

Information Bulletin

Date: December 27, 2023

From: Jonathan Seifried, Assistant Commissioner
Division of Developmental Disabilities

Subject: Direct Support Professional (DSP) and DSP Supervisor Wage Increases, and
Corresponding Updates to Fee-for-Service Reimbursement Rates and Program
Budgets

For the past several years, the Division of Developmental Disabilities (DDD) has completed Direct Support Professional (DSP) and DSP Supervisor rate adjustments on January 1 of the year. This practice will continue on January 1, 2024, at which time DDD will apply an upward adjustment to the Medicaid fee-for-service rates (see [Public Notice](#) and [Quick Guide to Updated Fee-for-Service Reimbursement Rates](#)) for the following services: Career Planning, Community Inclusion Services, Community-Based Supports, Day Habilitation, Individual Supports, Prevocational Training (Individual and Group), Respite, Supported Employment (Individual and Group).

Consistent with these rate increases, DDD will also apply a corresponding upward adjustment to up-to budget amounts for all individuals enrolled in the Fee-for-Service Supports Program or Community Care Program (see [Quick Guide to Updated Fee-for-Service Program Budgets](#)).

Direct Support Professional (DSP) and DSP Supervisor Wage Increase Effective January 1, 2024

The service rate adjustment, based on FY24 State Budget allocations, has two components: \$1.25 per hour to comply with New Jersey's mandatory minimum wage increase, and about \$0.50 per hour of additional funding. Together, these two components support a DSP and DSP Supervisor overall wage increase of about \$1.75 per hour, effective January 1, 2024, forward.

- Provider agencies will realize the \$1.75-per-hour increase upon submission of claims to Gainwell for impacted services delivered on or after January 1, 2024 to individuals enrolled in either the Community Care Program or Supports Program.
- Consistent with previous FYs, provider agencies are required to pass the increased service rate funding through to DSPs and DSP Supervisors as an increase to their base wage no later than March 1, 2024, including DSP and DSP Supervisor compensation provided retroactively to January 1, 2024.

One-Time Retroactive Provider Payments for Services Delivered July 1 – December 31, 2023

The smaller (\$0.50-per-hour) component of the Budget allocation also applies to the first half of FY24. However, due to timing there is no federal match available for the July 1 through December 31, 2023 period. As a result, DDD will issue the allocation available for this period as a one-time retroactive payment

to providers proportional to their total claims reimbursements for impacted services delivered July 1 through December 31, 2023.

To account for claiming lag times, DDD will begin calculating these payments in spring 2024, with disbursement expected to occur soon thereafter.

- Provider agencies are required to pass the one-time retroactive funding through as a one-time bonus to DSPs and DSP Supervisors after DDD issues the payment but no later than June 30, 2024. Providers may not hold payments with the intent to release after June 30, 2024.
- To receive the one-time retroactive payment, providers must be a registered vendor with the State of New Jersey. Providers not already registered may do so through the NJ Division of Purchase and Property's [new e-procurement portal](#).

Mandatory Funding Pass-Through and Wage Increase Reporting

As in previous years in which there was a DSP and DSP Supervisor wage increase, providers will be required in the fall of 2024 to submit a report demonstrating that:

- 1) The provider has passed the increased service rate funding through to the base wage of each DSP and DSP Supervisor, AND
- 2) The provider has passed the one-time retroactive funding through as a one-time bonus to each DSP and DSP Supervisor.

For additional information, please refer to the following documents:

- [Public Notice](#) (posted Dec. 26, 2023 to the NJ Human Services [Public Notices](#) page)
- [Quick Guide to Updated Fee-for-Service Reimbursement Rates](#) (effective January 1, 2024)
- [Quick Guide to Updated Fee-for-Service Program Budgets](#) (effective January 1, 2024)
- [FAQ: DSP and DSP Supervisor Wage Increases, and Corresponding Updates to Fee-for-Service Reimbursement Rates and Program Budgets](#)