

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



CENTER FOR MEDICARE

CORRECTIVE ACTION PLAN REQUEST

May 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

Subject: Corrective Action Plan for continued failure to routinely monitor and verify provider credentials necessary for providing direct participant care

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 continued failure to monitor and verify that all direct and contracted providers are properly credentialed to provide direct participant care.

On May 4, 2026, CMS issued a warning letter which identified the following areas of non-compliance:

- 42 C.F.R. § 460.68(c), which requires a PACE Organization to have a formal process in place to gather information related to paragraphs (a) and (b) of § 460.68, and to be able to respond in writing to a request for information from CMS within a reasonable amount of time.
- 42 C.F.R. § 460.71(b)(1) through (3), which requires a PACE organization develop a program to ensure that all staff furnishing direct participant care services comply with State and Federal requirements for direct patient care staff in their respective settings, comply with requirements under § 460.68(a) regarding criminal convictions, and have verified current certifications or licenses for their respective positions.
- 42 C.F.R. § 460.102(e), which requires a PACE organization ensure that all members of the interdisciplinary team have appropriate licenses or certifications under State law, act within their scope of practice as defined by State laws, and meet the requirements set forth in § 460.71.

The warning letter documented your organization's failure to monitor and verify that all direct and contracted providers were properly credentialed to provide direct participant care. CMS noted, in that

letter, that your organization was out of compliance with these requirements because, for an unknown amount of time, you failed to monitor all direct and contracted providers' credentials to ensure they met all requirements to provide direct participant care. The warning letter required your organization to provide CMS with your PIP-related corrective actions and completed findings regarding the credentials of all direct and contracted providers no later than May 8, 2026. The letter also advised you to notify your CMS Account Manager immediately if your organization was unable to meet this deadline.

On May 6, 2026, you notified your CMS Account Manager that nine providers were submitted to your third-party vendor for the credentialing and licensure verification process, but at that time no confirmation had been received for the submissions. You also noted a second contract was secured for another credentialing verification organization.

Your organization failed to provide CMS with the required documentation by the deadline of May 8, 2026. In addition, you failed to immediately notify CMS that your organization would be unable to meet this deadline. Your organization has consistently ignored CMS' requests, providing vague or no responses to CMS' continued inquiries.

Because of the continued non-compliance, CMS requires your organization to develop and implement a detailed CAP. This CAP should address the corrective actions you will take to ensure all direct and contracted provider credentials are routinely verified and that providers meet all employment requirements necessary to safely perform direct participant care. This includes the formal process your organization will implement, specifying when and how often you will verify provider credentials based on specialty and in accordance with applicable federal and State requirements. In addition, this CAP should describe how your organization will promptly provide CMS with evidence that all direct and contracted providers are appropriately credentialed and meet all other regulatory requirements at § 460.68 by the expected completion date of June 26, 2026.

The CAP should further incorporate any additional corrective measures your organization deems necessary to both resolve the current deficiency and prevent recurrence. Given the complexity and sensitivity of this matter, CMS will conduct ongoing review of submitted materials and intermediary implementation steps throughout the remediation process, with the intent that continued engagement will ultimately support closure of 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 June 26, 2026, please send a timeline for implementing each element of the CAP to your CMS Account Manager. 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 the review of any application for new or expanded program agreements your organization may submit.

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 intermediate sanctions (e.g., suspension of enrollment activities), civil money penalties, or termination of your organization's PACE program agreements.

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.

Sincerely,

A handwritten signature in black ink, appearing to be "Jm", with a large loop at the start and a long, horizontal, slightly wavy tail.

Gerard (Jerry) Mulcahy, Acting Director
Department of Health and Human Services
Medicare Drug & Health Plan Contract Administration Group (MCAG)
Centers for Medicare & Medicaid Services

CC via email:

Arica Butler, CMS

Christine Reinhard, CMS