



## Performance-Based Contracting: 2026-2027 Residential Pay-for-Performance Details Now Available

### ODP Announcement 26-039

#### AUDIENCE:

Residential Providers  
Administrative Entities (AEs)  
Other Interested Parties

#### PURPOSE:

The purpose of this announcement is to provide details about the Residential Performance-Based Contracting (PBC) Pay-for-Performance (P4P) initiatives for Fiscal Year 2026-2027.

#### DISCUSSION:

Residential Habilitation, Life Sharing, and Supported Living providers rendering services funded through the Consolidated and Community Living Waivers assigned to the Primary, Select, or Clinically Enhanced tier as part of the Department's implementation of PBC, are eligible to participate in P4P initiatives and receive supplemental payments.

P4P supplemental payments will be available to providers that meet or exceed performance targets in the following areas:

- **Direct Support Professional (DSP) and Frontline Supervisor (FLS) Staff Credentialing**
- **Expanding Capacity for Residential Services in Rural Settings**
- **Transition from Residential Habilitation to Life Sharing or Supported Living**



**Direct Support Professional and Frontline Supervisor Staff Credentialing:**

Eligible residential providers can request P4P supplemental payments for achieving, maintaining, or exceeding established benchmarks for both DSP and FLS credentialing; additional details are available in the attachment.

**Expanding Capacity for Residential Services in Rural Settings:**

Residential providers that successfully collaborate with Administrative Entities to develop an approved Rural Capacity Expansion Plan to address service capacity in counties designated as rural will be eligible for P4P supplemental payments. This P4P initiative is structured into “milestone” payments designed to support residential capacity expansion in rural settings by providing initial funds to invest in planning and start-up and assist providers to achieve stable expansion of program capacity in designated rural areas.

**Transition from Residential Habilitation to Life Sharing or Supported Living:**

Eligible residential providers may request P4P supplemental payments for successfully transitioning an individual to a Life Sharing or Supported Living service.

Attached to this announcement are the criteria and timelines associated with P4P payments for FY 2026-2027.

**QUESTIONS:**

Please direct any questions about this announcement to [ra-pwodppbc@pa.gov](mailto:ra-pwodppbc@pa.gov).

**ATTACHMENT:**

- *Residential Performance-Based Contracting – Pay-for-Performance (P4P) FY2026-2027*