

Performance-Based Contracting for Residential Services

The Arc of PA Policy and Advocacy Conference

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Overview

- Multi Year Growth Strategy
- Performance-Based Contracting (PBC)
 - 1915(b)(4) application
 - 1915(c) amendments
- Provider Preparedness Summits



Multi Year Growth Strategy

ODP Multi-Year Program Growth Strategy



- February 2024, the Shapiro Administration announced the ODP Multi-Year Program Growth Strategy aimed at **eliminating the emergency waiting list for adults.**
- Program expansion will be accomplished through
 - 1. adding waiver capacity** to the Community Living and Consolidated waivers
 - 2. altering the management** of waiver capacity to serve more people.

People Waiting by Urgency of Need

Age Group	<u>Emergency</u> (within 6 months)	<u>Critical</u> (within 6 mo-2 years)	<u>Planning</u> (within 2-5 years)	Total by Age Group
0-20	1,409	1,928	1,380	4,717
21+	4,432	2,868	982	8,282
Total by Urgency	5,841	4,796	2,362	12,999

As of 04/30/2024

Adding Waiver Capacity and Addressing the Workforce



- In February, Governor Shapiro ordered the release of additional **1,250 Community Living** and **400 Consolidated** waivers
- Governor's proposed budget **FY24-25 includes \$34.2 million** in Community Waiver Programs and \$1.9 million in the Community Base Program **AND \$214M in rate increases** because people should have access to high quality HCBS.
- July 2025 - **1,250 Community Living** and **250 Consolidated**
- As overall waiver capacity grows, so do opportunities for enrollment through turnover
 - 4% turnover annually
 - Example, if ODP serves 40,000 people in the waiver programs, approximately 1,600 new people could be enrolled in the waiver annually through turnover

Mid-Year Capacity Update

Progress to date (6/04/2024) - as a result of the mid-year capacity release:

- **907** individuals enrolled in Community Living waiver
- **319** individuals enrolled in Consolidated waiver



Performance Based Contracting

1915(b)(4) Submission and Waiver Amendment Process



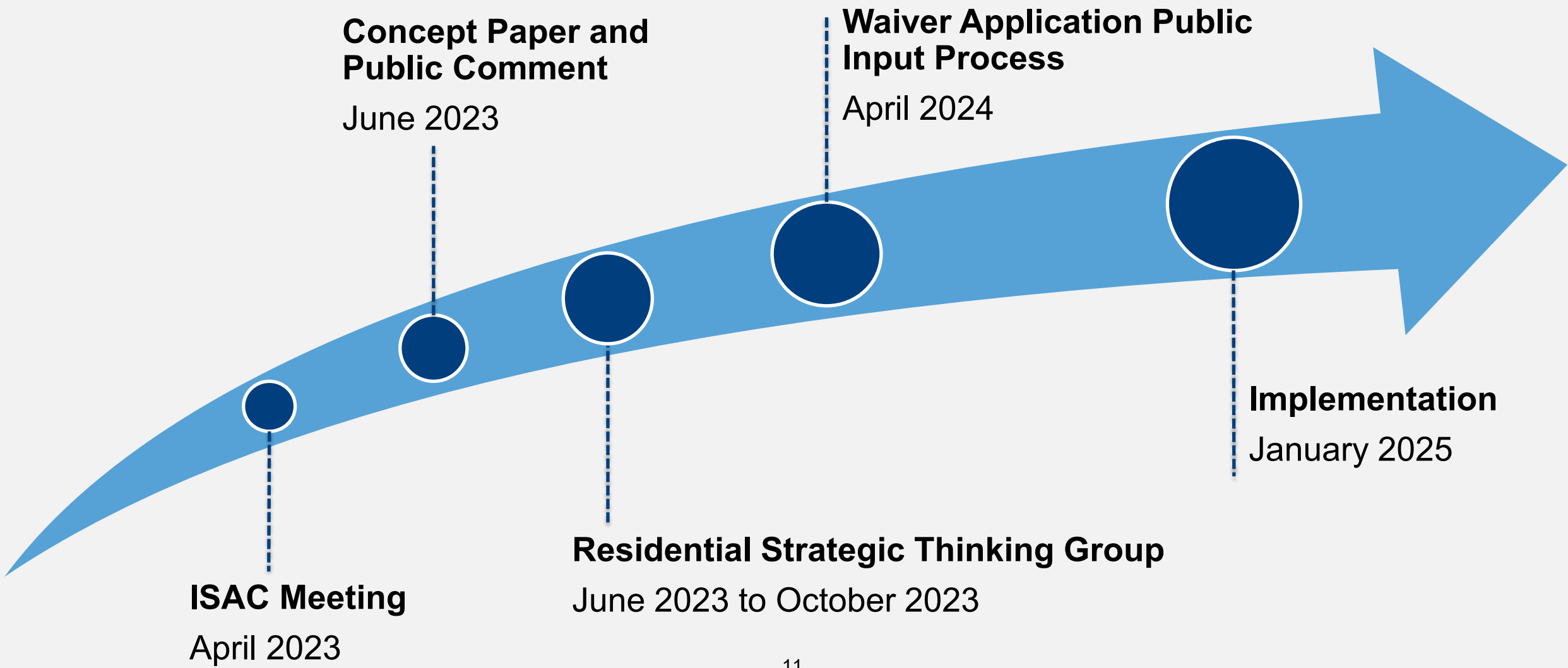
On April 20, 2024, the Office of Developmental Programs (ODP) released the following for public comment:

- PBC Implementation Plan
- New 1915(b)(4) Waiver Application for Residential Services
- 1915(c) Waiver Amendments for Community Living and Consolidated Waivers
- Proposed Rates

Selective Contracting – a 1915(b)4 Waiver allows state Medicaid programs to determine specific criteria for provider contracting under their fee-for-service delivery system, thereby creating restrictions on who can provide the service. The Department is referring to this as **Performance-Based Contracting**



Stakeholder Engagement



Public Comment Process

- All comments were received by June 4, 2024
- Comments were accepted via email, written comments, and verbal comments during webinars
- ISAC Input
- 9 public comment sessions

Next Steps – Public Comment



- ODP will review public comments received and make revisions.
 - ODP will finalize performance standards and publish them in a bulletin. Goal for publication is the end of June.
 - ODP will finalize waiver language: (1915(b)(4), Consolidated Waiver and Community Living Waivers) and submit to CMS. Goal for submission to CMS is July. Submitted waivers will be publicly available.



Improve Quality

Challenges

**Inadequate
Management
Tools**

**LifeCourse in
Complex
Systems
Navigation**

**Payment
Structure Not
Outcome
Aligned**

**Poorly
Performing
Providers and
Insufficient
Capacity**

**Increasing
Acuity of
Assessed
Needs**

ODP Performance-Based Contracting: Values Driving Change

Everyday Lives: Values in Action

- Created by individuals with lived experience
- Drives ODP policy
- Provides individuals with opportunities in their communities

Evaluate Future Innovations

- Services and service payments will be based on Everyday Lives principles
- All ODP partners help make decisions

Performance-Based Contracting

- Services are of high quality
- Knowledgeable and capable workforce
- System is strong to meet future needs of all citizens with developmental disabilities

Residential Provider Tiers

The new approach will place providers in the following tiers:

- Conditional
- Primary
- Select Residential
- Clinically Enhanced Residential

Residential Provider Standards

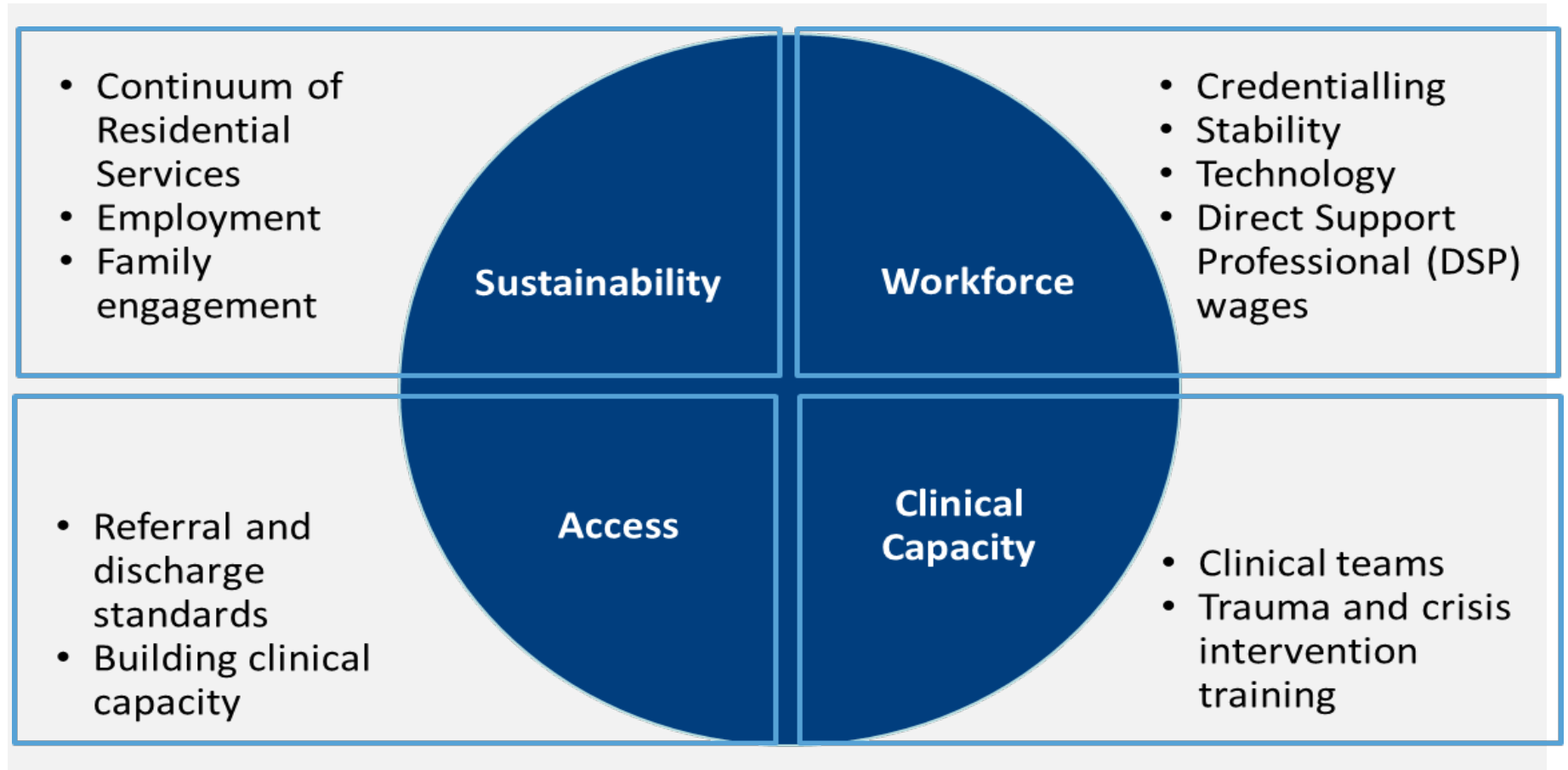
The tiers are based on standards that measure how providers:

- Hire, train, and keep their workforce
- Use technology to support safety and independence
- Promote independence, competitive employment, and community integration
- Support people with complex needs
- Use data to improve quality of services



Performance Standard Areas

- Performance standards for residential providers align with ODP's goals for sustainability, access, workforce, and clinical capacity.



- Each of these performance standard areas include metrics by which providers will be measured.

Residential Provider Journey to Performance-Based Contracting

1

Existing enrolled provider submits a new Residential Provider Agreement

2

ODP reviews the supporting documentation and assigns tier

Tier		Payment		
		FFS	Enhanced FFS	P4P
Select Residential	Meets the same Performance Measures as Primary AND additional measures in areas such as Continuum of Services, Workforce, and Quality		☑	☑
Clinically Enhanced Residential	Meets the same Performance Measures as Primary AND enhanced measures in areas such as Supporting Individuals with Complex Needs (Dual/Medical), Workforce, and Risk Management		☑	☑
Primary	Meets Performance Measures in 16 areas such as Quality, Workforce, Supporting Individuals with Complex Needs, and Risk Management	☑		☑
Conditional	Actively working on improvements through an ODP approved corrective action plan to meet Performance Measures in 16 areas such as Quality, Workforce, Supporting Individuals with Complex Needs, and Risk Management	☑		



Performance-Based Contracting Residential Agreement



- All residential providers must sign a new Agreement for Provision of Residential Services.
 - The residential services waiver provider must submit one completed and signed agreement per legal entity. Regardless of the number of residential services provided or number of service locations operated by the legal entity, only one agreement must be submitted.
 - Completed agreements must be submitted by July 31, 2024 to ODP via email or mail.
 - Providers that do not submit a new agreement will not be qualified to render residential services as of 1/1/25. Providers that do not submit a new agreement cannot be in Select or Clinically Enhanced tiers

June 4 – Residential Provider Agreement sent out via several listservs:

- BHSL-managed ODP licensed providers listserv, Provider, AE, and QA&I

Stakeholder Impact

What will stay the same?

- ODP will continue to operate its existing 1915(c) waivers (Consolidated, Community Living, P/FDS, AAW)
- ODP will continue to administer the waiver programs.
- Existing AEs will continue all current delegated waiver functions
- All current residential providers will have the opportunity to continue providing residential services.
- Individuals will continue to receive Residential Services by providers of their choosing.

What is changing?

- When ODP needs additional residential providers, ODP will issue a request for applications.
- ODP will contract with a back-office Performance Analysis Services who will assist in data collection, analysis, and reporting for administration of the PBC program.
- Individuals and families will have access to information on provider performance to assist them with provider selection.
- Payment will be tied more to quality and outcomes.
- Future state, opportunities for streamlined oversight for residential providers meeting high quality standards.

Phasing in Performance Standards



- Many performance measures reflect current requirements (incident management, health risk screening, behavioral support, follow-up post hospitalization, employment)
 - No change in many areas for primary providers
 - Some measures include new reporting requirements for primary providers (ex. employment)
 - Select and Clinically Enhanced typically have performance targets they must meet to qualify for that tier

Phasing in Performance Standards (cont)



- New performance areas that begin January 1, 2025 rely heavily on attestations, demonstration of data use, and reporting requirements for first contract cycle (January 1, 2025-June 30, 2026)
 - Generally aimed at capacity building and have value-based payment opportunities through pay for performance and enhanced rates to support providers with implementation (ex. credentialing, use of remote technology)
- Reporting requirements in first contract cycle will support development of performance targets for contract cycles beginning in FY26-27 and FY27-28

PBC Residential Measure Features

Measures designed to work together

Clinical Capacity

- New standards related provider clinical capacity
- Data use to impact individual outcomes (example: Restraint, Inpatient care)



Access

- Community integration
- Competitive Integrated Employment
- Referral/discharge standards



Tier Assignment

- Residential providers with a signed and submitted Residential Provider Agreement may submit data and documentation between July 1 - 31, 2024 to support tier determination
- ODP will be reviewing data and documentation between August 1 through October 31, 2024.
- ODP will notify providers of tier assignments in November 2024.

Performance-Based Contracting Tiers



- All performance standards will be assessed at the MPI level.
- ODP will assign providers to tiers based on documentation submitted in July 2024 and available data
- Providers that do not meet the performance standards for the Primary tier but don't have a revoked or provisional license (Conditional tier) will be assigned to Primary and receive a CAP or DCAP to remediate the areas where they don't meet the tier requirements.

Payment Structure

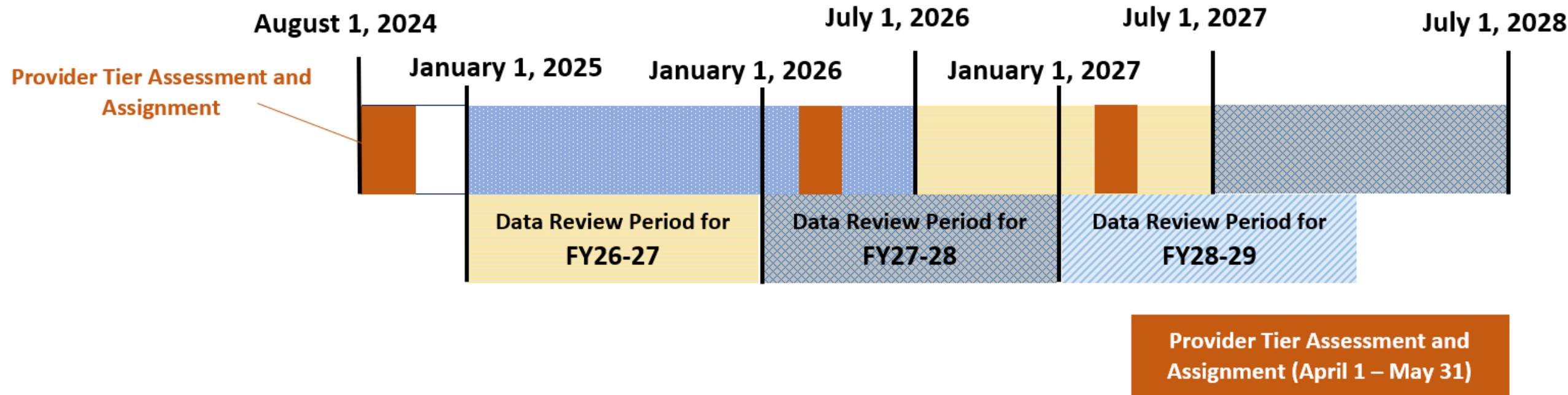


- Providers will continue to bill their daily fee schedule rate for each person receiving residential services.
- Providers that meet the requirements for Select or Clinically Enhanced tiers will receive a rate add-on.
 - Proposed language: Select providers will receive a rate add-on of 5% per individual served and Clinically Enhanced providers will receive a rate add-on of 8% per individual served.
- Providers that meet the requirements for Primary, Select, or Clinically Enhanced can receive pay-for-performance payments for meeting/exceeding targets in the proposed areas of:

Staff credentialing	Employment of individuals served
Transition to Supported Living or Life Sharing	Reporting on use of technology

- Primary providers eligible for all P4P. Select and Clinically Enhanced eligible for some.

Tier Assessment and Assignment Timelines



- Initial tier assignment will be assigned for 18 months
- Following tier assignments will be for the full fiscal year
- Provider performance (review period) measured on a calendar year

Pay-for-Performance (P4P)

- ODP is currently developing opportunities for P4P.
- P4P incentives are additional payments providers can earn when they meet certain benchmarks on the new performance standard metrics.
- Providers in the Primary, Select and Clinically Enhanced tiers will be eligible to receive incentives through P4P for achieving established benchmarks.
- Some P4P will only be available to Primary tier providers.



Provider Preparedness Summits

How is ODP Helping Providers to Prepare For PBC



- ODP published provider preparedness tools
- In June, Provider Preparedness Summits will review performance standards in more detail
- Provider preparedness tools include:
 - Residential Provider Performance-Based Contracting Preparedness Assessment
 - Residential Provider Performance-Based Contracting Workplan
 - Provider Summits
- Quarterly Provider Forums beginning in September 2024 for on-going provider support

Provider Preparedness Tools

[Preparedness Self-Assessment](#)

[Preparedness Self-Assessment Workbook](#)

Provider Preparedness Summits

June 3	1:30pm-3:30pm
June 10	1:00pm-3:00pm
June 12	1:00pm-3:00pm
June 20	1:00pm-3:00pm

Provider Preparedness Toolkit

ODP Communication 24-047 and
<https://home.myodp.org/resources/waiver-implementation/performance-based-contracting/>

Residential Provider Performance-Based Contracting Preparedness SELF-ASSESSMENT



PERFORMANCE AREA: Continuum of Services

Standard: Provide (two of three) services in residential continuum (Residential Habilitation and either Life sharing or Supported Living; Life sharing and either Residential Habilitation or Supported Living; Supported Living and Life sharing or Residential Habilitation)

	Primary	Select	Clinically Enhanced Select
Measure		CoS.01 Provide two of the three services on the residential continuum during the review period, which is at the initial contracting or renewal date. Note: Providers are required to be rendering two of three residential services as of July 1, 2024. Data Source: Claims (ODP data pull)	
Assessment Question		Is your agency providing two of the three services on the residential continuum?	
Preparedness Level		<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Unknown/Unsure	

Standard: Evaluate and assess individuals who may be better served in a more independent setting

	Primary	Select	Clinically Enhanced Select
Measure	CoS.02 Report on the number of individuals with a successful transition from Residential Habilitation to Lifesharing and Supportive Living, at initial contracting or renewal looking back at the prior calendar year. Note: The review period will be for the prior calendar year (e.g., CY2023). Data Source: Claims; Provider Survey		
Assessment Question	Is your agency able to report on the number of individuals with a successful transition from Residential Habilitation to Life Sharing and Supported Living?		
Preparedness Level	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Unknown/Unsure		

Provider Preparedness for PBC



- ODP will publish provider preparedness tools and hold provider forums to support providers as they get ready for PBC implementation.
- Provider preparedness tools include:
 - Residential Provider Performance-Based Contracting Preparedness Assessment

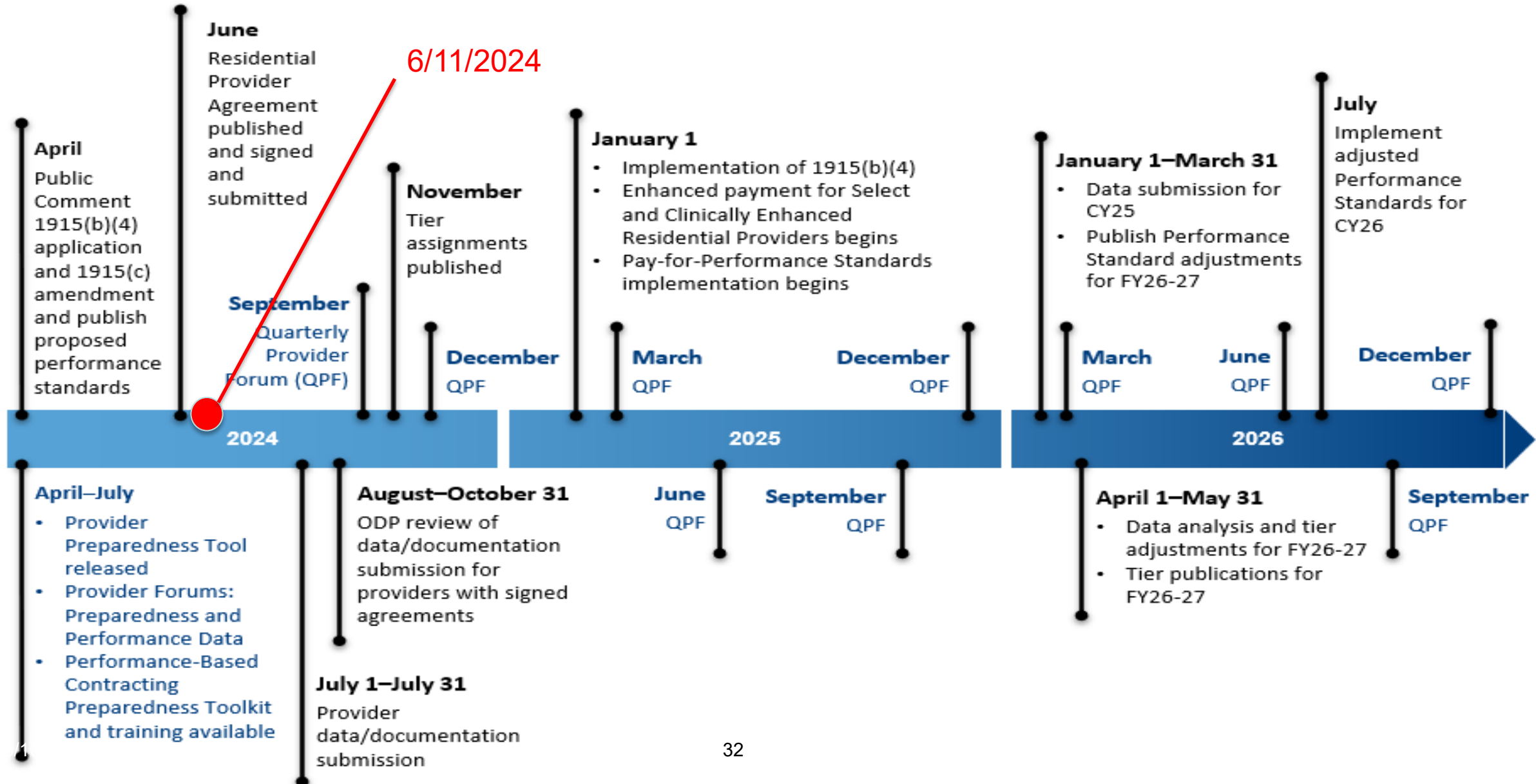
PERFORMANCE AREA: Quality (continued)

Standard: Demonstrated commitment to continuous quality improvement and demonstrated embracing of building a culture of quality (continuous learning and best use of data to assess progress toward QMP goals and action plan target objectives (continued))

	Primary	Select	Clinically Enhanced Select
Measure		QI.02.4 QM certification requirement of at least one member of executive leadership team who has the authority to adopt recommendations and direct QM activities.	QI.02.4 QM certification requirement of at least one member of executive leadership team who has the authority to adopt recommendations and direct QM activities.
Assessment Question		Will your agency be able to demonstrate QM certification for at least one member of the executive leadership team who has the authority to adopt recommendations and direct QM activities?	Will your agency be able to demonstrate QM certification for at least one member of the executive leadership team who has the authority to adopt recommendations and direct QM activities?
Preparedness Level		<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Unknown/Unsure	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Unknown/Unsure

- Assessment includes a template to support providers developing plans to improve performance on the standards ahead of implementation in January 2025
- ODP will also hold provider forums to review performance standards in more detail


PBC Implementation Timeline



Update Performance Based Contracting: Supports Coordination Organizations



- Supports Coordination Strategic Thinking Group (SCSTG) Meetings began December 7th
- SCSTG Tasked with drafting SCO performance measures
- Implementation scheduled for January 2026



“A journey of a thousand miles begins with a single step.”

- Lao Tzu, *Tao Te Ching*