



CENTER FOR MEDICARE

May 04, 2026

WARNING LETTER

Contract ID: H7114

Parent Organization: Valir PACE, LLC.

Legal Entity: VALIR PACE

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

VIA EMAIL: lisa.santilli@valir.com

Subject: Warning Letter for Failure to Routinely Monitor and Verify that All Direct and Contracted Providers Are Properly Credentialed

Dear Lisa Santilli:

The Centers for Medicare & Medicaid Services (CMS) is issuing this warning letter 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 monitor and verify that all direct and contracted providers are properly credentialed to provide direct participant care.

Your organization is non-compliant with the following:

- 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 require a PACE organization to 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 to ensure that all members of the interdisciplinary team have appropriate licenses or certifications under State law, act within the scope of practice as defined by State laws, and meet the requirements set forth in § 460.71.

Your organization is 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.

On February 26, 2026, your organization informed CMS that, in November 2025, you identified a failure to establish a centralized role responsible for the ongoing oversight of provider credentialing activities, affecting all 337 participants. Although your organization verified provider credentials upon hire, you failed to monitor license renewals, and subsequently complete primary source verification and confirm continued compliance with § 460.68, such as through routine Office of Inspector General (OIG) exclusion checks. Upon disclosure, your organization provided CMS with a Performance Improvement Plan (PIP) outlining steps you have taken to address this failure, including appointing a Director of Provider Network Operations to establish ongoing oversight of this issue and securing a third-party vendor to complete the credentialing verification process. On March 3, 2026, in response to CMS's request for a timeline, your organization noted that you expected to fully remediate within 60 days, which was May 2, 2026.

During a meeting with CMS on March 26, 2026, your organization noted that upon discovery of the issue, you completed the OIG exclusion checks for all providers. Following disclosure to CMS in February, you began the provider credentialing process for direct providers. However, while your organization hired a vendor to verify provider credentials, as of March 26, 2026, you had not yet completed the credentialing process for any of your 9 direct providers or any contracted providers. During the meeting, CMS communicated serious concern about participant safety and advised that you work with the vendor to expedite the process and provide CMS with more frequent updates on remediation progress. CMS expects 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. If you are unable to meet this timeframe, please communicate with your CMS Account Manager immediately.

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 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 you fail to come into compliance, then CMS may consider taking additional compliance actions, including a formal request for corrective action plan, or taking enforcement actions, including intermediate sanctions (e.g., suspension of enrollment activities), or civil money penalties.

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,



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, CMS Baltimore