



# DEVELOPMENTAL PROGRAMS BULLETIN

COMMONWEALTH OF PENNSYLVANIA

DEPARTMENT OF PUBLIC WELFARE

DATE OF ISSUE  
August 17, 2007

EFFECTIVE DATE  
July 1, 2007

NUMBER  
4300-07-05

SUBJECT:

**Administrative Entity and Provider  
Contracts**

BY:

Deputy Secretary for Developmental Programs

## SCOPE:

This statement of policy applies to Administrative Entity (AE) Directors and Administrators and Providers of mental retardation services.

## PURPOSE:

The purpose of this statement of policy is to interpret the Department of Public Welfare's (Department) regulations regarding standard language requirements in AE and Provider contracts, both for waiver and non-waiver funding.

## BACKGROUND:

Historically, the Department required AEs to develop contracts for waiver and non-waiver services as per applicable Commonwealth and local requirements. Beginning in Fiscal Year 2006-2007, the Department began requiring AEs to utilize a standard AE/Waiver Provider contract when contracting with waiver providers. This standard contract has been approved to achieve consistency across this Commonwealth required by the Centers for Medicare and Medicaid Services.

## DISCUSSION:

The Department developed standard contract language for AEs to use in Waiver Provider contracts. This standardized contract language must be used verbatim. AEs may not alter the standard AE/Waiver Provider contract in any way. Both waiver and non-waiver funding are governed by Chapter 4300 (relating to County Mental Health and Mental Retardation Fiscal Manual).

Specific questions have arisen under Chapter 4300 regarding title to real property in which services are provided. Section 4300.87 (relating to occupancy) and its multiple provisions concerning the financing of real property contemplate that title to real property, subject to both waiver and non-waiver funding under Chapter 4300, will remain with the provider.

COMMENTS AND QUESTIONS REGARDING THIS BULLETIN SHOULD BE DIRECTED TO:

**Appropriate Regional Program Office**

Accordingly, the Department will not fund contracts in violation of Chapter 4300. Where this language exists in current AE/Non-Waiver Provider contracts, it must be removed from contracts with an effective date of July 1, 2007, and thereafter.

**EFFECTIVE DATE:**

This statement of policy is effective July 1, 2007.

**ANNEX A**

**TITLE 55. PUBLIC WELFARE**

**PART VI. MENTAL HEALTH/MENTAL RETARDATION MANUAL**

**SUBPART C. ADMINISTRATION AND FISCAL MANAGEMENT**

**CHAPTER 4300. COUNTY MENTAL HEALTH AND MENTAL RETARDATION  
FISCAL MANUAL**

**CONTRACTED AGENCY ALLOWABLE COST STANDARDS**

**§ 4300.87a. Title to real estate -- statement of policy.**

Title to real estate, in which services are provided, whether under the waiver or non-waiver program, must provide that title to real estate is to remain with the provider.

The provider's withdrawal or termination from the program is not to affect title.

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