



Updates to Consolidated Waiver Needs Exception Allowance Process

ODP Announcement 26-053

AUDIENCE:

Providers of Residential Services in the Consolidated Waiver, Administrative Entities (AEs), Supports Coordination Organizations (SCOs), and Supports Coordinators (SCs)

PURPOSE:

To announce updates to the process and procedures for requesting residential fee schedule rate exceptions in the Consolidated Waiver, referred to as a Needs Exception Allowance (NEA), previously announced in 23-083.

BACKGROUND:

In October 2023, ODP released a process and cost report form to be used when requesting an exceptional rate for individuals in Needs Group 5 (NG5). The form encompassed a site (home) level profit and loss statement which required providers requesting an exceptional rate to demonstrate at least 3 months of actual expenses and staffing history.

DISCUSSION:

Updates have been made to the [cost reporting form](#), to include more comprehensive instructions as well as tabs for justification of staffing and non-personnel-related expenses. Additionally, when requesting an NEA, providers will need to submit [Form DP 1087 – Request for Regulatory Waiver](#), to request an exception to



[55 Pa. Code §§ 6100.481 and 6100.571 \(Departmental rates and classifications, Fee schedule rates\)](#). The cost report form and the DP 1087 must be submitted simultaneously to both ra-ratesetting@pa.gov and ra-PW6100REGADMIN@pa.gov. The DP 1087 and the cost reporting form will need to be submitted annually, or as indicated in the NEA approval letter, to continue to substantiate the need for an exceptional rate. Exceptional rate requests for emergency placements or transitions may be developed using budgeted or projected expenses in limited circumstances with ODP program office approval and submitted no more than 90 days prior to an individual's admission to the residential provider.

When a person has an approved NEA in place, any additional staffing requests, including those for emergency short-term staffing, must result in an update to the NEA submission. Supplemental Habilitation should not be authorized for individuals with an approved NEA.

When a provider is unable to deliver services at the level specified in the cost reporting form, the standard fee schedule rate must be billed for that period, rather than the approved exceptional rate. Failure to comply with this requirement will result in the recoupment of funds and referral for audit by the Department of Human Services' Bureau of Financial Operations.

All new requests as well as renewals effective 7/1/2026, must be submitted using the revised cost reporting form, along with DP 1087. Renewals must be received by 6/1/2026. ODP will extend existing rates through 7/31/2026 to avoid gaps in billing. Rates for SFY 2026/2027 will be effective 8/1/2026.