

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



## **Center for Medicare**

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June 12, 2025

### **WARNING LETTER**

Contract ID: H0247

Parent Organization: AllCare Health, Inc.

Legal Entity: AllCare PACE, LLC

Laura Matola  
Medicare Compliance Officer  
AllCare PACE, LLC  
1701 NE 7th Street  
Grants Pass, OR 97526

VIA EMAIL: [laura.matola@allcarehealth.com](mailto:laura.matola@allcarehealth.com)

Subject: Failure to Meet the Needs of Each Participant

Dear Laura Matola:

The Centers for Medicare & Medicaid Services (CMS) is issuing this warning letter to AllCare PACE, LLC, which operates Program of All-Inclusive Care for the Elderly (PACE) Contract ID H0247, regarding your organization's failure to meet the needs of each participant due to the resignation of the occupational therapist (OT) on your interdisciplinary team (IDT). CMS issued notices of non-compliance for similar compliance issues on September 22, 2023, and March 6, 2024.

Since May 31, 2024, your organization has been non-compliant with the following regulations:

- 42 C.F.R. § 460.98(a), which requires PACE organizations to provide care that meets the needs of each participant across all care settings, 24 hours a day, every day of the year, and to establish and implement a written plan to ensure that care is appropriately furnished.
- 42 C.F.R. § 460.98(d), which explains that certain services, including occupational therapy services, must be furnished at each PACE center.

- 42 C.F.R. § 460.104(a)(1)-(2), which require a participant's initial assessment to be in-person and with all members of the IDT, including the occupational therapist (OT), per § 460.102(b)(5).
- 42 C.F.R. § 460.104(b), which states that the IDT must develop a single plan of care for each participant through team discussions and consensus of the entire IDT.
- 42 C.F.R. § 460.121(e), which requires the PACE organization to bring a service determination request (SDR) to the IDT no later than 3 calendar days from the time the request is made.
- 42 C.F.R. § 460.121(i), which explains that the IDT must make its decision about an SDR and notify the participant of its decision no later than 3 calendar days after the date the IDT receives the request.

Your organization is out of compliance with these PACE requirements because your organization failed to meet all health needs of all your participants due to an incomplete IDT.

On May 20, 2024, your organization reported to CMS that your only OT submitted a two-week notice of resignation from your organization, effective May 31, 2024. CMS requested an update on June 3, 2024, and your organization reported that the outgoing OT agreed to remain on call and attend IDT meetings remotely on Tuesdays and Thursdays only. However, you noted that the OT would not do any assessments and participants would not receive prescribed occupational therapy until a new OT is hired, which fails to meet those participants' needs. On June 4, 2024, your organization provided CMS with a plan to mitigate the negative impacts on participants, which included the following steps:

- You will present Service Determination Requests (SDRs) on Tuesdays and Thursdays, when possible, to get input from the on-call OT. In September 2024, you reported that all SDRs thus far have been presented to the IDT.
- You will maintain an ongoing spreadsheet to capture assessments, care plans, and any participants that did not receive an initial or semiannual assessment from an OT. In September 2024, you reported that 21 participants have not received an assessment or care plan.

Although those mitigating steps are in place, you also stated that, as of September 2024, two SDRs were presented to the IDT untimely. In addition, on at least three occasions, you did not notify participants of the SDR decision within three calendar days from when the IDT received the request.

Your organization notified CMS that you will work to remediate the non-compliance once a new OT is hired, which means you will have an established team that can fulfill all the roles described in CMS regulations to comprehensively assess and meet the individual needs of your 73 participants. You stated that you will utilize the list of impacted participants and aim to complete 15 to 20 assessments each week when the new OT is hired. However, you have not yet hired a new OT.

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 PACE program agreements your organization may submit. CMS determines this instance of non-compliance a PACE issue. CMS considers your organization's efforts in self-reporting information concerning the non-compliant activity as a mitigating factor in determining the severity of this notice.

If your organization fails to fully remediate this issue, CMS may consider taking additional compliance actions, including a formal request for a corrective action plan (CAP), or taking enforcement actions in the form of the imposition of intermediate sanctions (e.g., the suspension of marketing and enrollment activities) or civil money penalties.

If you have any questions about this notice, please contact your CMS Account Manager Mae Jones at: (206) 615-3652, or [gertie.jones1@cms.hhs.gov](mailto:gertie.jones1@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:

Mae Jones, CMS  
Christine Reinhard, CMS Baltimore  
Annemarie Anderson, CMS Philadelphia