



COLORADO

Department of Health Care
Policy & Financing

January 8, 2016

The Honorable Cynthia Coffman
Attorney General of the State of Colorado
Ralph L. Carr Colorado Judicial Center
1300 Broadway
Denver, CO 80203

Dear Madam Attorney General:

PACE is a crucial program for the delivery of health care in Colorado. The program allows frail and disabled individuals to remain living within the community, rather than a nursing home or other long-term care facility, by coordinating various services such as adult day care, medical services, social services, transportation, home care, rehabilitative care, personal care, advocacy, and negotiation with caregivers and family members. PACE providers use a large amount of discretion in determining what array of services to provide to an individual; thus, it has been very important that the culture of a PACE organization be focused on providing the best level of care that is financially viable. Conversion to a for-profit entity may affect a PACE provider's determination of the optimal level of care to provide. This concern is exacerbated in InnovAge's proposed conversion because InnovAge is the largest provider of PACE programming in Colorado, with the majority of PACE participants enrolled in an InnovAge program. It is also the sole provider of PACE services in the Denver metropolitan area, with plans to further expand.

A PACE non-profit entity provides participants with the inherent protection that the entity must fulfill its mission to perform for the public good. Various members of our community have requested the involvement of an ombudsman, because this inherent protection is lost upon conversion. The ombudsman would serve as a representative of participants and advocate on their behalf. Historically, other long-term care program participants have been served by an ombudsman. Further, the Department of Health and Human Services released a congressional report that was inconclusive as to whether participants of PACE for-profit entities received diminished quality of care as compared to participants of PACE non-profit entities. Thus, HCPF supports the use of the conversion proceeds to fund an ombudsman to assist in monitoring the quality of care provided to individuals and advocate on their behalf. It is imperative that proceeds from the conversion be used to fund monitoring of the program for quality of care, financial soundness, and other regulatory requirements.

Colorado's aging population is growing, with increased needs. The funds from the conversion provide an opportunity to allow for the development of innovative programs and resource allocations to serve this population. HCPF is willing to work

with other key partners to establish these innovative programs and resource allocation.

Thank you for your diligent work on this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Susan E. Birch". The signature is fluid and cursive, with the first name "Susan" being the most prominent part.

Susan E. Birch, MBA, BSN, RN
Executive Director

cc: W. Eric Kuhn, Assistant Attorney General, Office of the Attorney General
David Blake, Chief Deputy Attorney General, Office of the Attorney General
Jen Anderson, Director of Legislative Affairs, Office of the Attorney General
Troy Eid, Special Assistant AG on PACE conversion matter,
Office of the Attorney General