



WHAT IS PERFORMANCE BASED CONTRACTING?

Pennsylvania's Department of Human Services, Office of Developmental Programs (ODP) is changing how they work with **Residential Service** providers to improve the quality of services being delivered to individuals and families. The new program for managing Residential Service providers is called **Performance Based Contracting (PBC)**.

PBC was developed to establish performance standards for residential providers with goals of **service sustainability, quality improvement, improving clinical capacity** to serve individuals and families with complex needs, and implementing strategies to **support the workforce**.

How will PBC ensure quality services?

Providers will be reviewed by ODP yearly and placed into a category, or tier, based on their performance.

Providers will do a self-assessment and submit information to ODP for review and evaluation. ODP will use provider information, feedback from individuals and families, and other data sources to review them and assign the provider a tier.

ODP will publish provider performance tiers the DHS website so individuals and families have information about provider performance.

Providers are also given a status of Active or Conditional. "Active" means that the provider's license is in a regular status. "Conditional" means that the provider has a provisional license due to substantial but not complete compliance with regulatory requirements or is operating pending appeal of a license revocation.

When is this happening?

On **July 1, 2025**, for Residential Services, all currently enrolled residential providers will be entered into PBC. Starting in January of 2026, individuals and families will be able to send feedback to ODP about their providers.





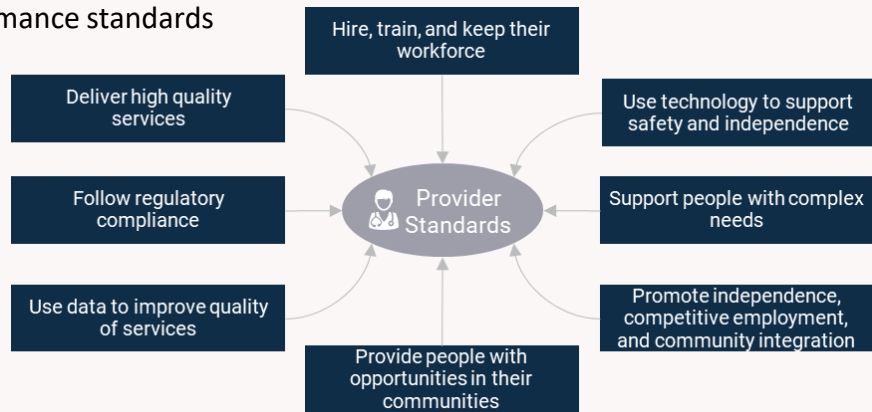
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How is the provider's performance measured?

Through PBC, ODP has created performance standards for the residential providers to meet.

The visual to the right displays a sample of performance areas that will measure the provider.

Following the annual review process, ODP will assign one of the following tiers to the provider based on their performance.



- **Primary** – Providers that meet current standards.
- **Select** – Providers that meet additional standards and provide at least two of the three residential services.
- **Clinically Enhanced *** - Providers that meet the enhanced standards and have clinically enhanced medical or behavioral supports.

** Only providers in this tier will have staff with special training to serve individuals and families with more medically or behaviorally complex needs.*

Tier assignments will help inform individuals and families about the provider's ability to meet higher quality standards. Individuals and families can use the information about providers to make choices about which provider they would like to have.

As performance standards are achieved over time, quality and capacity to serve individuals and families is expected to improve with PBC.

A separate **Frequently Asked Questions (FAQ)** document has been created to answer additional questions that individuals and families may have. Please refer to the [FAQ document located here](#) for additional information.





PERFORMANCE BASED CONTRACTING (PBC) FREQUENTLY ASKED QUESTIONS

FOR INDIVIDUALS AND FAMILIES

1. How will feedback received from families drive improvements?

One of the performance standards that residential providers must meet is providing communication options, or contact methods, to maintain and build relationships between the provider and individual/family. Individuals and families can provide feedback to the provider on their satisfaction. The provider will be supporting ODP in helping to collect feedback from individuals and families on the provider's performance to be included as part of the yearly provider review process.

2. How long will individuals and families have access to their current providers? Can families switch providers immediately if they are dissatisfied?

All providers will be assigned a tier and transitioned to PBC by July 2025. Individuals and families can stay with their current providers as long as they wish and the provider continues to contract with ODP. They do not need to make a change of provider unless they want to. Individuals and families will have access to provider tier classification information to help with making informed choices about continuing with current providers or selecting a new provider.

3. What specific improvements can families expect?

- High quality services and continuous quality improvement
- Access to high quality providers
- Making sure individuals have less restrictive and less costly residential living options such as Life Sharing and Supported Living
- Allow individuals and families with complex needs have their needs met with qualified clinical teams
- Use of remote support technology to create opportunities for individuals and families to increase independence
- Wellness programs for nutrition, high blood pressure, mental health, diabetes, heart disease, and more
- Increased communication and support from providers

Performance-based contracting begins January 2025 so providers are just beginning to make some of the changes required. It will take time for some of these improvements.

4. Will services be available in the communities where individuals have family and strong connections?

Yes, the goal of PBC is to make sure individuals and families have access to residential services in the communities where they want to live.

To address concerns about access to services in rural areas, ODP has included an option for some incentive payments for providers who expand services in rural areas where there is a need.

5. How does PBC drive improvements in care?

The goal of PBC is to ensure the best quality services for individuals and families. One way PBC will drive improvement in care, is through the performance standards and what providers must do to meet them. A few examples of performance standards that will lead to better care include the following:

- Demonstrate use of technology to improve health and wellness, address workforce issues, and create additional opportunities to increase independence for individuals
- Demonstrate ability to support individuals to access necessary physical health and behavioral health treatments
- Demonstrate balancing the workforce to reduce and manage turnover and vacancy rates of Front-Line Supervisors (FLS) and Direct Support Professionals (DSP)
- Demonstrate ability to predict and de-escalate crisis, when possible, and, when not, to respond quickly and effectively



6. How will PBC meet the growing needs of a complex population long-term?

ODP has seen that the support needs of individuals has been increasing in complexity over time and is expected to continue to increase. PBC's Clinical Capacity performance standard has been established to meet complex support needs. All providers will need to meet some clinical capacity performance measures no matter which tier they are in.

Providers in the Clinically Enhanced tier will have to meet even more performance measures to ensure they are able to support individuals with the most complex needs. Some examples of clinical capacity performance standards are below.

- Clinical teams: Residential providers should have clinical teams in place that ensure individuals have homes that provide therapeutic and restorative environments. Additionally, providers should sustain or develop relationships with health partners to improve clinical outcomes.
- Trauma and crisis intervention training: Residential providers should have organizational approaches and comprehensive staff training on evidence-based trauma informed care and crisis response will be able to meet individual needs and minimize the use of restrictive procedures. If staff must use restrictive procedures, staff must be trained in procedures that use physical intervention or restraint as a last resort.

7. Will there be enough trained professionals to meet the demand? How will workforce training be improved to ensure quality care?

One of the reasons why ODP is moving to performance based contracting is to address workforce issues. ODP expects that through the workforce, or staff, requirements in the performance standards, capacity will increase so there will be enough trained professionals to meet the demand. There are four ways ODP expects the PBC staff requirements will help providers to have enough trained staff to serve individuals.

- Credentialing: Providers must make sure a portion of their staff have a nationally recognized competency-based credential. Having a credential or certificate will increase staff knowledge and skills and improve quality of service. Because providers are required to use a training program that is the same everywhere, there will be more consistency in the skills and knowledge of staff at all providers. In addition, research shows that when workers have a training certification, they are happier with their jobs and are more likely to stay in their jobs.
- Stability: Providers must send ODP information about how long their staff are employed, and if they have open positions. This is called staff vacancy and turnover. By looking at data on staff vacancy and turnover, providers and ODP will be able to use data to identify more effective ways for staff retention.
- Technology: For every individual, Individual Support Plan (ISP) teams should explore whether there are technology solutions that support better health, safety, and greater independence. They should look to see if a service can be provided through remote support or other technology rather than having a staff person come to their homes.
- Direct Support Professional (DSP) wages: Rate add-ons and pay-for-performance (P4P) will support higher DSP wages, better training, and staff retention. Better training will enable DSPs to serve individuals with more complex needs and lead to better outcomes for individuals.

8. Is there a requirement or expectation for providers to serve individuals with higher needs?

There is a Clinically Enhanced tier for providers that offer clinically enhanced medical or behavioral supports. Providers in the Clinically Enhanced tier are expected to serve individuals with the top Needs Level group and Health Care Level group. Providers must meet additional requirements, or enhanced measures, to be placed into the Clinically Enhanced tier. Some of these additional requirements include:

- Providers must offer extra training for their staff on Autism Spectrum Disorder (ASD), crisis prevention strategies, trauma informed care, etc.
- Providers must employ a minimum number of clinical staff to support individuals
- Providers must use data to help individuals meet outcomes

ODP is also requiring all providers to track and report on each referral they receive, reasons for accepting or declining the referral and time it takes to begin serving new individuals.



9. Does the process of reviewing providers involve more external oversight, or is there self-reporting by providers?

Reviewing providers to determine performance tiers involves both data and document submission by providers and data from sources like Medicaid claims, health risk screenings and incident management. PBC established a Residential Provider Data Submission Tool for providers to submit documentation and evidence of their performance for some performance measures. ODP, with the assistance of a Performance Analysis Services (PAS) vendor, will use provider information and other data sources to evaluate each provider's performance against established standards.