

Consolidated and Community Living Waiver Amendments To Implement Performance-Based Contracting

Effective Date: January 1, 2025

KEY

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

Black Bold Font = Additions proposed and submitted to CMS. No changes were made because of public comment.

Strikethrough = Information removed

Red Bold Font = Changes made because of public comment

| 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 is implementing a concurrent 1915(b)(4) waiver for performance-based contracting of Residential Habilitation, Supported Living, and Life Sharing services 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 Residential Habilitation, Supported Living, and Life Sharing services. |

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| Consolidated and Community Living Waivers | A-3 | Use of Contracted Entities | <p><i>x 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></p> <p>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.</p> | This change reflects the use of a Performance Analysis Service vendor to support data collection, analysis, and reporting required for performance-based contracting. |
| Consolidated and Community Living Waivers | A-5 | Responsibility for Assessment of Performance of Contracted and/or Local/Regional Non-State Entities. | <p>ODP is responsible for assessing the performance of functions delegated to public agencies and non-governmental entities designated as Administrative Entities.</p> <p>ODP is responsible for assessing the performance of the contracted functions of the PAS vendor.</p> | This change reflects the use of a Performance Analysis Service vendor to support data collection, analysis, and reporting required for performance-based contracting. |
| Consolidated and Community Living Waivers | A-6 | Assessment Methods and Frequency. | <p>ODP assesses the activities of the PAS vendor through an annual performance review against contractual obligations and delegated functions.</p> <p>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 contract if deficiencies are of an egregious</p> | This change reflects the use of a Performance Analysis Service vendor to support data collection, analysis, and reporting |

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| | | | nature and attempts to correct deficiencies have been unsuccessful through the corrective action plan process. | required for performance-based contracting. |
| Consolidated Waiver | C-1/C-4 | Residential Habilitation | To support participants to successfully transition from a licensed Residential Habilitation service into Life Sharing or Supported Living services, 2 one-time per participant Transition to Independent Living payments will be made to the provider. The payments are for participants transitioning from a licensed home in which Residential Habilitation is provided to 4 or fewer people to a Life Sharing or Supported Living service rendered by the same provider. The 1st payment will be made after the new Life Sharing or Supported Living service is rendered. The 2nd payment will be made after the participant has received 6 consecutive months of Life Sharing or Supported Living service by the provider if the participant is still residing in the setting to which the participant transitioned & is expected to continue residing in that location & receive Life Sharing or Supported Living services. | With implementation of performance-based contracting, the transition to independent living payments will move to Appendix I-3-c as supplemental payments. |
| Consolidated and Community Living Waiver | C-1/C-4 | Residential Habilitation, Life Sharing, and Supported Living | <p><i>Provider Qualifications:</i> Agencies must meet the following standards:</p> <p>Have a signed ODP Residential Provider Agreement on the most current template available file with from DHS-ODP. The Residential Provider Agreement which requires the provider to comply with all applicable federal and state statutes, regulations, and policies, including but not limited to performance standards, confidentiality and HIPAA requirements. Providers are required to develop and implement written privacy policies and procedures that are consistent with the Privacy Rule. ODP reviews these policies and procedures when complaints are received regarding privacy or as part of licensing or QA&I when warranted.</p> <p>Comply with applicable performance standards and reporting requirements outlined in the Residential Provider Agreement and ODP policy. The performance standards are designed to help improve quality of services and outcomes for individuals. Performance standards are focused on the following performance areas: workforce, supporting individuals with complex needs, referral and discharge practices, integration of behavioral support, quality/data management, risk</p> | These changes are needed to implement performance-based contracting for Residential Habilitation, Supported Living, and Life Sharing services. |

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| | | | management, employment of individuals served, use of remote support technology, regulatory compliance, and community integration. | |
| Community Living Waiver | C-4 | Additional Limits on Amount of Waiver Services | <p>A \$97,000 per person per fiscal year total limit is established for all Community Living Waiver services with an exception for:</p> <ul style="list-style-type: none"> • Supports Coordination • American Sign Language - Interpreter services • The rate add-on outlined in Appendix I-2-a for participants receiving residential services from a Select or Clinically Enhanced provider | The rate add-on for Select and Clinically Enhanced providers of Residential Habilitation, Life Sharing, and/or Supported Living will be excluded from the fiscal year limit based on public comment. |
| Consolidated and Community Living Waivers | I-2-a | Rate Determination Methods | <p>*Rates for the following services, including teleservices and components of a service, are on the MA fee schedule: Behavioral Support; Physical Therapy; Occupational Therapy; Speech/Language Therapy; Visual/Mobility Therapy; Shift Nursing; Companion; Supports Broker; Supplemental Habilitation; In-Home and Community Support; Supported Employment; Respite (excluding respite camp); Small Group Employment; Homemaker/Chore; Advanced Supported Employment; Community Participation Support; Music, Art & Equine Assisted Therapy; Benefits Counseling; Communication Specialist; Consultative Nutritional Services; Family Medical Support Assistance; Housing Transition and Tenancy services; Family/Caregiver Training and Support (excluding training registration and fees); Supported Living; Supports Coordination; Unlicensed and Licensed Residential Habilitation; and Unlicensed and Licensed Life Sharing and Transition to Independent Living payments.</p> <p>Performance-based contracting rate add-on for Select Providers and Clinically Enhanced Providers:</p> | Providers that meet the requirements to be a Select Provider or Clinically Enhanced Provider will receive a payment in addition to the daily residential fee schedule rate, referred to as a rate add-on. |

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| | | | <p>Effective January 1, 2025, providers that meet the Select Provider or Clinically Enhanced Provider requirements outlined in the concurrent 1915(b)(4) Performance-Based Contracting for Residential Services waiver and Residential Provider Agreement will receive an additional payment to the MA fee schedule rate. Select providers will receive a rate add-on of 3% per individual served and Clinically Enhanced providers will receive a rate add-on of 5% per individual served. These additional payments only apply to individuals who receive the following waiver services from an eligible provider: Licensed Residential Habilitation; Unlicensed Residential Habilitation; Life Sharing; and Supported Living.</p> | |
| <p>Consolidated and Community Living Waivers</p> | <p>I-3-c</p> | <p>Supplemental or Enhanced Payments</p> | <p>Residential Pay-for-Performance: Performance-based contracting residential pay-for-performance includes supplemental payments that will be made to residential service providers that meet or exceed performance targets for staff credentialing, employment of individuals served, transitions to Life Sharing or Supported Living, rural provider capacity, and reporting on use of technology. Effective January 1, 2025, providers that meet the Primary, Select Provider, or Clinically Enhanced Provider requirements outlined in the concurrent 1915(b)(4) Performance-Based Contracting for Residential Services waiver and Residential Provider Agreement and meet or exceed the corresponding performance targets will be eligible to receive the supplemental payments. To support participants to successfully transition from a licensed Residential Habilitation service into Life Sharing or Supported Living services, 2 one-time per participant Transition to Independent Living payments will be available to providers. The payments are for participants transitioning from a licensed home in which Residential Habilitation is provided to 4 or fewer people to a Life Sharing or Supported Living service rendered by the same provider. The 1st payment will be made after the new Life Sharing or Supported Living service is rendered. The 2nd payment will be made after the participant has received 6 consecutive months of Life Sharing or Supported Living service by the provider if the participant is still residing in the setting to which the participant transitioned and is expected to continue residing in that location and receive Life Sharing or Supported Living services.</p> | <p>Implementation of performance-based contracting will include supplemental payments made to providers that meet or exceed performance standards for staff credentialing, employment, transitions to Life Sharing or Supported Living, and reporting on the use of technology.</p> <p>Rural provider capacity was added based on public</p> |

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| | | | <p>Supplemental payments for staff credentialing, employment of individuals served, rural provider capacity, and use of technology will be calculated on the following basis for residential providers meeting or exceeding performance standards: one-time or combined payments up to 3% of ODP-eligible residential service revenue from the applicable review period or established payment amount per qualifying event. Supplemental payments for staff credentialing and use of technology will be funded through State general funds due to savings from the enhanced Federal funds available as per Pennsylvania’s Spending Plan for Section 9817 of the American Rescue Plan Act of 2021.</p> | <p>comment to support choice of residential providers in rural areas of Pennsylvania.</p> |