

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



**CENTER FOR MEDICARE**

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## **CORRECTIVE ACTION PLAN REQUEST**

February 26, 2026

Contract ID: H7114

Parent Organization Name: Valir PACE, LLC.

Legal Entity Name: VALIR PACE

Lisa Santilli  
Medicare Compliance Officer  
610 Otter Branch Dr  
Magoia, NJ 08049

VIA EMAIL: [lisa.santilli@valir.com](mailto:lisa.santilli@valir.com)

Subject: Corrective Action Plan for Failure to Provide Approved Home Care Services

Dear Lisa Santilli:

The Centers for Medicare & Medicaid Services (CMS) is issuing this request for a Corrective Action Plan (CAP) to Valir PACE, LLC which operates the Programs of All-Inclusive Care for the Elderly (PACE) Contract ID H7114, regarding your organization's failure to provide approved home care services to participants since January 2025.

As a result of your organization's pervasive failure to meet CMS regulations, CMS directs your organization to take corrective action to address the identified areas of non-compliance:

- 42 C.F.R. § 460.98(a), which states that PACE organizations are responsible for providing care that meets the needs of each participant across all care settings and must establish and implement a written plan to ensure the care is appropriately furnished.
- 42 C.F.R. § 460.98(c)(2), which requires PACE organizations to arrange or schedule the delivery of interdisciplinary team (IDT) approved services, as expeditiously as the participant's health condition requires, but no later than 7 calendar days after the date the IDT or member of the IDT first approves the services.
- 42 C.F.R. § 460.112(b)(1), which states each participant has the right to appropriate and timely treatment for their health conditions, including the right to receive all care and services needed to

improve or maintain the participants' health condition and attain the highest practicable physical, emotional, and social well-being.

- 42 C.F.R. § 460.121(k), which requires that, if the IDT approves a service determination request (SDR), in whole or in part, the PACE organization must provide the approved service as expeditiously as the participant's condition requires, considering the participant's medical, physical, emotional, and social needs.

Your organization is out of compliance with these PACE requirements because your organization failed to provide approved home care services to participants since January 2025.

On February 7, 2025, your organization informed CMS and the Oklahoma State Administering Agency (SAA) that, between January 9 and 31, 2025, your organization approved 12 SDRs for 12 participants to receive home care services. Upon further investigation, your organization identified the home care hours approved for the 12 SDRs were not provided. On several occasions between February 19 and April 8, 2025, CMS requested that your organization provide updates regarding this failure, including if a new home care vendor was established, if all home care hours were provided, and if a root cause was established. While email exchanges occurred between your organization and CMS during this time, your organization failed to provide any substantive details regarding this failure until April 8, 2025.

On April 11, 2025, CMS requested a full impact analysis to determine the total number of impacted participants, as well as how many approved, care planned and ordered home care hours were not provided. Your organization reported that a home care staffing shortage affected 66 participants who did not receive 420.5 approved, care planned and ordered home care hours between January 9 and April 15, 2025. During this timeframe, your organization received 11 grievances related to the failure to provide home care hours.

In April 2025, your organization initiated external contracts with two home care agencies to provide home care services to participants. Although services are currently being provided, based on the weekly updates that your organization has provided to CMS, your organization continues to report failures in providing some home care hours to participants.

Additionally, CMS and the SAA conducted a chart review of one particularly egregious case. This incident involved a participant who had just enrolled in PACE. Even though PACE regulations allow 30 days for completion of required initial assessments, several of your organization's IDT members had completed their assessments and indicated that the participant needed medically necessary care promptly. Also, when assessing the participant for nursing home level of care prior to enrollment, your organization's nurse documented that the participant received home care services three times a week while enrolled in hospice to assist with grooming, bathing, eating, transferring, and using the bathroom and would require assistance upon enrollment. Nine days after enrolling in your organization, the participant fell at home and was admitted to the hospital in poor hygienic condition which prompted the hospital to submit an Adult Protective Services (APS) report, after which the participant's caregiver confirmed that home care had not yet been provided. Several days later, the participant died in the hospital.

CMS requests that your organization develop and implement a detailed CAP. This CAP should address the corrective actions you will take to ensure participants receive all approved, care planned and ordered home care hours as expeditiously as a participant's condition requires, as per 42 C.F.R. § 460.98. Additionally, this CAP should include a detailed hiring plan to ensure appropriate staffing to provide participants with the necessary care and services efficiently and effectively. This CAP should also address your organization's commitment to participant safety and any other steps that ensure the sustainability of the program as your organization has experienced significant executive leadership turnover in the last two years and received approval for service area expansion. Lastly, this CAP

should include other actions that your organization identifies as necessary to correct this problem and prevent it from re-occurring. Because of the complexity and sensitivity of this matter, CMS will review materials and intermediary implementation steps throughout the process. Further, CMS' engagement throughout this process will provide CMS with the information we need to eventually close the CAP.

CMS is issuing this compliance notice pursuant to 42 C.F.R. § 460.50(b)(2), which requires CMS to afford an organization 30 days to develop and successfully initiate a CAP to correct deficiencies. Therefore, by March 28, 2026, please send a timeline for implementing each element of the CAP to your CMS Account Manager(s). CMS expects that the correction timeline will be no longer than necessary and will reflect an appropriate level of urgency in resolving this matter.

Please be aware that this letter will be included in the record of your organization's past performance, which CMS will consider as part of our review of any application for new or expanded program agreements your organization may submit. CMS considers your organization's disclosure in self-reporting information concerning the non-compliant activity as a mitigating factor in determining the severity of this notice.

CMS has the authority to impose sanctions, penalties, and other enforcement actions as described in federal regulations at 42 C.F.R. Part 460 Subpart D. Should your organization fail to develop, implement, or complete its CAP, CMS may consider the imposition of intermediate sanctions (e.g., suspension of enrollment activities), civil money penalties, or termination of your organization's PACE program agreement.

If you have any questions about this notice, please contact your CMS Account Manager Arica Butler at: 214-767-6437, or [arica.butler@cms.hhs.gov](mailto:arica.butler@cms.hhs.gov).

Sincerely,



Jeremy C. Willard, Director  
Division of Surveillance, Compliance & Marketing  
Medicare Drug & Health Plan Contract Administration Group  
Centers for Medicare and Medicaid Services

CC via email:

Arica Butler, CMS

Christine Reinhard, Theresa Wachter, CMS