

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop C1-22-06
Baltimore, Maryland 21244-1850



MEDICARE PARTS C AND D OVERSIGHT AND ENFORCEMENT GROUP

February 26, 2026

Mr. James Sawyer
Chief Executive Officer, Vice President, and Executive Director
PACE4DC LLC
221 Town Center Drive SE
Washington, DC 20020

RE: Notice of Release of Imposition of Sanction to Suspend Enrollment of Programs of All-Inclusive Care for the Elderly (PACE) Participants into contract number: H9564

Dear Mr. Sawyer:

On August 23, 2024, the Centers for Medicare & Medicaid Services (CMS) imposed an enrollment sanction on PACE4DC LLC (PACE4DC). The sanction immediately suspended PACE4DC's ability to enroll new participants into its Programs of All-Inclusive Care for the Elderly (PACE) contract (H9564), operating in the District of Columbia. The sanction was imposed due to failing to correct deficiencies discovered during its 2024 PACE initial comprehensive review (ICR).¹ CMS had determined that the seriousness of these deficiencies required the suspension of any new enrollments of Medicare beneficiaries into PACE4DC.

On November 3, 2025, PACE4DC attested that all of the violations which formed the basis for the sanction, as cited in the sanction notice, were corrected as of October 31, 2025.

Pursuant to 42 C.F.R. § 460.42(c), CMS required PACE4DC to undergo a validation audit of all the operational areas cited in the notice before the enrollment suspension could be lifted. CMS evaluated the results of the validation audit in making their determination on whether PACE4DC corrected the deficiencies that formed the basis for the sanction. After this evaluation, based on the results of the validation audit and the ongoing monitoring conducted by federal regulators, CMS has determined that PACE4DC's sanction-related deficiencies have been sufficiently corrected. Therefore, effective February 26, 2026, PACE4DC is released from sanction for contract H9564, and will return to a normal enrollment status.

¹ Sections 1894(e)(4)(A) and 1934(e)(4)(A) of the Act and implementing regulations at 42 C.F.R. §§ 460.190 and 460.192 mandate that CMS, in cooperation with the State Administering Agency (SAA), evaluate PACE organizations annually for the first 3 contract years during the PACE organization's trial period. Therefore, CMS conducts an ICR for all PACE organizations in the first year of the trial period. 2024 was the first-year CMS conducted ICRs instead of full audits for first-year trial period audits.

Please note that any future failures to comply with PACE program requirements may subject PACE4DC to other remedies available under law, including the imposition of intermediate sanctions, civil money penalties, or termination of the PACE program agreement as described in 42 C.F.R. Part 460, Subpart D.

If you have any questions about this notice, please call or email the enforcement contact provided in your email notification.

Sincerely,

/s/

John A. Scott
Director
Medicare Parts C and D Oversight and Enforcement Group

cc: Kevin Stansbury, CMS/CM/MOEG/DCE
Tamara McCloy, CMS/OPOLE
Annemarie Anderson, CMS/OPOLE
Panya Nash, CMS/OPOLE
Kathy Covert, CMS/OPOLE