



COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF HUMAN SERVICES

October 27, 2026

Re: Joint association letter on “Challenges with SCO Readiness and the SCO/AE Relationship in Performance-Based Contracting”

Please find responses to the comments provided by the associations in the September 10, 2026 letter below:

1. Monthly Case Rates, Financial Sustainability, and PBC Implementation Readiness

Association Concerns: The transition to monthly case rates has generated significant concern among SCOs regarding both financial sustainability and operational readiness. Many SCO members report projected revenue reductions of 10% or more under the monthly case-rate methodology. Others have indicated that they are not yet able to determine the potential financial impact.

SCO members also identified several implementation-readiness concerns, including:

- The need for ODP to provide sufficient staff training before the January 1, 2027, implementation date, including clarification of billing and operational requirements.
- The need for HCSIS reporting capabilities that provide SCOs with the information necessary to manage and reconcile the new monthly case-rate methodology.
- The need for timely identification of individuals who will be designated as “intensive” so SCOs can appropriately plan staffing, services, and financial operations before implementation.

ODP Response:

The following activities to address SCO fiscal and billing concerns have occurred:

- ODP postponed the implementation of the new rate structure from 7/1/26 to 1/1/27.
- In July 2025 ODP published the [SCO PBC Implementation Guide](#) that included billing standards
- The following forums included guidance and instruction on billing:
 - [SCO PBC Introductory Summit on 7/28/2025](#)
 - SCO PBC STG Billing Workgroup in August of 2025
 - [SCO Summit 4 – P4P and Billing on 9/15/2025](#)
 - Virtual Office Hours for SCOs on 9/18/2025
 - Virtual Office Hours for SCOs on 10/1/2025
 - Virtual Office Hours for SCOs on 10/8/2025

- Virtual Office Hours for SCOs on 10/16/2025
- [PBC SCO Forum on 3/3/2026](#)
- [PBC SCO Forum on 6/2/2026](#)
- In Person Training - SCO Monthly Billing, Systems Updates and Implementation Guide
 - 9/10/2026 – Western Region
 - 10/2/2026 – Southeast
 - 10/15/2026 – Central Region
 - 10/29/2026 – Northeast
 - Recorded training posted to MyODP in mid-November 2026
- At the request of several SCOs, ODP met directly with the primary SCO contracted third-party billing vendor to provide clarification and support. ODP has maintained an open-door approach and remains available to address additional questions and support SCOs and their billing partners to ensure systems and processes are fully prepared for successful implementation.
- First round of ad hoc testing – 5/26/2026, 5/28/2026, 6/1/26. Second round of ad hoc testing tentatively scheduled for 11/6 and 11/9.
- On September 11, 2026 ODP published claims and billing guidance for SCOs
<https://home.myodp.org/2026/09/11/odp-bulletin-00-26-04-handbook-for-claim-and-service-documentation/>

HCSIS Reports: ODP recognizes the importance of ensuring that HCSIS contains the reports and data necessary for SCOs to effectively manage, monitor, and reconcile monthly case rate billing. All applicable reports within HCSIS will be updated to align with the new monthly case rate structure. In addition, a new SCO Activity Report has been developed to provide SCOs with greater visibility into the activities that support monthly billing.

The SCO Activity Report provides a consolidated view of the qualifying activities completed for individuals during the applicable billing period. It is designed to assist SCOs in identifying and reviewing activity completion, determining whether minimum billing activity requirements have been met, and supporting reconciliation of monthly case rate billing.

All HCSIS report user guides will be updated to reflect the new billing structure and system changes and will be made available through the Learning Management System (LMS)

Intensive Targeted Support Management (TSM) criteria were published in the [SCO PBC Manual](#). Intensive TSM criteria are met when an individual has active Medical Assistance, is not enrolled in an Intellectual Disability/Autism (ID/A) waiver and requires Intensive TSM List A or List B activities for at least three months within a six-month period. An individual transitioning from school, a hospital or institutional like setting, or un-housed may be identified for Intensive TSM immediately. Activities billed under Standard TSM may not be used to justify the need for Intensive TSM. Billing for Intensive TSM may begin no earlier than three months after the last Standard TSM billing date.

Stabilization Adjustments: ODP will make stabilization payments to SCOs when the aggregated average revenue per individual served results in a loss of 3% or greater of the prior year's aggregated average revenue per individual. SCOs are advised to timely submit all claims for services to allow ODP to conduct stabilization payment analysis and make payment to applicable SCOs. All SCO claims for SFY 26/27 should be entered by 9/30/27. Beginning October 1, ODP will conduct the comparison of 25/26 revenue to 26/27 revenue by SCO. For qualifying SCOs, stabilization payments will be made November-December 2027. ODP may also adjust payments to an SCO if the aggregated average revenue per individual served is 10% or greater than the prior year's aggregated average revenue per individual. SCOs with an excess increase in revenue may be required to submit cost reports.

For SCOs experiencing financial hardship, ODP will accept hardship requests in April 2027 for the period 1/1-3/31/27. A revenue comparison will be done for the same 3 months of 25/26 to the revenue for the first 3 months of 26/27 and a stabilization payment may be made to eligible SCOs in June 2027.

2. ISP Review, Revision, and Approval Processes

Association Concerns: Extreme operational inconsistency across AEs delays plan approvals and creates compliance risks for SCOs. Rather than conducting comprehensive reviews, AEs frequently halt reviews at the first identified error to revise and return plans multiple times, causing plans to bounce back and forth up to four or five times. Additionally, AEs bypass auto-approval guidelines, move pending plans directly to "draft" status without explanation (effectively hiding them from pending reports), reject standard terms (e.g., employment, independence) as "jargon," and demand un-vetted narrative requirements or non-standard entries that conflict with the Annotated ISP and the ISP Manual.

ODP Response: ODP has implemented standardized statewide expectations through the release of the Administrative Entity Individual Service Plan (ISP) Service Authorization Review Tool, accompanied by formal training for AE staff, as announced in ODPANN 26-090. The ISP Review Tool establishes a uniform, criteria-based framework for AE review activities. Its required use ensures that all ISPs are reviewed in a comprehensive manner, reducing repetitive returns and preventing subjective, non-standard feedback that deviates from official ODP guidance.

Concurrent with the review tool, ODP has issued mandatory statewide training to all AEs to ensure consistent understanding and application of the tool. This training reinforces procedural requirements, including:

- Adherence to established auto-approval rules.
- Prohibition on shifting plans from "pending" to "draft" status without documented justification, ensuring transparency and preventing delays caused by the removal of plans from pending queues.
- Use of standardized, approved ISP terminology and narrative requirements consistent with the ISP Manual and Annotated ISP, thereby eliminating non-standard or region-specific narrative demands.
- Application of uniform criteria for identifying and addressing errors, ensuring that review activities align with statewide expectations and do not result in excessive iterations

3. Critical Revision & Variance Process Inconsistencies

Association Concerns: AEs routinely expand the scope of Critical Revision (CR) reviews and return plans for issues completely unrelated to the requested modification. This delays urgently needed services and places unnecessary strain on individuals and families. SCO members also report that AEs utilize conflicting timelines regarding whether to delay CRs pending variance approvals, as well as apply highly subjective rules regarding service end dates, reductions, and post-variance documentation.

ODP Response: When an AE is reviewing a critical revision, they must review the plan in its entirety. If the plan has missing content, errors or other changes, the AE is obligated to address. Per the ISP Manual, the AE must approve and authorize or deny the revised ISP, including the attached funding, within 14 calendar days of receiving the revised ISP for changes in need throughout the year for individuals enrolled in a waiver. This includes critical revisions with variance requests.

The Variance form DP 1086 must be used in the preparation, completion and review of ISPs for individuals enrolled in the Consolidated, P/FDS, or Community Living waiver when a variance request is made. The DP 1086 must be completed prior to the requested services being authorized on an ISP. When there is an emergency circumstance, and approval is required by ODP, the Administrative Entity must contact the ODP Regional Office assigned to their area.

If an SCO has examples of where AEs are exceeding the timeframe required by the ISP Manual, ODP would request the SCO share specific examples.

4. Communication, Forms, and Documentation

Association Concerns: AEs impose redundant, obsolete, and localized administrative hurdles that vary significantly by region. Examples include requiring outdated forms, restricting Agency With Choice (AWC) tracking strictly to rigid units ("hours/day"), demanding localized "fatal-five" packets and meetings, and creating varying documentation rules for the Multi-Year Program Growth entries and service delays.

Members also report communication barriers in larger counties with restricted access to designated staff, which impedes timely resolution of urgent issues.

ODP Response: ODP requests examples of AE use of outdated forms and rigid tracking. AEs should use the most current version of ODP forms. ODP maintains a list of approved forms on <https://home.myodp.org/resources/autism-resources/forms/>.

While ODP strongly encourages consistency across AEs, it is recognized that each AE may have procedures unique to their organization.

Per the January 1, 2026 AE Operating Agreement, the AE shall regularly engage with SCOs to identify areas of improvement and discuss oversight of ISP meetings, individual monitoring, service notes, and other SCO functions. This requirement allows opportunity for AEs and SCOs to discuss requirements and ensure collaboration. AEs and SCOs will collaborate to ensure actions to ensure communication for needs of participant waiver enrollment and participant health and welfare.

ODP met with the RCPA's SCO group in the spring and heard similar complaints. ODP requested a priority list of specific process or procedural areas recommended for standardization. ODP has not received these recommendations. ODP requests those recommendations are provided to assist in addressing system efficiencies.

Additional Areas of Concern

5. Case Closure & Member Disengagement Discrepancies

Association Concerns: The process for closing cases for individuals who cannot be reached or who are disengaged varies significantly across counties. AE delays in processing closure paperwork leave SCOs appearing non-compliant during monitoring and service note reviews, even when the SCO has completed all of their required actions in a timely manner.

ODP Response: ODP commits to working with a stakeholder group to establish standardized policy and an implementation plan for case closure. This task is being added to ODP's workplans. ODP will reach out to the associations for membership recommendations.

6. FYR, ARUD, and Plan Management

Association Concerns: Inconsistent implementation and conflicting guidance regarding Fiscal Year Renewals (FYR), Annual Review Update Dates (ARUD), outcome tracking (plan year vs. fiscal year), and AE-to-AE transfer criteria create operational confusion and impede individual transfers between regions.

ODP Response: Information on fiscal year renewals, annual review updates and plan management is available in the current ISP Manual. To help ODP address the reported inconsistencies, please identify the specific AEs involved and provide examples of the differing guidance or practices.

7. Intake, Enrollment, and Capacity Management

Association Concerns: Inconsistent management of Waiver Capacity, PUNS processes, and intake paperwork create concerns regarding equitable access to services. Members report inconsistent use of the new PUNS supplemental forms and instances in which AEs require mandatory non-ISP administrative intake meetings under penalty of reduced referrals.

ODP Response: To enable ODP to assess and address this concern, please provide specific examples including the specific AE(s) reported to be involved in "unauthorized AE intake demands" and "diversion of critical SCO resources." The PUNS Supplemental Form was developed to support a consistent process across the state. To enable ODP to assess and address the reported concern, could the associations please identify which AEs are using the form differently from its intended purpose and describe how they are using it?

8. Financial Eligibility and Clinical Reviews

Association Concerns: Significant discrepancies exist across AEs regarding required financial documentation (e.g., MA-103 forms, lookback periods) and clinical documentation evaluations (e.g., medical appointments, HRST, behavioral supports) due to a lack of standardized review criteria.

ODP Response: ODP has established requirements and training for AEs role in determining eligibility. However, the financial eligibility is person and CAO dependent. The AE will request financial documentation to prevent any delays with the CAO's financial eligibility determination. ODP would be interested in examples of the above concerns.

9. Provider Oversight, NEA Requirements, and Meeting Overload

Association Concerns: Provider monitoring standards, Needs Exception Allowance (NEA) timing, and service authorization timelines vary widely across AEs. Members also report that AEs are shifting provider training responsibilities onto SCOs while simultaneously demanding that SCOs participate in excessive, non-mandatory AE meetings.

ODP Response: Service authorization timelines are outlined in the ISP Manual. Regular and routine authorizations outside of the timeframes should be reported to ODP's regional office. Please provide examples of shifting provider training responsibilities to SCOs and examples of excessive, non-mandatory AE meetings. ODP requires AEs to engage with the SCOs regularly for purposes of discussions regarding individual PUNS, prioritization of waiver enrollment, individual health and welfare, provider risk screenings, identify areas of improvement and discuss oversight of ISP meetings, individual monitoring, service notes and other SCO functions.

AEs have no authority over NEA timelines. The provider submits to ODP. ODP reviews and approves or denies. ODP is unclear what AE timeline is referenced here.

ODP is developing a statewide protocol for ODP-directed enhanced provider monitoring. The protocol will guide SCOs in determining the focus of the monitoring, setting its frequency, conducting enhanced monitoring activities, providing notifications, escalating concerns and adjusting or ending enhanced monitoring as appropriate.

Thank you for your advocacy related to systems improvements. For each of the sections ODP requested specifics, please provide the requested information to ODP's SCO lead Devon Speelman despeelman@pa.gov and Program Administration Division Director, Angela Fortney afortney@pa.gov.

Sincerely,



Kristin Ahrens
Deputy Secretary
Office of Developmental Programs

c: Lucy Kitner, Executive Director, PACA MHDS