

Date: March 28, 2025

Topic: FY25 Agency with Choice Per-Member, Per-Month Rate Increase

The Division of Developmental Disabilities (DDD) implemented the Agency with Choice (AWC) Self-Directed Employee Model in 2020 in response to feedback from individuals and families seeking a self-direction model that enabled employers to provide health benefits and paid time off to their employees. Under this model, the per-member, per-month (PMPM) rates are deducted from the up-to budgets of participating individuals who employ one or more Self-Directed Employees (SDE), with Easterseals NJ as the fiscal intermediary. Despite rising costs, these PMPM rates for participating in AWC and funding health benefits have remained unchanged over the five years since the model's inception.

Easterseals NJ has implemented appropriate measures to insulate DDD participants from rising costs; however, DDD and Easterseals NJ have now concluded that without an increase to PMPM rates, the AWC model cannot sustainably fund health care benefits. As a result, the four PMPM rates used in the AWC Self-Directed Employee Model will increase effective May 1, 2025. The additional cost will range from \$72.37 per month (\$868.44 annually) for the lowest PMPM to \$251.63 per month (\$3,019.56 annually) for the highest PMPM.

Please see the updated [Agency with Choice Per-Member, Per-Month Cost Table](#) for the new AWC PMPM rates, and the [Quick Guide to FY25 Agency with Choice Per-Member, Per-Month Rate Increases](#) for a comparison chart of the old vs. the new AWC PMPM rates.

Per federal guidelines, a [Public Notice](#) about the PMPM rate increase has been posted on the DHS website.

We expect to complete the iRecord update to adjust PMPM rates for impacted prior authorizations on or about **May 1, 2025**, at which time updated PMPM prior authorizations will be auto-generated. The iRecord system will begin deducting the increased PMPM rates from AWC participant up-to budgets on May 1, 2025.

Individual Up-to Budgets

There will be no change to individual up-to budget amounts related to the increased PMPM rates.

- To ensure budget equity, up-to budget amounts remain consistent for individuals within the same tier, regardless of whether they choose to self-direct or use provider-managed services.

- All statewide increases to up-to budget amounts in recent years have been applied to all individual budgets. These funds can be used to accommodate the PMPM rate increases for individuals who participate in the AWC model.
- All current up-to budget amounts already include a health benefits cost factor.

DDD anticipates that most up-to budgets will accommodate the PMPM rate increases without requiring Support Coordinators to adjust plans.

Individuals who have already exhausted their up-to budget will need to work with their Support Coordinator and planning team to determine what plan adjustments can be made to accommodate the PMPM rate increase. If adjustments are not possible, individuals may consider switching to the Vendor Fiscal/Employer Agent (VF/EA) Self-Directed Employee Model, which does not charge a PMPM rate because it does not offer health benefits or paid time off for SDEs.

PLEASE NOTE: DDD encourages employers of record to discuss any potential plan changes with their currently employed SDEs to assess how these changes may affect their decision to remain employed.