



COMMONWEALTH OF PENNSYLVANIA  
**DEPARTMENT OF PUBLIC WELFARE**  
P.O. BOX 2675  
HARRISBURG, PENNSYLVANIA 17105-2675

**KEVIN T. CASEY**  
Deputy Secretary  
Office of Developmental Programs

**APR 14 2008**

TELEPHONE NUMBER: (717) 787-3700  
FAX: (717) 787-6583

**To All NonState ICF/MR and ICF/ORC Providers:**

This is in follow-up to my correspondence, dated February 21, 2008, and the ICF/MR Task Force Meeting held on April 2, 2008, concerning the implementation of prudent pay for all NonState ICF/MR and ICF/ORC providers as well as to identify the exception process available to all providers.

The implementation date for prudent pay for all NonState ICF/MR and ICF/ORC providers has now been rescheduled for May 1, 2008. Payments will be delayed for seven (7) days in May, 2008, an additional seven (7) days in June 2008 and seven (7) days in July 2008, resulting in full implementation of the 21 day delay period by the end of July 2008. Providers may request an exception to this implementation.

The exception process for prudent pay for NonState ICF/MR and ICF/ORC providers consists of the following documentation:

A letter of need detailing why quality of care is in jeopardy and how lack of funding will contribute to the deterioration of services;

Documentation of a line of credit;

Documentation of the status of the line of credit;

The most current balance sheet for the agency showing current total assets and current total liabilities;

The name, address, telephone number and e-mail address of a contact person and an alternate contact person.

In addition to consideration of the documentation and justification for the request, the review will include a comparison of total assets to total liabilities. Current total assets will be divided by current total liabilities. The resulting ratio must be less than 2.0 for a provider to continue in the exception process.

An exception which is approved will be valid for three (3) months, after which the provider must reapply for exception, submitting all the above required documentation. Continuation of the exception will not be automatic.

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The documentation for the exception must be submitted or faxed to:

Ms. Kathleen M. Deans  
Office of Developmental Programs  
Department of Public Welfare  
Room 411, Health and Welfare Building  
P.O. Box 2675  
Harrisburg, Pennsylvania 17105

**FAX NUMBER – (717) 783-5141**

In order to avoid the implementation of the first delay in the payment cycle, requests for an exception must be received no later than April 30, 2008 to meet the requirements of the first billing cycle in May 2008.

If you have any questions concerning the implementation of prudent pay or the exception process, please contact Ms. Deans, of my staff, at (717) 783-5774 or by e-mail at [kdeans@state.pa.us](mailto:kdeans@state.pa.us).

Sincerely,

A handwritten signature in black ink that reads "Kevin T. Casey". The signature is written in a cursive style with a large initial "K" and a stylized "T" and "C".

Kevin T. Casey

c: Ms. Linda Drummond  
Ms. Shirley Walker  
Mr. Gene Bianco