



January 7, 2016

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: Master Plan of Conversion, Total Community Options, Inc. d/b/a InnovAge

Dear Attorney General Coffman:

I am writing to offer these comments as the founding CEO of HopeWest, located in Grand Junction, Colorado.

HopeWest is a large, non-profit, 501C3, organization offering comprehensive palliative and hospice care services across rural Western Colorado in the counties of Montrose, Ouray, Delta, Mesa and Rio Blanco counties.

I have been operating a hospice in a capitated risk environment utilizing the Hospice Medicare and Medicaid benefits since their inception in 1983. I have served on the National Hospice and Palliative Care Organization Board of Directors three terms, the HHS Rural Advisory Committee and currently am the founder and Board Member for the National Hospice Innovations Partnership, a national collaborative of nonprofit hospice organizations. I also currently serve on the Caring for Colorado Board of Directors. HopeWest has a pending application for a PACE program serving Mesa County, and I have been knowledgeable about PACE programs through association with Sean Bloom at the National PACE Association's work with hospice programs.

First, I am a believer in PACE. I believe it has great potential for meeting the pending explosion of frail elderly across our State. I am also aware of the hurdles to entrance with the extensive capital needs and regulatory complexities.

My extensive background in leading and understanding delivery services under a capitated reimbursement model has led me to have grave concern regarding the unforeseen consequences of a for-profit PACE model. I saw firsthand the impact on the hospice industry with the advent and explosion of for-profit hospice organizations.

It is not difficult to understand how size and risk pool are everything financially with a capitated risk pool payment model. One needs to look no further than the consolidation of hospices nationally and the now variance in operating margins from small non-profits at a negative margin and large for profits with as much as 30% profit margins to see that the financial benefits of large risk pools are clear.

**Administrative Offices  
Hospice Care Center**  
3090 North 12th Street  
Grand Junction, CO 81506  
(970) 241-2212  
HopeWestCO.org

**Delta County**  
195 Stafford Lane  
P.O. Box 24  
Delta, CO 81416  
(970) 874-6823

**Meeker**  
345 Cleveland Street  
Meeker, CO 81641  
(970) 878-9383

**Montrose/Ouray  
Counties**  
645 South 5th Street  
P.O. Box 1804  
Montrose, CO 81402  
(970) 240-7734

**Plateau Valley  
& DeBeque**  
P.O. Box 294  
Collbran, CO 81624  
(970) 487-3844

At the same time these organizations have been accused of extensive fraud, withholding of services, poor patient care and jeopardizing the existence of small rural hospices due to CMS over-regulation trying to catch up with the practices and margins of the large, for profit hospice organizations. My prediction is that this direction of public policy will repeat history.

That being said, the question arises as to how one might insightfully mitigate these risks from the legal and regulatory side. I believe the following would contribute:

1. An ombudsman should be funded to assure clients have important advocacy avenues. This should be funded through the profits of the new corporation, as HCPF would not currently have the resources to increase their ombudsman function.
2. A quality reporting requirement that is posted publicly with key metrics of client satisfaction that goes beyond the minimum quality program established for PACE.
3. Annual program surveys, including financial audits to assure all elements of PACE are being covered. (We saw the decline of surveys of hospices to coincide with significant changes in practice and more cases of fraud.)

In addition, I have significant concerns regarding the conversion Foundation proposal. Large, national hospice companies have had foundations. They have used these foundations to actually pay for services that often should and would have been covered by Medicare and Medicaid, which gave them even more profit opportunity. Additionally, why we would consider allowing money earned in the State of Colorado that was not taxed to support programs outside the State is unclear to me.

I am aware of Chris Wiant's proposal that Caring for Colorado become the stewards of the Foundation. I would urge thoughtful consideration of that proposal for all of the reasons he has so well outlined. The CFC Foundation Board is appointed by the Governor. The organization has a track record and infrastructure to manage the funds appropriately, without incurring the level of infrastructure cost associated with creating a new foundation.

I appreciate the opportunity to weigh in on this landmark, precedent-setting decision.

With warm regard,

  
Christy Whitney  
President and CEO