

# Performance-Based Contracting for Residential Services

**January 2025**



# What is Performance-Based Contracting?



A new way of managing services for ODP



ODP contracts with providers that meet specific quality standards

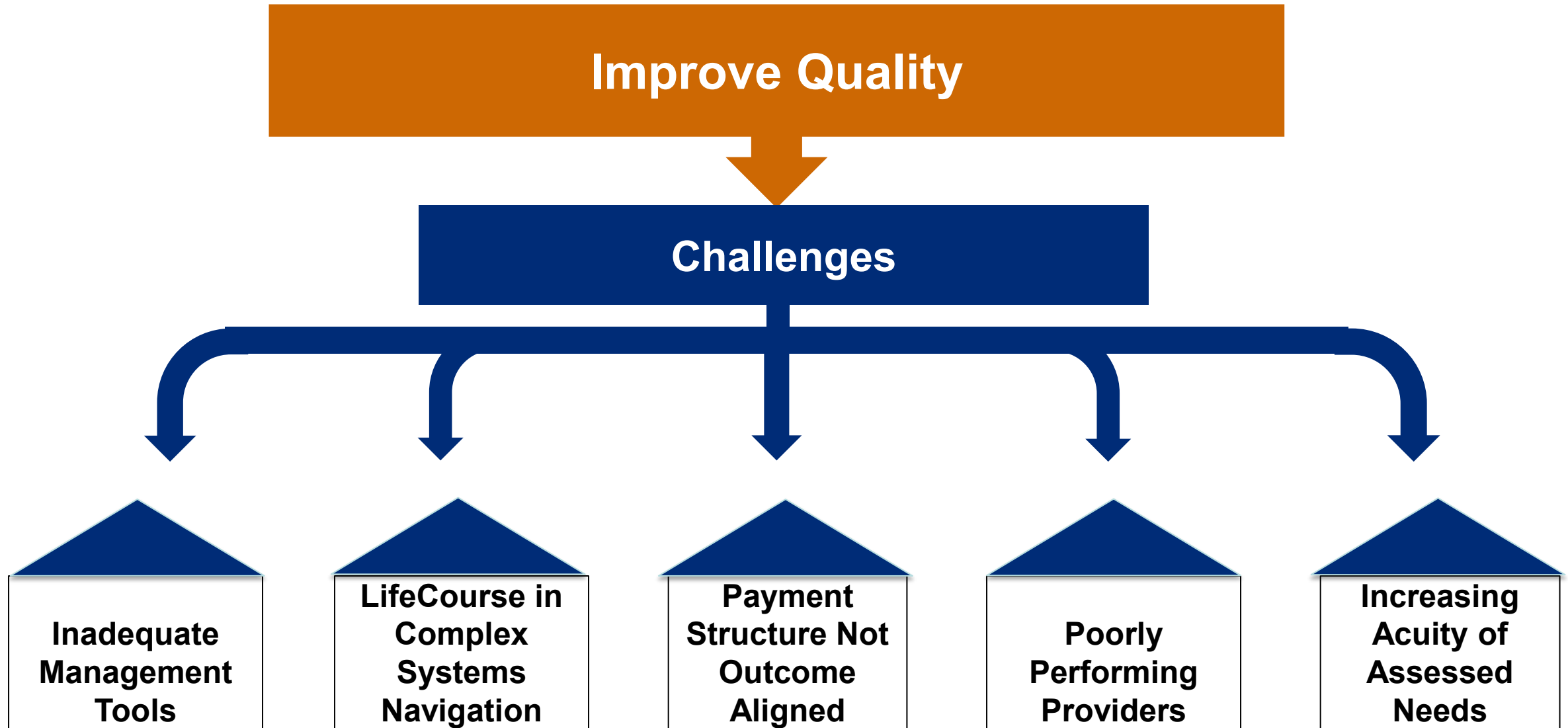


Payment for services aligns with outcomes



ODP will use Performance-Based Contracting for residential and supports coordination services

# Why Performance-Based Contracting?



## **Services Included in Performance-Based Contracting?**

*Beginning January 1, 2025*

- Residential Habilitation (licensed and unlicensed)
- Lifesharing (licensed and unlicensed)
- Supported Living

*Beginning January 1, 2026*

- Supports Coordination

# 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



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

# Residential Provider Standards



# Example of Performance Standard

- The full list of performance standards and the associated metrics is published as an [Appendix to the Implementation Plan](#).
- An example of a performance standard and the associated metrics:

Performance Area	PM Code	Definition of Standard	Measures for <u>Primary Residential Providers</u>	Measures for <u>Select Residential Providers</u>	Measures for <u>Select Clinically Enhanced Residential Providers (Clinically Enhanced for Medical and/or Behavioral Support)</u>
Supporting Individuals with Complex Needs - Dual Diagnosis/ Behavioral	CN-DD/Bx.01.2	Demonstrate that the agency has integrated behavioral supports through use of employed or contracted licensed clinicians and/or behavioral support professionals, and demonstrate that training and support are routinely provided in homes to individuals and teams	N/A	<b>CN-DD/Bx.01.2s:</b> Demonstrate a minimum of 50% of total behavioral supports hours as face-to-face time (in person or virtual) with behavioral support staff across all settings interfacing with family, DSPs, FLs, and individuals	<b>CN-DD/Bx.01.2ce:</b> Demonstrate a minimum of 70% of total behavioral supports hours as face-to-face time (in person or virtual) with behavioral support staff across all settings interfacing with family, DSPs, FLs, and individuals
Supporting Individuals with Complex Needs - Dual Diagnosis/ Behavioral	CN-DD/Bx.02.1	Demonstrate use of data to impact individual outcomes	For the CY2024 review period , report on percentage of individuals with restrictive procedures that have been evaluated by (or are receiving treatment) within the past year from licensed psychiatrists, psychologist, CRNP, LSW, or has received treatment from a professional in a licensed outpatient BH clinic  For the review period of CY2025 and subsequent years, demonstrate that 100% of individuals with restrictive procedures have been evaluated by (or are receiving treatment) within the past year from licensed psychiatrists, psychologist, CRNP, LSW, or has received treatment from a professional in a licensed outpatient BH clinic	Same as Primary <b>AND</b> CN-DD/Bx.02.2	Same as Primary <b>AND</b> CN-DD/Bx.02.2



# Residential Provider Tiers



<b>Select Residential</b>	<b>Clinically Enhanced Residential</b>	<b>Primary</b>	<b>Conditional</b>
<p>Providers that deliver at least two of the three residential services in the performance-based contracting model and meet the additional established measures</p>	<p>Providers that offer Clinically Enhanced medical or behavioral supports and meet the established enhanced measures</p>	<p>Providers that meet current standards and a few additional standards</p>	<p>Providers operating under provisional or revoked licenses</p>

## Performance Area: Family Engagement

### *Residential Providers must*

- Demonstrate engagement of and support to families which includes providing adequate and appropriate communication options and maintaining/building relationships

### *Why is this important?*

- Strong communication and relationships improve outcomes for people receiving residential services

## Performance Area: Referral and Discharge

### *What is this about?*

- Providers will track referral and discharge information
- Service initiation occurs within an average of 90 days or less post-referral for Community Homes.
- For discharges - report the circumstances under which an individual(s) was not returned to their home post discharge from an inpatient, skilled nursing or rehabilitation facility or release from incarceration, including a summary of the planning, coordination and accommodation efforts undertaken and the remaining barriers that resulted in the provider's inability to return the individual to their home.

### *Why is this important?*

- Individuals and families may wait for long periods of time for services. Accessing increased data and developing provider policy to address long waits and untimely discharges should improve outcomes.

# Performance Area: DSP Credentialing

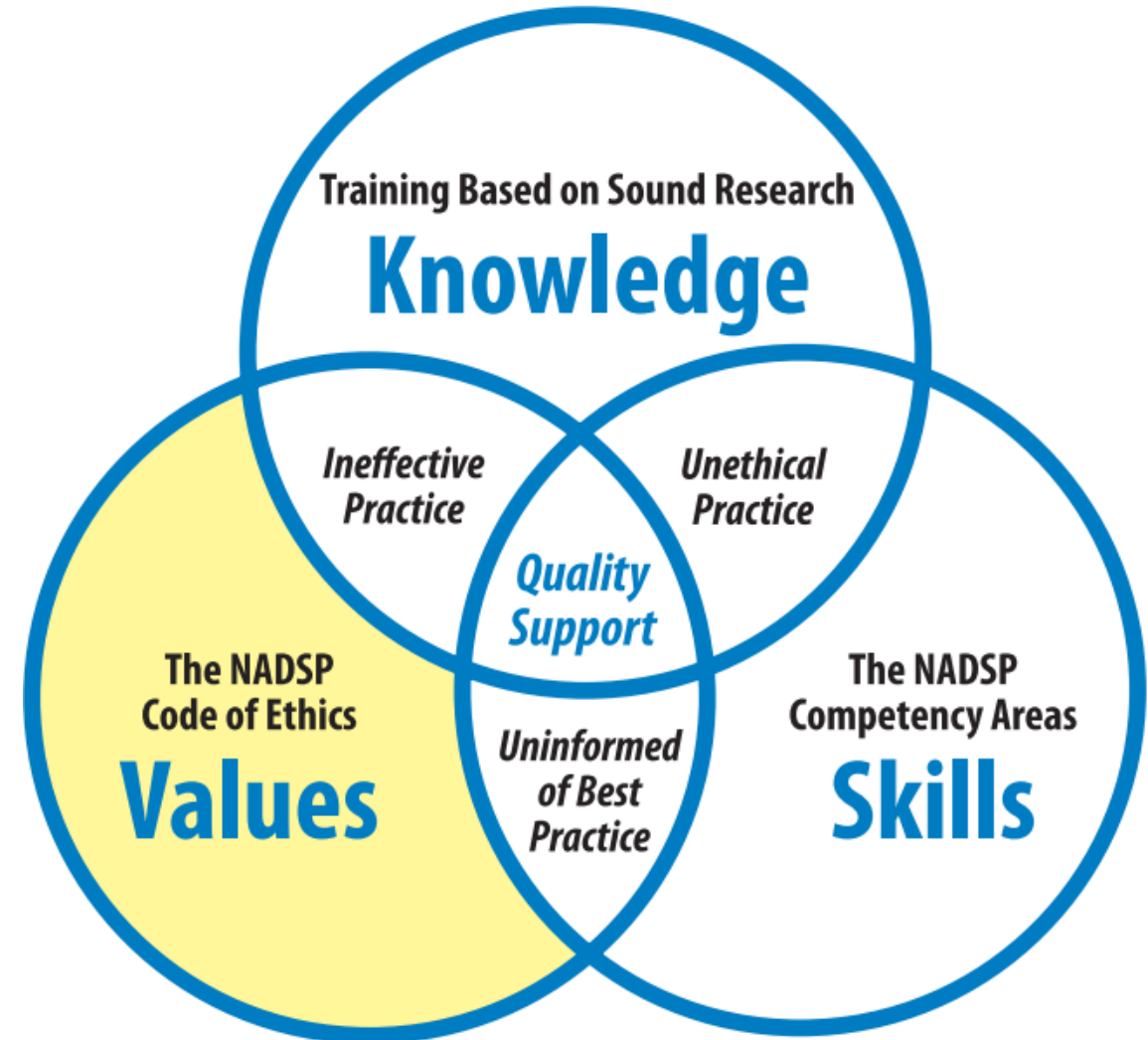
*National Alliance of Direct Support Professionals*

*What is this about?*

- Providers will support staff to receive credentialing to increase knowledge, skills and values

*Why is this important?*

- Develop a structure to pay credentialed DSPs/FLSs more
- Create a career ladder and support competencies to address retention
- Portability of training



## Aligning Payment with Outcomes

Performance-based contracting allows ODP to have **new standards** for residential providers.

Based on how well providers do at meeting the new standards, they will be assigned to **different levels called "tiers."**

Providers in the **Select and Clinically Enhanced** will be paid higher rates.

Primary, Select and Clinically Enhanced Providers will be eligible to receive pay-for-performance

# Pay-for-Performance (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.



# Pay-for-Performance Areas: Current



**TRANSITIONING  
INDIVIDUALS-  
RESIDENTIAL  
HABILITATION TO  
LIFESHARING OR  
SUPPORTED  
LIVING**



**ADOPTING  
TECHNOLOGY**



**COMPETITIVE  
INTEGRATED  
EMPLOYMENT**



**DIRECT  
SUPPORT  
PROFESSIONAL  
AND FRONT LINE  
SUPERVISOR  
CREDENTIALING**

# Pay-for-Performance Areas: Future



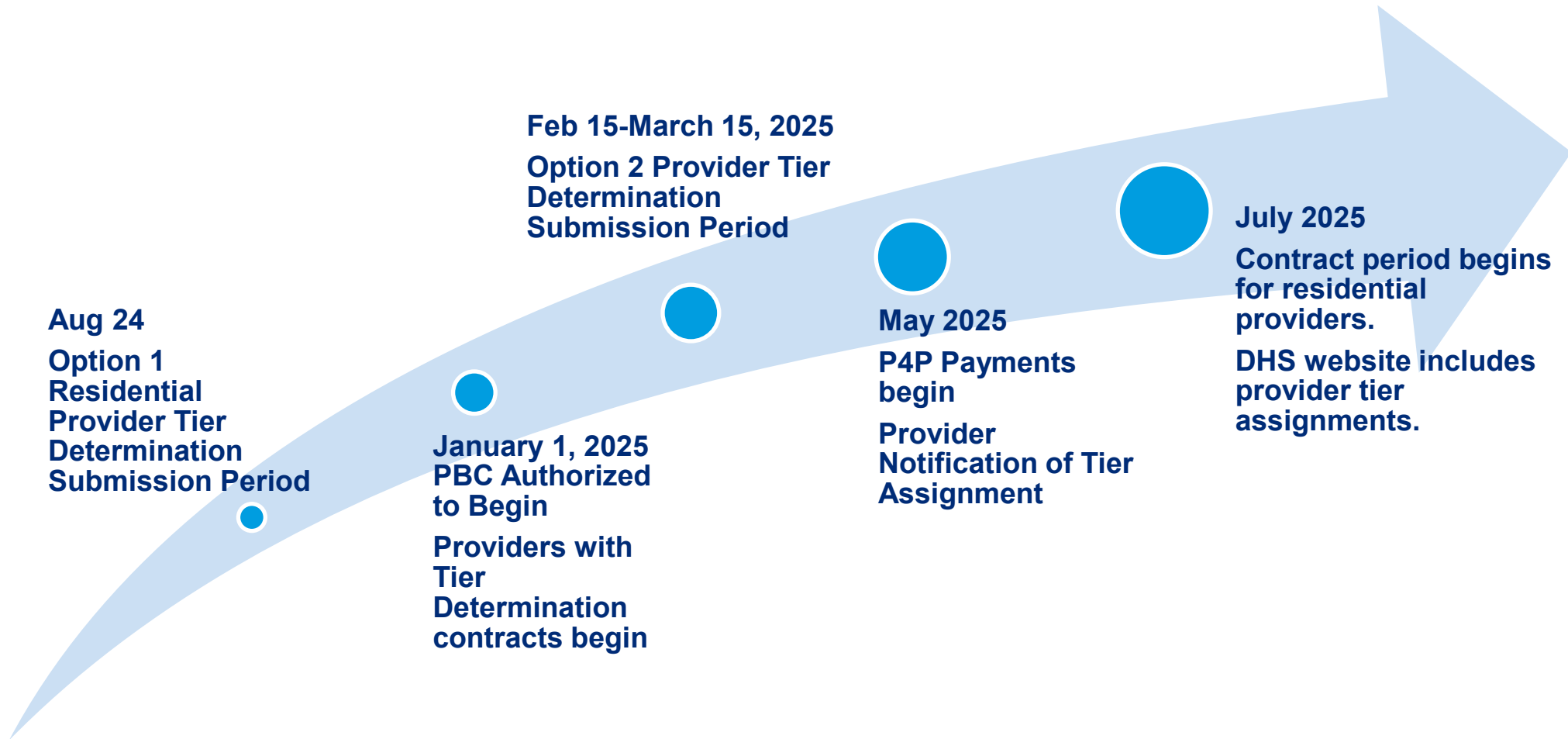
RURAL PROVIDER  
CAPACITY



COMMUNITY  
INCLUSION



# Timeline: Residential Performance-Based Contracting



## Provider Preparedness

- 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
- ODP Virtual Office Hours

# Continue with a provider...

All current residential providers will be able to continue providing services when performance-based contracting starts.



## Stakeholder Impact: Remaining 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 County/Administrative Entities (AE)s 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.

## Stakeholder Impact: 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.

## **What Does this Mean for Individuals and Families?**

- In the near term, services may not look much different.
- Over time, access to residential services will improve as providers build capacity and investments are made in residential services.
- Over time, the expertise of residential staff will improve.
- The quality of residential services will improve.
- Individuals and families will have additional information when they are selecting a residential providers.

# Questions and Answers