

**PACE Request for Information (RFI)
Addendum #1
Questions and Answers**

Question No. 1:

Is this a new requirement, or is there a vendor currently providing these services? If so, what is the vendor name, their contract term, and the value of the contract?

Answer:

We have three programs in South Louisiana: New Orleans, Baton Rouge and Lafayette. The state is looking to expand PACE in Louisiana into a currently unserved geographic area. Selected providers must enroll in Medicaid. The RFI calls for responding organizations to develop pro-forma budgets including start-up costs. These costs are borne by the responding organization until participants are served and the programs receive Medicaid payment.

Question No. 2:

What is the estimated budget for this project?

Answer:

The RFI calls for responding organizations to develop pro-forma budgets including start-up costs. The startup costs could range from \$2-5 million prior to serving participants and receiving reimbursement. The FY21 average monthly cost for PACE (across the 3 sites) was \$2,790.

Question No. 3:

Is there an estimated timeline for a formal solicitation to be reached?

Answer:

Providers will be selected by October 15, 2021. Considering a two-year development timeline, the state is expecting a new program to open sometime in Fiscal Year 2024, which begins on July 1, 2023.

Question No. 4:

During the COVID-19 pandemic, there have been many innovations in providing PACE services. Home has become the center of care. We have the following questions about the flexibility of the adult day center aspect of PACE:

1. Is it necessary to have an Adult Day Health Care (ADHC) center or can all services be provided virtually or in the home?
2. Is it possible to contract with multiple ADHC centers with one acting as a home base?
3. Can the administrative offices and clinic be at a different location than the ADHC center?

Answer:

1. CMS rules state, "The PACE model of care includes Adult Day Health Care (ADHC) center as a core service" (42 CFR Parts 423 and 460).

2. CMS does not disallow contracting with ADHC providers; however, it is typical that PACE has their own Adult Day Health Care center. Typically, the PACE ADHC shares the building with medical and therapy services as well as administrative offices.
3. Yes, CMS does not disallow remote location for administrative offices and clinics; however, our Louisiana PACE providers have their administrative offices and clinic at the same location as their ADHC center. The state requires PACE administrative staff be housed in Louisiana.

Question No. 5:

What data reporting will be required by the state for services provided to PACE members? Will shadow billing be required to track services provided? Will there be other reporting necessary to track services provided?

Answer:

We do not require the PACE providers to provide encounter data.

We are developing a state audit process. This will be in addition to the CMS audit process. We are also investigating other tools that providers will use to submit financial data and service setting (community or nursing facility).

Question No. 6:

It appears from the proposal that the state would like to increase enrollment into PACE of individuals with serious mental illness (SMI). What percentage of new PACE members are you targeting with complex mental health issues? Do patients with SMI have a different capitated payment rate?

Answer:

There is no specific target for PACE to accept individuals with SMI. LDH expects all persons eligible for PACE to receive an individualized person centered plan to meet all their needs (clinical, physical, social, behavioral, or cognitive).

LDH transition coordinators working with individuals transitioning out of a nursing facility may believe that PACE would be the best service for a specific person. If it appears that the person fits the model, they could be referred to PACE for enrollment. The person must meet all PACE enrollment criteria (age, income requirements, reside in service area, meet nursing facility level of care, and the PACE provider must be able to meet their needs). We expect that the key to success with this population will be intensive case management, care coordination and community mental health services. The state fully expects PACE to provide the services necessary to serve this population.

There is no specific capitated rate for individuals with SMI.

Question No. 7:

What type of support for the following will the state provide?

1. Zip code or service area data identifying populations to be served
2. Identification of individuals appropriate for PACE

3. Enrollment support for eligible populations

Answer:

The state is soliciting proposals from organizations that demonstrate need and possess the capacity to serve areas not currently served by PACE, specifically in Central/Northern Louisiana. Once a potential provider is selected, additional information regarding potential eligible participants and their Medicaid status will be provided by the state for the selected geographic area(s).

Question No. 8:

The RFI requires the application to be for a currently “unserved” PACE area. How is the unserved area defined? Is it by parish or zip code or distance from current PACE? Would adjacent zip codes to current PACE areas be considered?

Answer:

The service area is defined as either parish or zip code (if full parishes are not covered). The state is looking to expand PACE services in different areas of the state aside from the Baton Rouge, Lafayette, and New Orleans areas. The state will expand PACE services to Central or Northern Louisiana.

Question No. 9:

The PACE model lends itself to locating in metropolitan areas of which 3 of the 7 in Louisiana currently have PACE programs. What thought has been given as to how PACE program can provide the benefits of PACE to rural areas through changes in payment methodology or structural design?

Answer:

The state is interested in providing PACE services in urban and rural areas. We welcome suggestions for how to provide PACE services in rural areas. It is expected that the current Louisiana PACE payment methodology will be used for any future Louisiana PACE sites.

Question No. 10:

What are the potential next steps after the RFI responses are reviewed? Is there a follow-on RFP that will be issued? In Section I of the RFI, it is stated that this RFI “is not a means of pre-qualifying vendors for any subsequently issued RFP related to this RFI.” In Section IX of the RFI, it is stated that “Each respondent will receive written notification whether the respondent was selected to proceed with the PACE development process.” Clarification on what is meant by each of these two sections would be helpful, especially relating to the PACE development process named in Section IX.

Answer:

The PACE application process involves the following steps:

1. RFI Proposal review of submissions;
2. Request for Additional Information (RAI);
3. Selection of Potential Provider;
4. CMS PACE Application;
5. Louisiana Adult Day Health Care Licensure;

6. State Readiness Review; and
7. PACE Agreements

Once a proposal is selected through the RFI process, the organization will be invited to continue the selection process with the state and CMS. However, the state reserves the right to cease the development process if one of the following occurs:

- If the state believes that the provider does not have the capacity;
- The provider cannot complete the timelines identified; and/or
- If provider is not operating in good faith, the state has the right to stop the development process.

Another RFI may be issued if the state stops the process with the selected provider.

Question No.11:

What is the rate development methodology by which the State develops PACE rates?

Answer:

Medicaid Payment to a PACE organization on behalf of a Medicaid-eligible individual shall be a prospective monthly capitated amount that is equal to or less than the amount that would otherwise have been paid under the state plan if the participant was not enrolled under the PACE program.

1. Initially, each site's specific upper payment limit shall be calculated for each state fiscal year using service area data, by zip code, from actual paid fee-for-service claims for populations who are age 55 or older in nursing facilities and in home and community-based services waiver programs and state plan services that utilize nursing facility level of care and serve people age 55 or older.
2. Site specific upper payment limits and Medicaid premiums for PACE shall be periodically calculated in accordance with the State Plan methodology for such calculation, including trending of historical data. Premiums for every PACE organization in the state will be based on upper payment limits.
3. Premium amounts shall be a negotiated rate, not to exceed 95% of the upper payment limit.

Question No.12:

Should interested providers only apply if they have a plan for moving individuals out of nursing homes and into affordable housing, or, can interested providers still submit their letters even if they do not have a full plan to address this issue?

Answer:

OAAS maintains at least one transition coordinator in each of the 9 LDH regions. It is the responsibility of the transition coordinator to coordinate all needed supports to assist the person with moving out of the nursing facility and into the community. PACE may be part of the supports identified as suitable to assist the individual but PACE will not be required to find housing. PACE would come in as an accepting provider and will have to work with the OAAS transition coordinators to ensure that

the person will have what they need when leaving the nursing facility. This may include PACE and PACE services; including but not limited to durable medical equipment, medical supplies, care plan, schedule, staff in home, community based mental health services, etc.

OAAS is emphasizing this special focus because we believe that the PACE model of care coordination and active case management will be effective for this population. Potential participants must meet all PACE requirements – age, live in service area, etc.

From RFI:

In Louisiana, PACE providers must have the capacity to enroll and effectively serve individuals who are transitioning from nursing facilities back to life in the community, including individuals with SMI, who meet all PACE eligibility requirements. LDH OAAS believes the PACE model of care aligns with this population because of the active care coordination and case management. Responding organizations must describe how the organization will integrate community mental health services with care plans. OAAS transitions as many as 300-400 individuals each year and PACE organizations must have resources and systems to serve this often challenging population.

Note: OAAS transition coordination staff will create and work the transition plan as well as locate housing. They will assist the individual in determining necessary services, selecting a program and arrange for the move from the nursing facility. As always, PACE organizations will have the right to determine whether they can meet the person's needs; however, OAAS fully expects PACE organizations to have the resources to serve this population.