

**Region III/Division of Medicaid and Children's Health Operations**

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April 16, 2008

Estelle B. Richman, Secretary  
Pennsylvania Department of Public Welfare  
P.O. Box 2675  
Harrisburg, Pennsylvania 17105-2675

Re: Pennsylvania's Home and Community Based Services (HCBS) Consolidated Waiver (CMS Control #0147.R04.00)

Dear Ms. Richman:

I am pleased to inform you that your application to renew your Medicaid Home and Community Based Services (HCBS) Consolidated Waiver has been approved. This renewal is listed with the Centers for Medicare & Medicaid Services (CMS) as control number #0147.R04.00. Please refer to this number in all future correspondence regarding this waiver. The waiver will enable the State to continue serving individuals aged 3 and over with mental retardation in home and community based settings in lieu of an intermediate care facility for the mentally retarded. The effective date is July 1, 2007. This renewal serves to modify the effective and expiration dates to coincide with those in Pennsylvania's Medicaid Home and Community Based Services (HCBS) Person/Family Directed Support (PFDS) Waiver.

The waiver, authorized under the provisions of 1915(c) of the Social Security Act, will enable the State to provide the following home and community-based services: Education Support Services, Home and Community Habilitation, Home Finding, Homemaker/Chore, Licensed Day Habilitation, Licensed Residential Habilitation, Prevocational Services, Respite, Supported Employment, Supports Coordination (Case Management), Therapies and Nursing, Personal Support Services, Adaptive Appliances and Equipment, Environmental Accessibility Adaptations, Permanency Planning, Transitional Work Services, and Transportation. The State will provide community-based care to approximately 16,942 to 17,646 individuals as detailed below.

This approval is based on the assurances and information that the State has provided, including that Federal financial participation will not be claimed for room and board except as explicitly allowed under Federal regulations at 42 CFR §441.310(a)(2), and that this waiver will be compliant with all applicable regulations related to case management no later than the next renewal date for this waiver, June 30, 2012.

It is subject to your agreement to provide home and community-based services, on an annual basis, to no more than those indicated as the value of “C” in your approved per capita expenditure estimates (shown below). In these estimates, “C” represents the unduplicated number of individuals served under the waiver during each waiver year. Factors “D” and “G” represent the estimated average annual per capita costs of waiver and institutional services, respectively.

	<b>(Factor C)</b>	<b>D Factor Estimates</b>	<b>D' Factor Estimates</b>	<b>G Factor Estimates</b>	<b>G' Factor Estimates</b>
<b>Year 1</b>	16,942	\$76,909.72	\$9,668.00	\$131,219.00	\$6,431.00
<b>Year 2</b>	17,559	\$78,143.84	\$9,861.00	\$133,843.00	\$6,560.00
<b>Year 3</b>	17,619	\$81,803.72	\$10,058.00	\$136,520.00	\$6,691.00
<b>Year 4</b>	17,646	\$83,413.47	\$10,259.00	\$139,250.00	\$6,825.00
<b>Year 5</b>	17,646	\$84,965.32	\$10,464.00	\$142,035.00	\$6,962.00

This waiver was last renewed on December 22, 2006 to be effective December 23, 2006. As the waiver had been operating under an approved extension from July 1, 2005 through December 22, 2006, the State will need to submit additional CMS 372 reports to cover July 1, 2006 through December 22, 2006 and then a second report for December 23, 2006 through June 30, 2007.

The December 22, 2006 renewal was granted contingent upon successful completion of tasks in a work plan that would serve to bring the State into compliance with CMS requirements. We applaud you for the positive changes that you have made since that time, including an improved process for monitoring counties and implementation of a standard provider contract. We recognize, however, that other recommendations are still in the development phase and are addressed in the work plan that is attached to the waiver as an addendum. This includes the development and implementation of a statewide rate setting methodology which will address and correct any historical disparities that exist in provider rates. This also includes any disparities that are found in access to, and quality of, participant versus agency-directed services. Approval of this waiver is contingent upon completion of work plan activities and timelines. Monitoring calls will continue at least quarterly, or at the frequency deemed necessary by CMS, and the State agrees to provide a summary of progress and access to the background information required by CMS to determine that the work plan tasks have been achieved.

We deeply appreciate the assistance and cooperation provided by your staff, especially Kelly Svalbonas, throughout the renewal process and wish you every success in the operation of this waiver program. If you have any questions regarding this waiver renewal, please contact Nancy Klimon at (215) 861-4735.

Sincerely,

Ted Gallagher/s/

Ted Gallagher  
Associate Regional Administrator

cc:

Kevin T. Casey, ODP

Suzanne Bosstick, CMSO

Nancy Kirchner, CMSO