



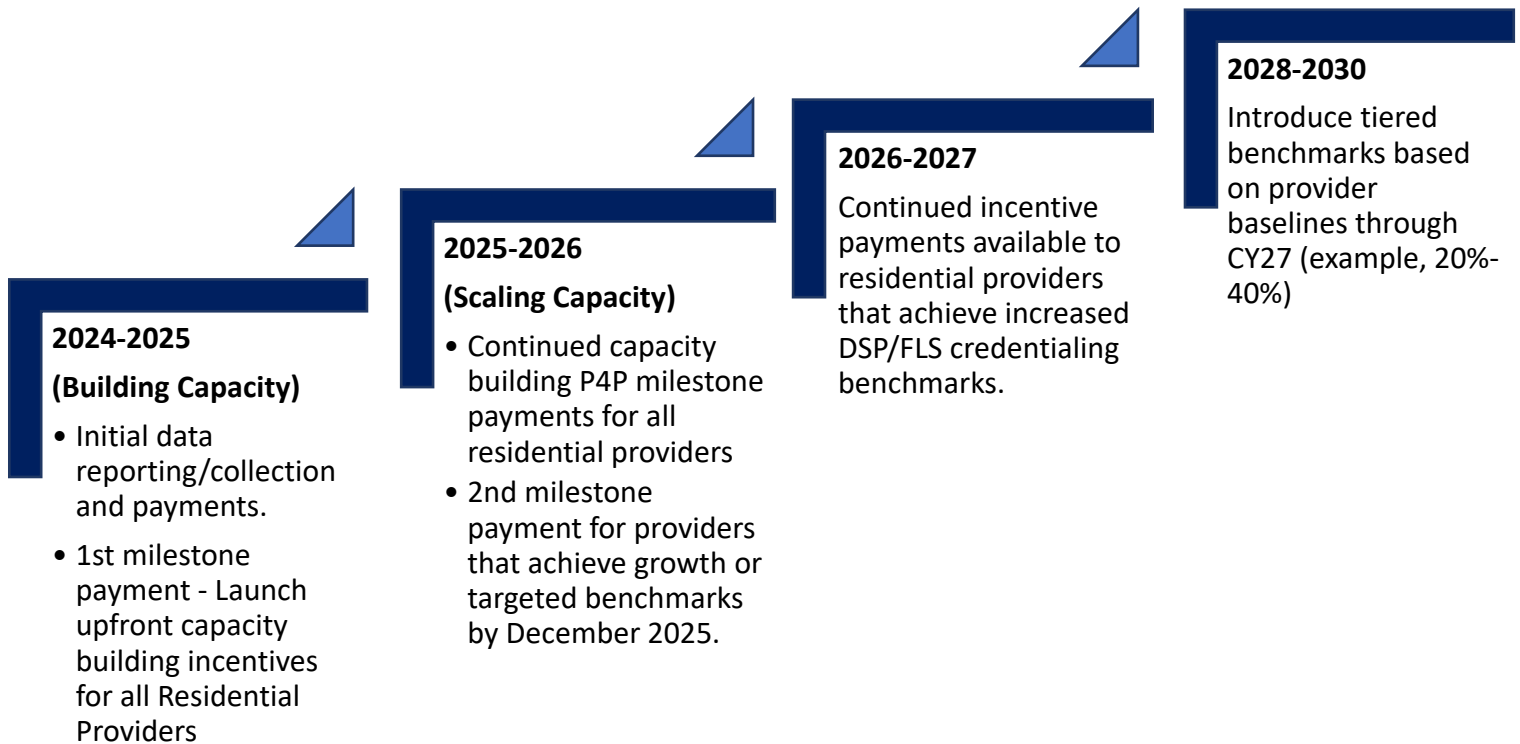
**Attachment - Residential Performance-Based Contracting – Pay-for-Performance (P4P)  
 ODP Announcement 26-039**

<p><b>1. Direct Support Professionals and Front-Line Supervisors Credentialing – Pay for Performance (P4P)</b></p> <p><b>Continued Development of the DSP/FLS Credentialing Program (Credentialing)</b></p> <p><b>Applies to the following Residential Tier(s):</b></p> <p>Primary, Select, Clinically Enhanced</p> <p><b>Criteria</b></p> <p>ODP continues to invest in the workforce through a DSP and FLS credentialing incentive to promote quality, stabilize staffing resources, create opportunities for career ladders, reduce provider costs associated with turnover, and acknowledge the professionalization of the DSP and FLS role.</p> <p>Eligible residential providers can receive a performance-based incentive payment to support ongoing capacity building for staff credentialing if the following criteria are met:</p> <ul style="list-style-type: none"> <li>• Achieve, maintain, or exceed the range of <b>25-30% of credentialed DSPs</b></li> </ul> <p style="text-align: center;"><b>AND</b></p> <ul style="list-style-type: none"> <li>• Achieve, maintain, or exceed the range of <b>45-50% of credentialed FLSs</b></li> </ul> <p>Provider data submissions will include the total number of:</p> <ul style="list-style-type: none"> <li>• DSPs and FLSs on December 31, 2026.</li> <li>• Credentialed DSPs and FLSs on December 31, 2026.</li> </ul> <p><b>Amount Available</b></p> <p>Providers meeting or exceeding criteria will receive a payment of .3% of prior calendar year’s residential revenue.</p> <p><b>Timelines</b></p> <p>Provider Data Submission: 02/15/2027-03/15/27</p> <p>ODP Review Data: 03/15/2027-4/30/27</p> <p>P4P Payment: May 2027</p>
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### **P4P Timeline: Direct Support Professionals and Front-Line Supervisors Credentialing**

Standard: Demonstrated percentage of DSPs in residential services are credentialed by a nationally recognized and ODP approved credentialing program.





## 2. Expanding Capacity for Residential Services in Rural Settings - Pay for Performance (P4P)

### Expanding access to residential services for individuals living in rural settings

#### Applies to the following Residential Tier(s):

Primary, Select, Clinically Enhanced

#### Criteria

##### Overview:

Interested providers must collaborate with the Administrative Entity(ies) (AE) to develop a Rural Capacity Expansion Plan. Providers committed to expanding residential service capacity in counties **designated as rural** (using the [Center for Rural PA, Rural-Urban Definitions](#)) will work with the applicable AE(s) to develop a plan to offer additional residential services to individuals registered in rural counties who are seeking residential services in rural counties. To be eligible for P4P, all expanded capacity identified in the Rural Capacity Expansion Plan must be rendered in one of the following eligible rural counties:

Adams, Armstrong, Bedford, Blair, Bradford, Butler, Cambria, Cameron, Carbon, Centre, Clarion, Clearfield, Clinton, Columbia, Crawford, Elk, Fayette, Forest, Franklin, Fulton, Green, Huntington, Indiana, Jefferson, Juniata, Lawrence, Lycoming, McKean, Mercer, Mifflin, Monroe, Montour, Northumberland, Perry, Pike, Potter, Schuylkill, Snyder, Somerset, Sullivan, Susquehanna, Tioga, Union, Venango, Warren, Washington, Wayne, Wyoming.

##### Eligible Residential Services:

- Supported Living
- Life Sharing
- Residential Habilitation

##### Additional requirements:

- Expansion may not be used for individuals currently receiving residential services.
- For licensed Residential Habilitation expansion, Approved Program Capacity (APC) must meet or exceed 2 individuals per home. 1 person licensed Residential Habilitation locations are not eligible for expansion P4P.
- Individuals targeted for expansion must be registered with an AE in a rural county.
- Individuals must be waiting for residential services as determined by an active PUNS.

##### Plan submission that includes all the following elements:

- Name of provider
- A letter of support from the AE that includes an outline of the plan for expansion
- Type of service(s) being developed (i.e. Supported Living, Life Sharing, Residential Habilitation)
- Address(es) of proposed service location(s)
- MCIs of individual(s) who will receive services at the expansion location(s)
- Timeframes for development including target dates for use of APC
- Workforce recruitment, retention, and supervision plan
- Transportation planning
- A plan for employment and/or community participation
- Any additional non-residential services the provider intends to render as part of the geographic expansion
- Access to clinical supports



- Access to physical and behavioral health services
- Plan for technology/remote supports

**Technology Incentive Plan:**

- Providers that are interested in focusing rural residential capacity planning that incorporates technology can apply for an additional **optional incentive**. Technology Incentive Plans should be included as part of the plan to expand rural residential capacity and include how the provider will incorporate all the following elements into the expanded residential locations:
  - Electronic Health Records
  - Remote supports and/or technologies that promote wellness, safety, and independence
  - Technology that supports supervision, communication, and training between on-site staff, supervisors, and administration.

**Milestone Approval and Payments:**

- P4P plans will be reviewed, approved, and awarded to the provider by milestone:
  - *Milestone 1:* Approved Plan for Rural Capacity Expansion.
    - Providers will receive written notification of plan approval.
    - Payment will be made via gross adjustment following plan approval.
  - *Milestone 2:* Individuals that have been successfully supported in newly developed residential location(s) outlined in an approved Rural Capacity Expansion Plan for **6 months**.
    - Condition for Milestone 2 payment: The APC in expansion site(s) cannot be reduced. Any reduction of APC at the expanded residential location approved as part of a Rural Capacity Expansion Plan may be subject to recoupment of P4P payment and will render the provider ineligible for Milestone 2 payments unless approved by ODP.

**Amount Available**

Milestone 1: Approved Plan for Rural Capacity Expansion

- Approval of Rural Capacity Development Plan: **\$75,000** per individual identified to be served in the plan
- Approval of Technology Incentive Plan: additional **\$15,000** per individual identified to be served by the plan

Milestone 2: Successful Service for Individuals in Newly Developed Program Capacity

- **\$25,000** per individual successfully served in the newly developed APC for 6 months
- Providers with approved Technology Incentive Plans will receive an additional **\$15,000** per individual identified to be served by the plan with demonstrated implementation of technology incentive plan

**Timelines**

Milestone 1:

- Plan Submission: 07/01/2026 – 09/30/2026
- Plan Review and Notification of Determination: 10/01/2026 – 11/30/2026
- Payments for Approved Plan: January 2027

Milestone 2:

- Payment Request: Provider may submit a payment request upon successful service (6 months in new APC) for individuals. Separate requests shall be made for each new residential service location.



- To demonstrate implementation of the Technology Incentive Plan, ODP will validate provider documented evidence of the following:
  - Invoices/receipts and payments for hardware, software/licensing agreements, consultation, and ISP section detailing use of technology by individual.
- Upon validation, ODP will issue payment.



## Other Performance Incentives

Remote Supports in Residential Services
Applies to the following Residential Tier(s):
Primary, Select, Clinically Enhanced
Criteria
<ul style="list-style-type: none"> <li>• Residential providers should continue to increase the use of remote supports.</li> <li>• Providers <b>retain all savings</b> associated with augmenting direct care hours with remote supports for all participants with residential rates in the fee schedule.               <ul style="list-style-type: none"> <li>○ Savings support workforce stabilization efforts through more efficient deployment of staff resources (e.g. reduction in overtime) and additional technology expansion.</li> </ul> </li> <li>• Reminder: individuals may receive Remote Supports Equipment and Technology (procedure code W6087) to purchase or lease equipment or technology that will be used exclusively by a participant for the delivery of remote supports as a method of Residential Habilitation delivery.               <ul style="list-style-type: none"> <li>○ All items purchased through Remote Supports shall meet the standards of manufacture, design, and installation.</li> </ul> </li> </ul>
Amount Available
Residential providers can bill the daily fee schedule residential rate while rendering remote supports and retain any associated savings.
Timelines
Ongoing

Transition from Residential Habilitation to Life Sharing or Supported Living
Applies to the following Residential Tier(s):
Primary, Select, Clinically Enhanced
Criteria
<ul style="list-style-type: none"> <li>• To support individuals to successfully transition from a licensed Residential Habilitation service into Life Sharing or Supported Living services, 2 one-time per individual Transition to Independent Living payments will be available to providers.</li> <li>• Payments are for participants transitioning from a licensed home in which Residential Habilitation is provided to 4 or fewer people to a Life Sharing or Supported Living service rendered by the same provider.</li> <li>• The 1st payment will be made after the new Life Sharing or Supported Living service is rendered.</li> <li>• The 2nd payment will be made after the individual has received <b>6 consecutive months</b> of Life Sharing or Supported Living service by the provider, is residing in the setting to which the individual transitioned and is expected to continue residing in that location receiving either Life Sharing or Supported Living services.</li> <li>• For additional information, please refer to <a href="#">ODP Announcement 22-068 Transition to Independent Living Payments</a>.</li> </ul>
Amount Available
Residential providers can receive two incentive payments of \$15,000, totaling \$30,000 per individual.
Timelines
Ongoing