



November 13, 2015

Cynthia Coffman, Esq.  
Attorney General of the State of Colorado  
Ralph L. Carr Colorado Judicial Center  
1300 Broadway, 10<sup>th</sup> Floor  
Denver, Colorado 80203

*Re: Total Community Options, Inc.'s (InnovAge) Conversion Plan*

Dear Attorney General Coffman:

On or about October 30, 2015, Total Community Options, Inc., d/b/a/ InnovAge filed a Plan of Conversion with the Office of the Attorney General (AG). After the Colorado Center on Law and Policy pointed out that the filing was incomplete under the statute governing PACE conversions, InnovAge, on November 6, 2015, filed audited financial statements for the year ended June 30, 2015 as required. The AG then scheduled the period for public comment to expire on December 7, 2015.

Colorado Center on Law and Policy (CCLP) is a non-profit whose mission is to advocate for and represent low income Coloradans before State agencies, the Legislature, the Executive Branch and the Courts. Among the Coloradans CCLP represents are many elderly and frail people from whom InnovAge's members, clients or patients are drawn.

CCLP respectfully submits that the Plan, as filed, fails to provide or address numerous facts essential to a determination of the fair market value of InnovAge (as required by the statute). Additionally, insufficient information is presented to enable a fair evaluation of possible insider arrangements and remuneration, why a completely independent foundation was not proposed to receive the proceeds of the Conversion, and the credentials, qualifications, and selection process for the new foundation board. The Plan also fails to address how the post-conversion monitoring is to be established and conducted, what the process will be for selecting a Monitor, and what scope and duration of monitoring is proposed.

Further, as the proposed Conversion is a very substantial one, CCLP submits that one or more public hearings should be scheduled, upon proper notice, in the Denver metropolitan area and wherever InnovAge has operations in Colorado. The Plan as filed raises significant valuation questions which require further explanation (e.g., the apparent discrepancy between the acquisition price of \$180,309,100 plus \$6,068,900 in stock shares referenced on the second page of Exhibit D and the 2015 valuation of \$211,814,000 on the last page of Exhibit C). Further, CCLP is aware of community groups and individuals who wish to be heard on various aspects of the foundation, e.g., concerns with the lack of independence of the foundation (as proposed) as distinguished from earlier health care related conversions such as Blue Cross- Anthem, lack of community input into the selection of the directors of the foundation and the mission of the foundation, the scope of post-conversion monitoring of the

performance of the for-profit entity to assure that current patients/clients' care is not degraded, and the qualifications of a monitor and the process of selection. If public hearings are scheduled, the expiration date for public comments in writing should be extended by at least 20 days so that matters brought forward at such hearings can also be addressed in written comments submitted by interested persons.

We appreciate your consideration of these initial observations and requests, and we look forward to participating meaningfully with you in this very important review process.

Respectfully submitted,

Colorado Center on Law and Policy

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