


<b>ISSUE DATE</b> July 26, 2024	<b>EFFECTIVE DATE</b> July 26, 2024	<b>NUMBER</b> 00-24-01
<b>SUBJECT</b> Performance Standards for Residential Services		<b>BY</b>  Kristin Ahrens, Deputy Secretary for Developmental Programs

**SCOPE:**

- Administrative Entity Administrators or Directors
- Supports Coordination Organizations
- Consolidated and Community Living Waiver Providers of Residential Habilitation, Life Sharing, or Supported Living
- Individuals and Families

**PURPOSE:**

The purpose of this bulletin is to announce the performance standards that will be used to assign providers of Residential Habilitation, Life Sharing, and Supported Living services (hereafter referred to as “Residential services”) to a tier as part of the Office of Development Programs’ (“ODP”) implementation of performance-based contracting.

**BACKGROUND:**

ODP is implementing performance-based contracting for Residential services delivered through the Consolidated and Community Living Waivers (the “Waivers”) beginning January 1, 2025. ODP designed performance-based contracting for Residential services in alignment with *Everyday Lives: Values in Action* recommendation 13 which states, “Future consideration of service models and reimbursement strategies must be based on the principles of person-centered planning, individual choice, control over who provides services and where, and access to/full engagement in community life. Innovative approaches should be evaluated

**COMMENTS AND QUESTIONS REGARDING THIS BULLETIN SHOULD BE DIRECTED TO:**

The appropriate ODP Regional Program Office

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based on the recommendations of *Everyday Lives*, including employment, recognizing and supporting the role of families, and meeting the diverse needs of all individuals.”

## **DISCUSSION:**

### Performance Standards

A key component of performance-based contracting is performance standards. Each performance standard contains measurable requirements that providers of Residential services must meet. The performance standards are based on:

- Current requirements for Residential services providers found in regulations, policies, and the Waivers;
- *Everyday Lives: Values In Action* recommendations; and
- ODP’s goals for service sustainability, implementing strategies that support workforce stability and growth, access standards, improving clinical capacity to serve individuals with complex needs, and quality improvement.

The performance standards focus on four areas that will help improve the quality of Residential services:

- *Sustainability* standards measure how the provider helps individuals continue to get the services they need;
- *Workforce* standards measure how the provider hires, retains, and manages staff who assist individuals with their services;
- *Access* standards measure how the provider improves access to Residential services; and
- *Clinical Capacity* standards measure how the provider supports the medical and behavioral needs of the individuals the provider serves.

### Provider Tiers

ODP will yearly monitor, support, and evaluate providers’ progress toward meeting the performance standards and will assess on a 3-year cycle if significant changes should be made to the performance standards. The timeline ODP will be using is outlined in Attachment 1. The 3-year cycle will enable ODP to streamline the performance standards with other processes such as Quality Assessment and Improvement, provider qualifications, and licensing.

ODP will annually assign each provider a tier based on the provider’s performance. As part of the process to evaluate which tier a provider will be assigned, providers will complete the Performance-Based Contracting Residential Provider Data Submission Tool and submit supporting documentation required as per the instructions. Additionally, ODP, with the assistance of a new Performance Analysis Services (PAS) vendor, will use data from participant experience surveys, claims, incident management, health risk screening, licensing inspections, and data collected by the Administrative Entities, to evaluate each provider’s

performance against the established standards. Depending on the performance measure, providers will either need to achieve full compliance with the standard or be able to demonstrate sufficient success in meeting the standard. Providers must meet the performance standard for the entire year. Attachment 2 outlines the performance standards and measures that must be met for each tier.

ODP will monitor individual and aggregate provider performance to determine if providers are meeting the identified measures for each performance standard. ODP will use the data it obtains through monitoring to make refinements to measures as aggregate provider performance improves. ODP will make adjustments to the performance measures annually if needed to improve the quality of residential services. ODP will inform providers if adjustments are made to the performance measures.

The tiers will enable ODP to track provider performance for the purposes of contracting and will be linked to rate add-ons. As providers meet additional performance standards, quality of services and capacity to serve individuals is expected to improve.

Providers in all tiers will continue to receive fee-for-service (FFS) rates for Residential services. In addition to the FFS rates, providers in specific tiers will be eligible to receive incentives through pay-for-performance payments and rate add-ons as outlined in the Waivers and Attachment 2.

#### ATTACHMENTS:

Attachment 1 – Residential Performance Standards and Tier Assignment Timeline

Attachment 2 – Residential Performance Standards