

Information Bulletin

Date: December 30, 2025

From: Jonathan Seifried, Assistant Commissioner
Division of Developmental Disabilities

Subject: FY26 Increases to Medicaid Service Rates, Supports Program and Community Care Program Budgets, and DSP and DSP Supervisor Wages

During the Murphy Administration, the Division of Developmental Disabilities (DDD) has completed Direct Support Professional (DSP) and DSP Supervisor rate adjustments. This practice will continue on January 1, 2026, at which time DDD will apply an upward adjustment to the Medicaid fee-for-service rates for the following services: Career Planning, Community Inclusion Services, Community-Based Supports, Day Habilitation, Individual Supports, Prevocational Training, Respite, Supported Employment-Group, and Supported Employment-Individual.

Consistent with these rate increases, DDD will 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.

Direct Support Professional (DSP) and DSP Supervisor Wage Increase Effective January 1, 2026

The service rate adjustment, based on FY26 State Budget allocations, support a DSP and DSP Supervisor overall wage increase of about \$0.46 per hour, effective January 1, 2026, forward.

- Provider agencies will realize the \$0.46-per-hour increase upon submission of impacted claims to Gainwell at the new service rates, for any of the above-mentioned services delivered on or after January 1, 2026 to individuals enrolled in either the Supports Program or Community Care 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, 2026, including DSP and DSP Supervisor compensation provided retroactively to January 1, 2026.

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 2026 to submit a report demonstrating that the provider has passed the increased service rate funding through to DSP and DSP Supervisor base wages.

For additional information, please refer to the following documents:

- [Public Notice](#), posted December 30, 2025 on the NJ Human Services [Public Notices](#) page
- [Quick Guide – FY26 DSP & Supervisor Rate Increases](#) (effective January 1, 2026)
- [Quick Guide – FY26 Supports and Community Care Program Budgets](#) (effective January 1, 2026)
- [FY26 Increases to Service Rates, Program Budgets, and DSP and DSP Supervisor Wages: Frequently Asked Questions \(FAQ\)](#)