

DSP and DSP Supervisor Wage Increases, and Corresponding Updates to Fee-for-Service Reimbursement Rates and Program Budgets: FREQUENTLY ASKED QUESTIONS (FAQ)

How much is the Direct Support Professional (DSP) and DSP Supervisor January 1, 2024 wage increase?

The Direct Support Professional (DSP) and DSP Supervisor wage increase has two components for Fiscal Year 2024 (FY24): \$1.25 per hour to comply with New Jersey's mandatory minimum wage increase, and about \$0.50 per hour of additional funding allocated in the FY24 State Budget. Together, these two components support a DSP and DSP Supervisor overall wage increase of about \$1.75 per hour, effective January 1, 2024, forward.

Will there be simultaneous increases to Medicaid service rates and individualized up-to budget amounts?

Yes. To accommodate the DSP and DSP Supervisor wage increase, DDD will apply an upward adjustment to the following:

- 1) The individualized up-to budget amounts (see [Quick Guide to Updated Fee-for-Service Program Budgets](#)) for all people enrolled in the Fee-for-Service Community Care Program or Supports Program, AND
- 2) 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).

Is the DSP and DSP Supervisor wage increase retroactive to July 1, 2023?

Only the smaller (\$0.50-per-hour) component of the FY24 State Budget allocation will be retroactively applied to the first half of FY24 (July 1 through December 31, 2023). Please note there is no federal match available for this period. Therefore, DDD will calculate and issue a one-time retroactive payment to providers proportional to their total claims reimbursements for impacted services delivered July 1 through December 31, 2023 (This type of retroactive increase was not applicable to previous wage increases).

To account for claiming lag times, DDD will begin calculating these retroactive payments in spring 2024, with disbursement expected to occur soon thereafter (see [DDD Information Bulletin on DSP and DSP Supervisor Wage Increases, and Corresponding Updates to Fee-for-Service Reimbursement Rates and Program Budgets](#) for more information).

Will DDD update the fee-for-service policy manuals with the adjusted service rates and up-to budget amounts?

Yes. DDD will update the Community Care Program and Supports Program policy manuals to reflect the adjusted service rates and up-to budget amounts during the next revision of the policy manuals (expected to occur by spring 2024). In the meantime, individuals, families and providers can reference the new rates and budget amounts in the [Quick Guide to Updated Fee-for-Service Reimbursement Rates](#) and [Quick Guide to Updated Fee-for-Service Program Budgets](#) (both effective January 1, 2024).

When will provider payments reflect the Medicaid fee-for-service rate increases?

Gainwell will issue reimbursement payments to providers at the new rates for all Medicaid claims submitted to Gainwell for impacted services delivered on or after January 1, 2024.

When do providers need to increase DSP and DSP Supervisor wages based on the January 1, 2024 service rate increases?

Consistent with previous FYs, provider agencies are required to pass the higher reimbursement payments they will realize from the January 1, 2024 service rate adjustments through to the base wage of every DSP and DSP Supervisor they employ. These base wage increases must occur no later than March 1, 2024, including DSP and DSP Supervisor compensation provided retroactively to January 1, 2024.

When do providers need to increase DSP and DSP Supervisor wages based on the one-time retroactive payments?

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.

How will DDD ensure providers appropriately pass the funding through to DSP and DSP Supervisor wages?

As in previous years in which there was a wage increase, provider agencies must be prepared to demonstrate that they have appropriately passed all increased funding through to DSP and DSP Supervisor wages (allocation of the retroactive payment for the July 1 through December 31, 2023 period, and about \$1.75 per hour for January 1, 2024, forward).

If a provider already gave an increase to DSPs and/or DSP supervisors before January 1, 2024, do they still need to use the increased service rate funding, in effect on January 1, 2024, to increase DSP and DSP Supervisor compensation?

Yes. Provider agencies are required to pass the higher reimbursement payments they will realize from the January 1, 2024 service rate adjustments through to the base wage of every DSP and DSP Supervisor they employ.

If a provider already gave an increase to DSPs and/or DSP supervisors on or about July 1, 2023, do they still need to use the retroactive funding to increase DSP/Supervisor compensation?

Yes. Provider agencies are required to pass through the one-time retroactive payment as a one-time bonus to every DSP and DSP Supervisor they employ, 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.

If a provider is already paying DSPs and DSP Supervisors more than New Jersey's mandatory minimum wage, do they still need to use the additional funding to increase DSP and DSP Supervisor compensation?

Yes. The FY24 State Budget (Appropriations Act) allocated the additional funding for the sole purpose of increasing DSP and DSP Supervisor compensation.

Even in cases where a provider agency is already paying at or above the New Jersey mandatory minimum wage, the State requires the agency use 100% of this additional funding to further increase DSP and DSP Supervisor total compensation and prohibits the agency from using the additional funding for any other purpose. As stated earlier, agencies must pass the January 1, 2024 increase through as an increase to the base wage of every DSP and DSP Supervisor, and must pass the retroactive funding that applies to the July 1 through December 31, 2023 period through as a one-time bonus to every DSP and DSP Supervisor.

Do providers need to re-submit claims to receive the increase?

Provider agencies should not need to re-submit claims because DDD expects to have all systems updated with the new rates in time for the January 1, 2024 effective date. Provider agencies will bill at the new rate for impacted services delivered on and after this effective date.

What portion of the service rate increase supports increased DSP compensation?

The increased service rates provide additional agency claims reimbursement of about \$1.75 for each billable hour a DSP and DSP Supervisor works. Depending on staffing ratios and payroll tax deductions, the actual amount realized by a DSP and DSP Supervisor may be more or less than \$1.75 per hour.

What portion of the service rate increase supports increased DSP Supervisor compensation?

The increased service rates provide an additional amount per hour in reimbursement for each billable hour a DSP works, based on those who manage staff in a 3:1 ratio (see [Quick Guide to Updated Fee-for-Service Reimbursement Rates](#)). Depending on DSP Supervisor staffing ratios and payroll tax deductions, the actual amount realized by a DSP Supervisor may be more or less than the increase on the rate schedule.

Will there be an increase in self-directed employee wages?

All individuals enrolled in the Fee-for-Service Community Care Program or Supports Program will receive an increase in their individualized up-to budget amount (see [Quick Guide to Updated Fee-for-Service Program Budgets](#)). However, because self-directing individuals/families privately negotiate their self-directed employee's (SDE) hourly wage, SDEs do not receive an automatic increase. An individual/family wishing to increase an SDE's hourly wage should reach out to their support coordinator to discuss.

It is important to note that SDE wages are *always* required to comply with New Jersey's most current mandatory minimum wage.

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)
- [DDD Information Bulletin on DSP and DSP Supervisor Wage Increases, and Corresponding Updates to Fee-for-Service Reimbursement Rates and Program Budgets](#)