

## Waiver Amendments To Implement Performance-Based Contracting

**Effective Date: January 1, 2026**

**KEY**

“All Intellectual Disability/Autism Waivers (ID/A) Waivers” – Consolidated, Community Living, and P/FDS Waivers

**Black Bold Font** = Additions submitted to CMS

**Strikethrough** = Information removed

**Purple Bold Font** = Changes made as a result of public comment

**Blue Bold Font** = Changes made as a result of CMS feedback

Waivers Impacted	Appendix	Waiver Section	Recommended Revised Language	Reason for Change
Consolidated and Community Living Waivers	Main Module	Brief Waiver Description	<p>Effective January 1, 2025, Pennsylvania <del>is implementing</del> <b>implemented</b> a concurrent 1915(b)(4) waiver for performance-based contracting of Residential Habilitation, Supported Living, and Life Sharing services. <b>Effective January 1, 2026, Pennsylvania is implementing a concurrent 1915(b)(4) waiver for performance-based contracting of Supports Coordination services.</b> <b>Performance-based contracting is</b> consistent with the values articulated in the <i>Everyday Lives</i> document, which serves as the foundation of all ODP policy initiatives. Through performance-based contracting of these services, the State seeks to improve the quality of services delivered by using new performance standards and aligning payment with outcomes by implementing a pay-for-performance strategy.</p> <p>The functions of AEs will not change as a result of performance-based contracting. To support its performance-based contracting activities, the State will contract with a Performance Analysis Service (PAS) vendor that will provide administrative support with data collection, analysis, and reporting functions.</p>	These changes are needed to implement performance-based contracting for Supports Coordination services.

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P/FDS Waiver	Main Module	Brief Waiver Description	<p><b>Effective January 1, 2026, Pennsylvania is implementing a concurrent 1915(b)(4) waiver for performance-based contracting of Supports Coordination services. Performance-based contracting is consistent with the values articulated in the <i>Everyday Lives</i> document, which serves as the foundation of all ODP policy initiatives. Through performance-based contracting of Supports Coordination services, the State seeks to improve the quality of services delivered by using new performance standards and aligning payment with outcomes by implementing a pay-for-performance strategy.</b></p> <p><b>The functions of AEs will not change as a result of performance-based contracting. To support its performance-based contracting activities, the State will contract with a Performance Analysis Service (PAS) vendor that will provide administrative support with data collection, analysis, and reporting functions.</b></p>	These changes are needed to implement performance-based contracting for Supports Coordination services.
P/FDS Waiver	A-3	Use of Contracted Entities	<p><b>x <i>Yes Contracted entities perform waiver operational and administrative functions on behalf of the Medicaid agency and/or operating agency (if applicable). Specify the types of contracted entities and briefly describe the functions that they perform. Complete Items A-5 and A-6.:</i></b></p> <p><b>To implement performance-based contracting, ODP is contracting with a PAS vendor secured through a competitive procurement process. The PAS vendor will provide administrative support with data collection, analysis, and reporting functions to assist with quality assurance and quality improvement activities.</b></p>	This change is needed because a Performance Analysis Service vendor will support data collection, analysis, and reporting required for performance-based contracting.
P/FDS Waiver	A-5	Responsibility for Assessment of Performance of Contracted	<p>ODP is responsible for assessing the performance of functions delegated to public agencies and non-governmental entities designated as Administrative Entities.</p> <p><b>ODP is responsible for assessing the performance of the contracted functions of the PAS vendor.</b></p>	This change is needed because a Performance Analysis Service vendor will support data collection, analysis, and reporting

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		and/or Local/Regional Non-State Entities.		required for performance-based contracting.
P/FDS Waiver	A-6	Assessment Methods and Frequency.	<p><b>ODP assesses the activities of the PAS vendor through an annual performance review against contractual obligations and delegated functions.</b></p> <p><b>If deficiencies are noted during the annual performance review, the PAS vendor will be required to develop and implement a corrective action plan to remedy identified deficiencies. Additionally, ODP may impose financial penalties against the PAS vendor for significant breaches of contract requirements. Finally, ODP may terminate the PAS vendor's contract if deficiencies are of an egregious nature and attempts to correct deficiencies have been unsuccessful through the corrective action plan process.</b></p>	This change is needed because a Performance Analysis Service vendor will support data collection, analysis, and reporting required for performance-based contracting.
All ID/A Waivers	C-1/C-3	Supports Coordination	<p><i>Provider Qualifications:</i> Supports Coordination Organizations must meet the following standards during the initial and ongoing qualification process:</p> <p><b>Have a signed ODP Agreement for Supports Coordination Organizations on the most current template available from DHS-ODP. The Agreement for Supports Coordination Organizations requires the SCO to comply with all applicable federal and state statutes, regulations, and policies, including but not limited to performance standards, confidentiality and HIPAA requirements.</b></p> <p><b>Comply with applicable performance standards and reporting requirements outlined in the Agreement for Supports Coordination Organizations and ODP policy. The performance standards are designed to improve quality of services and outcomes for individuals. Performance standards are focused on the following performance areas: access, administration, continuum of least restrictive service options, employment, person-</b></p>	These changes are needed to implement performance-based contracting for Supports Coordination services.

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			<p><b>centered practices, wellness, resource navigation, risk management, technology, workforce, and quality, including data integrity.</b></p> <p>Ensure that SC Supervisors, SCs, and <b>Associate Supports Coordinators</b> have a Pennsylvania State Police criminal history record check prior to the date of hire. If the prospective employee is not a resident of Pennsylvania or has not been a resident of Pennsylvania for at least 2 years prior to the date of employment, a FBI criminal history record check must be obtained prior to the date of hire. If a criminal history clearance and/or the criminal history record check identifies a criminal record, SCOs must make a case-by-case decision about whether to hire the person that includes consideration of the following factors:</p> <ul style="list-style-type: none"> <li>• The nature of the crime;</li> <li>• Facts surrounding the conviction;</li> <li>• Time elapsed since the conviction;</li> <li>• The evidence of the individual’s rehabilitation; and</li> <li>• The nature and requirements of the job.</li> </ul> <p>Documentation of completion of the bullets above must be maintained for any staff that were hired whose criminal history clearance results or criminal history check identified a criminal record.</p> <p><b>Minimum Qualifications for Associate Supports Coordinators:</b>  <b>Associate Supports Coordinators are limited to perform supports coordination tasks in accordance with ODP policy.</b></p> <ol style="list-style-type: none"> <li>1. <b>Be at least 18 years of age.</b></li> <li>2. <b>Meet the following minimum educational and experience requirements: A high school diploma or equivalent.</b></li> <li>3. <b>Have child abuse clearance per 23 Pa. C.S. Chapter 63.</b></li> <li>4. <b>Have a valid driver’s license if the operation of a vehicle is necessary to provide functions allowable by an Associate Support Coordinator.</b></li> <li>5. <b>Completion of SC Orientation and First Year Training.</b></li> </ol>	

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			<p>6. If facilitating the use of Lifecourse Tools, have at least one year of personal or professional experience with people with ID/A and have successfully completed a CtLC Learner Pathways (Professional) Practitioner level course.</p>	
All ID/A Waivers	C-1/C-3	Residential Habilitation, Life Sharing, Supported Living, and Supports Coordination	<p><i>Provider Qualifications:</i>  <del>Annually submit to ODP the most recent financial statements (audited if available).</del></p>	This qualification requirement is no longer needed because it is included in the Performance-Based Contracting Performance Standards and will be verified through the tier determination process.
Consolidated and Community Living Waivers	C-1/C-3	Residential Habilitation, Life Sharing, and Supported Living	<p><i>Provider Qualifications:</i>  <del>Actively provided direct non-residential HCBS as a provider enrolled to provide ODP Waiver services for the two years prior to enrolling to provide Residential Habilitation, Life Sharing, or Supported Living and be in good standing (not subject to sanctions or enforcement actions by the Department).</del></p>	This qualification requirement is no longer needed due to the implementation of Performance-Based Contracting. When ODP determines there is a need for additional residential service providers, ODP will include this requirement in the competitive request for application process.
All ID/A Waivers	I-2-a	Rate Determination Methods	<p><b>Effective July 1, 2026, SCOs will receive monthly case rates and a flat fee for service rate which covers each participant’s initial person-centered planning and initial Individual Support Plan development. The rates were developed using a market-based approach and will be available prior to July 1, 2026 at</b></p>	ODP will be shifting payment from fee for service (FFS) 15-minute units to monthly case rates. This creates

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			<p><a href="https://www.dhs.pa.gov/providers/Providers/Pages/ODP-Rates.aspx">https://www.dhs.pa.gov/providers/Providers/Pages/ODP-Rates.aspx</a>. To support the change from 15-minute fee schedule rates to monthly case rates and flat fee schedule rates for SCOs in fiscal years 2026-2027 through 2028-2029, ODP may make additional stabilization payments to SCOs when the aggregated average revenue per individual served results in a loss of 3% or greater of the prior year’s aggregated average revenue per individual. ODP may also adjust payments to an SCO if the aggregated average revenue per individual served is 10% or greater than the prior year’s aggregated average revenue per individual. SCOs with an excess increase in revenue may be required to submit cost reports.</p>	<p>efficiencies for documentation and billing and supports efforts to better align payment with quality outcomes.</p>
All ID/A Waivers	I-3-c	Supplemental or Enhanced Payments	<p><b>Supports Coordination Pay-for-Performance:</b>  <b>Performance-based contracting includes pay-for-performance for supports coordination services. Effective January 1, 2026, SCOs that meet or exceed performance targets will be eligible to receive supplemental payments. <a href="#">Performance standards that must be met or exceeded for SCO eligibility to receive supplemental payments are milestones for capacity building, scaling capacity by increasing from baseline performance, or meeting statewide benchmarks.</a></b></p> <p><b>Supplemental payments for person-centered planning and community integration will be calculated on the following basis for SCOs meeting or exceeding performance standards: one-time or combined payments up to 3% of ODP-eligible SCO revenue from the applicable review period or established payment amount per qualifying event.</b></p> <p><a href="#">Information about Supports Coordination P4P supplemental payments was published for public comment in the Pennsylvania Bulletin on April 19, 2025 at <a href="https://www.pacodeandbulletin.gov/Display/pabull?file=/secure/pabulletin/data/vol55/55-16/534.html">https://www.pacodeandbulletin.gov/Display/pabull?file=/secure/pabulletin/data/vol55/55-16/534.html</a>. Additional details about the supplemental payments is available in the Performance-Based Contracting Supports Coordination Services Implementation Guide as Appendix B available at <a href="https://palms-awss3-repository.s3.us-west-">https://palms-awss3-repository.s3.us-west-</a></a></p>	<p>Implementation of performance-based contracting includes both changes to fee schedule payments and pay-for-performance payments. Pay-for-performance payments will be made to SCOs that meet or exceed performance standards for person-centered planning and community integration.</p>

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			<a href="https://2.amazonaws.com/MyODP_Content/Resources/Performance-Based+Contracting/PBC+SCO+Implementation+Guide.pdf">2.amazonaws.com/MyODP_Content/Resources/Performance-Based+Contracting/PBC+SCO+Implementation+Guide.pdf</a>	