE CONTRACT PROCESS

DHCS Requirements For PACE Contract	Responsible Entity	Activity	<u>Estimated Time Frame for Completion</u>	Status
A. POLICY AND PROCEDURES	PA	Using DHCS format, submits a set of all operational policies and procedures to LTCD for review and approval.	6 months prior to anticipated date of execution of contract or after receipt of LTCD approval of chapters 1 & 3 of the application.	
B. STATE CONTRACT DEVELOPMENT² Notes: <ul style="list-style-type: none"> ▪ Developing, processing and executing a state contract takes 6-9 months. ▪ Contract development process runs parallel to application review process. 				
1. Health Care Plan Request (HCP) Note: <ul style="list-style-type: none"> ▪ LTCD prepares the request for the HCP. 	LTCD/MMCD	<ul style="list-style-type: none"> ▪ Process the HCP request to enter a new plan into the system. ▪ Establishes a new plan code and adds aid codes and zip codes. ▪ Adds to the 242 table and prepare a Provider Bulletin. 	<ul style="list-style-type: none"> ▪ 3 months for new plan. ▪ 6 months for OIL & Bulletin. <i>(System effective date is 30 days prior to plan operation date.)</i>	

² PA contract process must be initiated as soon as the PACE Applicant receives LTCD approval of Chapters 1 & 3 of the application.

DHCS Requirements For PACE Contract	Responsible Entity	Activity	Estimated Time Frame for Completion	Status
2. Request for Encumbrances	LTCD	<ul style="list-style-type: none"> ▪ Requests Encumbrances from MMCD. ▪ Forwards worksheets and the Rates Manual to CMS RO for review & approval. 		
	MMCD	Prepares and submits encumbrances to LTCD for inclusion in contract.	Estimate of 10 days.	
3. Final Preparation of State Contract	LTCD	Forwards contract to OLS for review.		
	OLS	<ul style="list-style-type: none"> ▪ Reviews and approves/disapproves contract application. ▪ Notifies LTCD. 	Estimate of 30 days.	
	LTCD	Submits contract package to MMCD/CPU.	Estimate of 30 days.	
	MMCD	<ul style="list-style-type: none"> ▪ Processes final contract package. ▪ Routes to PA, CMS, HCP, and PS/CMU for review and signature approval. 	MMCD contract processing time is an estimate of 6 months.	
	PA, HCP, and PS/CMU	Review, sign contract, and return to MMCD.		
4. Execution of State Contract				
	LTCD	<p>LTCD notifies PA in writing that operations may commence.</p> <p><i>(The effective date of the contract must coincide with the Three-way Program Agreement.)</i></p>		

DHCS Requirements For PACE Contract	Responsible Entity	Activity	<u>Estimated</u> Time Frame for Completion	Status
	MMCD	Forwards a copy of the executed contract to LTCD and the PA.		

CONTRACT PROCESS COMPLETE				
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SECTION IV - ANCILLARY REQUIREMENTS TO PACE START-UP OPERATIONS

Ancillary Requirements to PACE Start-Up Operations	Responsible Entity	Activity	<u>Estimated</u> Time Frame for Completion	Status
A. MMCD/LTCD POLICY LETTERS				
	LTCD	<ul style="list-style-type: none"> ▪ Provides PA with link to MMCD Plan letters. ▪ Adds PA to Distribution Lists. ▪ Provides all current LTCD Plan letters to PA. 	6 months prior to anticipated operation of plan.	
B. DHCS LEVEL OF CARE REVIEWS <u>Note:</u>				
<ul style="list-style-type: none"> ▪ LTCD performs initial review of new PACE Participants. 	LTCD	Coordinates schedule for Level of Care Reviews.	3 months prior to anticipated operation of plan.	
	LTCD	<ul style="list-style-type: none"> ▪ Performs Level of Care Reviews either onsite or by mail. 	2 months prior to anticipated operation of plan.	
C. SPOUSAL IMPOVERISHMENT IMPLEMENTATION				
<ul style="list-style-type: none"> ▪ All County Welfare Directors' Letter 97-18 and 98-31 (ACWDL) 	LTCD	Notifies and coordinates with MCEB implementation of Spousal Impoverishment Rules.	3 months prior to anticipated operation of plan.	
	PA	Sends signed Letter of Intent to comply with ACWDL to LTCD.	3 months prior to anticipated operation of plan.	

Ancillary Requirements to PACE Start-Up Operations	Responsible Entity	Activity	Estimated Time Frame for Completion	Status
	LTCD	Submits signed Letter of Intent to MCEB.	3 months prior to anticipated operation of plan.	
	MCEB	Sends ACWDL and instructions to applicable county. Copies to: <ul style="list-style-type: none"> ▪ LTCD ▪ PA 	3 months prior to anticipated operation of plan.	
D. DHCS Training to PA Staff				
	LTCD	Notifies and coordinates training schedule with MMCD and PA.	2 months prior to anticipated operation of plan.	
	MMCD/ITSD	Training for: <ul style="list-style-type: none"> ▪ MESH/FAME Guidelines. 	2 months prior to anticipated operation of plan.	
	MMCD/LTCD	Training for: <ul style="list-style-type: none"> ▪ Enrollment/Disenrollment process. 	2 months prior to anticipated operation of plan.	
	LTCD	Training for: <ul style="list-style-type: none"> ▪ Share of Cost process. ▪ Retrocapitation Requests. 	2 months prior to anticipated operation of plan.	
E. DHCS Marketing Examination				
	LTCD	<ul style="list-style-type: none"> ▪ Inform PA to begin preparing marketing staff for exam as soon as hired. ▪ Coordinates with PA to administer exam to all eligible marketing staff. 	3 months prior to anticipated operation of plan.	
	PA	Provides LTCD with names and numbers of marketing staff taking exam.	3 months prior to anticipated operation of plan.	
	LTCD	Administers exam and provides PA with exam results.	3 months prior to anticipated operation of plan.	
F. CLIA Certification	PA	Submits CLIA application to appropriate State agency.		
ANCILLARY REQUIREMENTS COMPLETE				

SECTION V - ESTIMATED TIMELINE

