



Frequently Asked Questions: FY2023 DSP & Supervisor Rate Increases

Will everyone's DDD budget increase?

Effective January 1, 2023, certain fee-for-service Medicaid rates will receive an upward adjustment to increase Direct Support Professional (DSP) and Supervisor wages. All individuals enrolled in a fee-for-service program (Supports Program and Community Care Program under Fee-for-Service) will see an increase in their budget to accommodate this.

Will the rates and budgets be updated in the policy manuals?

An updated *Quick Guide* for the increased fee-for-service rates will be available before the new rates go into effect on January 1, 2023.

When will Medicaid provider payments reflect the rate increase?

Medicaid claims for impacted services delivered on or after January 1, 2023 will reflect the new rates.

When will providers need to increase DSP and DSP Supervisor wages?

Provider agencies are required to utilize the higher payments to increase base wages for DSPs and supervisors effective January 1, 2023. Increases to DSP and Supervisory compensation must occur no later than March 1, 2023 with funding provided retroactively to January 1, 2023. Provider agencies must be prepared to demonstrate wage pass-through by providing data from the last full pay period of calendar year 2022 and first full pay period after January 1, 2023 (or later, as described in this section) where wages have been increased, validating the applicable increase in wages have occurred. Providers are not permitted to hold higher payments with the intent to release later than the timeframes provided.

If a provider of any service already gave an increase before January 1, 2023 to DSPs and Supervisors, do they have to use this additional funding to further increase wages?

Yes. Provider agencies are required to utilize these higher payments to increase base wages for DSPs and supervisors effective January 1, 2023 as described in this document.

If a provider of any service already is paying its DSPs and supervisors above minimum wage, do they have to use this additional funding to further increase wages?

Yes. The additional funding received for this increase was allocated by the State for the sole purpose of increasing DSP and Supervisor wages. If an agency is able to pay above minimum wage, 100% of this funding must be used to further increase those wages and cannot be used for any other purpose. This increase must be passed through as an hourly wage increase and not a bonus.

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

DDD expects to have all systems updated with the new rates in time for the January 1, 2023 effective date. Provider agencies will bill at the new rate for impacted services rendered on and after the effective date. Therefore, providers should not have to re-submit claims to receive the increase. Should this change, DDD will alert agencies.

What portion of the rate increase supports DSP wages?

Increased rates provide an additional \$1.25 in reimbursement for each billable hour a DSP works. Depending on staffing ratios and payroll tax deductions, the actual amount realized by a DSP may be more or less than \$1.25 per hour.

What portion of the rate increase supports DSP supervisor wages?

Increased rates provide an additional \$1.25 per hour in reimbursement for each billable hour a DSP supervisor works based on those who manage staff in a 3:1 ratio. Depending on DSP supervisor staffing ratios and payroll tax deductions, the actual amount realized by a DSP supervisor may be more or less than \$1.25 per hour.

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

All individuals enrolled in a fee-for-service program (Supports Program and Community Care Program under Fee-for-Service) will receive an increase in their individual budget. However, self-directed employees (SDE) will not receive an automatic increase because SDE wages are privately negotiated. An individual/family wishing to increase an SDE's hourly wage should reach out to their support coordinator to discuss.