



COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF PUBLIC WELFARE
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KEVIN T. CASEY
Deputy Secretary
Office of Developmental Programs

DEC 10 2007

TELEPHONE NUMBER: (717) 787-3700
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Dear Administrative Entity Director/Administrator:

I am writing to provide you with an update regarding the timeline for implementation of a Statewide Vendor Fiscal/Employer Agent Intermediary Service Organization (VF/EA ISO) on contract with the Office of Developmental Services (ODP) to provide "Administrative Services" effective January 1, 2008. This correspondence replaces the instructions and timeline distributed by ODP in the August 9, 2007 letter. The following information will outline our new timeline approved by the Centers for Medicare and Medicaid Services (CMS) and reasons for the delay in planned implementation.

The previous correspondence indicated that the selection of a VF/EA ISO contractor required a re-bid process. We were hopeful that the re-bid process would be complete by September 2007. We are currently working to finalize the selection of a qualified vendor and anticipate having an "Administrative Service" contract in place by the end of this calendar year for Waiver-funded participants.

Due to this delay the transition date to transfer individuals currently utilizing the local VF/EA ISO's to the statewide VF/EA ISO has been delayed until January 1, 2009. The decision to change this timeline was made because the current timeline provides insufficient time to complete critical transition activities, such as:

- Transitioning Waiver participants from local VF/EA ISO's to the statewide ISO on a timeline consistent with the tax year. Due to current IRS procedures, there are several mid-tax year conversion issues that would affect the individuals/representatives; support services workers and the local VF/EA ISO's.
- Ensuring the necessary IRS 2678, Employer/Payer Appointment of Agent forms are completed and submitted to the IRS and approved by the IRS for the January 1, 2008 start date. This form can take up to 60 days for the IRS to process and approve.

The revised timeline will ensure that sufficient time is allowed for other key activities, such as:

- Gather, complete and transfer employer, employee and ISP data and documents.
- Introduce the selected ISO vendor to individuals/representatives, families, AE's and other stakeholders.
- Have the selected ISO vendor establish necessary procedures and materials to meet the contract requirements.

- Develop and distribute standard participant-direction information packets for use by Supports Coordinators, individuals/representative, families and other stakeholders and to orient stakeholders regarding their use.
- Identify and implement necessary changes to the Home and Community Services Information System (HCSIS).
- Complete a readiness review of the vendor to promote a smooth transition and quality service delivery once operational.

ODP has established the following new timeline for implementation of the statewide VF/EA ISO to provide additional time for planning and transition:

- December 2007 – Project finalization of the contract with the statewide VF/EA ISO for “Administrative Services”.
- January – June 2008 – Readiness activities for new vendor.
- April 15, 2008 – AE’s will complete “Waiver Service” contracts with the statewide vendor to facilitate payment to the vendor for waiver services delivered to waiver participants by qualified support service workers.
- **July 1, 2008** – Statewide VF/EA ISO begins providing services to interested individuals not currently utilizing a local VF/EA ISO.
- July – December 2008 – AEs and local VF/EA ISO’s complete transition activities for individuals currently utilizing local VF/EA ISO services.
- **January 1, 2009** – Statewide VF/EA ISO begins providing services to individuals currently utilizing local VF/EA ISO services. AEs continue to contract with local VF/EA ISO’s for waiver services until December 31, 2008.
- January – March 2009 – AE’s will continue to contract with their local VF/EA ISO for “Administrative Services” for claims resolution and tax year closure activities for calendar year 2008.

We appreciate your patience and cooperation as we move forward with this revised timeline. Previous communications regarding enrollment with local VF/EA ISOs are now revised to reflect this change. New enrollment requests should be processed and honored with your local VF/EA ISO up to April 15, 2008. Requests from that point forward should be directed to the statewide VF/EA ISO for implementation on or after July 1, 2008.

We expect you to communicate with individuals/representatives regarding the change in timeline for implementation of the VF/EA ISO so that they can be involved in decision making and planning for the transfer to the statewide vendor. ODP will assist with communication strategies if you indicate a need for guidance and assistance. We produced the attached letter for you to distribute widely to individuals/families/representatives, Supports Coordination entities, advocacy organizations and any other stakeholders in your county so that they will be advised of the decisions and timeline changes related to the statewide VF/EA ISO. We ask that you attach a copy of this letter to that correspondence prior to distribution so that all stakeholders can utilize the detailed information included in this letter to the extent needed and desired.

AE Director/Administrator:


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In order to ensure statewide access to VF/EA ISO services, AE's/County Programs that do not have VF/EA ISO services available must immediately rectify this by either contracting for the service or by partnering with a neighboring AE/County Program for the service. It is not acceptable to ODP or CMS to not offer this option.

ODP will continue to update you on the status of the transfer and will be requesting you cooperate and participate in all necessary activities to process information for individuals receiving services from a local VF/EA ISO. ODP will advise you on information needed to ensure a smooth transition to the statewide VF/EA ISO. County Programs should continue to contract with local VF/EA ISO's for Base-funded individuals until further notice.

If you have any questions regarding this correspondence, please contact the appropriate ODP Regional Program Manager. We apologize for any inconvenience this change may have caused and will provide support and technical assistance as requested.

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin T. Casey", is written over a printed name.

Kevin T. Casey

Attachment