DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, Maryland 21244-1850

CENTER FOR MEDICARE

Date: April 23, 2018

To: All PACE Organizations

From: Vikki Ahern, Director
               Medicare Parts C and D Oversight and Enforcement Group (MOEG)

Subject: 2018 PACE Audit Updates

The following information is provided to give an overview of the Programs of the All-Inclusive Care for the Elderly (PACE) audit process improvements and reminders for 2018. We are also excited to announce that we will be issuing our first PACE Annual Report later this year that provides an overview of the 2017 CMS PACE audits including: common conditions identified, audit scores, and lessons learned. A preview of the 2017 PACE audit trends will be presented at the 2018 Medicare Advantage and Prescription Drug Plan Audit & Enforcement Conference & Webcast on May 10, 2018.

2018 PACE Audit Process Improvements:

CMS is committed to improving communication, education, and support throughout the audit process. To help achieve that goal, we are implementing the following changes and improvements for the 2018 PACE audit year:

- PACE Organizations will still have 30 calendar days to submit all required universes; however, for 2018, auditors will start the element review approximately 2 weeks after universes are received rather than the 4 weeks used in 2017. Beginning audit fieldwork earlier helps streamline the audit process and reduces the time organizations are engaged in audit related activities while still allowing sufficient time to submit universes.

- Audit fieldwork for both routine and trial period audits will be conducted over two consecutive weeks. Week 1 of fieldwork will be performed off-site through desk review or webinar and will include the review of the Service Delivery Requests, Appeals and Grievances (SDAG) element. CMS may also review other elements remotely when necessary or feasible. During week 2 of fieldwork, the audit team will conduct an in-person review of the onsite element, and any elements not reviewed or completed in week one. By spreading audit fieldwork out over the course of two weeks, we anticipate reducing burden on PACE Organizations by allowing organizations additional time to review and respond to audit findings and documentation requests.

- The review and issuance of engagement letters, Immediate Corrective Action Required (ICAR) notifications, draft reports, and final reports will now be done by the MOEG's Division of Analysis, Policy and Strategy (DAPS) to further centralize the audit process and review of audit deliverables.

- Core audit leads have been identified. These audit leads will be responsible for managing the CMS

audit team, ensuring the audit protocol is followed, and reporting conditions to the PACE Audit Consistency Team (PACT) following the audit fieldwork. They will also be responsible for communicating with PACE Organizations both before and during the audit. Additionally, Account Managers (AMs) will no longer participate as an audit lead or audit team member for any organization they oversee; however, AMs will be responsible for monitoring the implementation and release of all corrective action plans (CAPs) following the audit.

- All CMS audit elements, samples, and supporting documentation will be reviewed and collected by the CMS audit team. We value our State Administering Agency (SAA) partnerships and will continue to share all information, data, and documentation received and reviewed by CMS during the audit process. While CMS is ultimately responsible for collecting and documenting all findings related to the CMS protocol, SAAs may be onsite with the CMS team and may choose to review the information collected by CMS. We also encourage SAAs to conduct any State specific reviews of the PACE organization that the State determines necessary.

- The Health Plan Management System (HPMS) requirements have been updated to allow for easier navigation and response to CMS requests within the audit module. These updates include: allowing organizations to upload and download multiple files at the same time (excluding universe files); entering draft audit report comments and responses directly into HPMS; and allowing for ICAR notification directly from the HPMS.

2018 PACE Audit Process Reminders:

- We want to remind PACE Organizations that the 2018 PACE audit process is conducted in the HPMS audit module. PACE Organizations should ensure appropriate staff have HPMS and audit module specific access (active User IDs and passwords). For assistance with HPMS user access please send an email to CMSHPMS_Access@cms.hhs.gov.

- Please ensure you have filled out the "Medicare Compliance Officer" contact information within the HPMS with an appropriate contact. This contact type will be used for most of the audit related communications during the 2018 PACE audit year.

We welcome any feedback to help us further refine our audit process and clarify guidance. In addition, if you have any questions about the PACE audits, please send them to: PACEAuditQs@cms.hhs.gov. This will be our centralized point of contact for everything related to PACE audits. Thank you for your continued dedication to serving some of the most vulnerable beneficiaries.