



Date: July 18, 2024

Topic: FY25 COLA Rate Increase

New Jersey's FY25 Budget went into effect July 1, 2024, and included \$7,500,000 for an across-the-board increase to Division of Developmental Disabilities (DDD) fee-for-service reimbursement rates, also referred to as a Cost-of-Living Adjustment (COLA). All Supports Program and Community Care Program service rates, excluding those with a "reasonable and customary" rate, will see an automatic rate increase.

This funding is eligible for a federal match *the day after* the State posts the mandatory Public Notice of the rate increase. The [Public Notice](#) and [Quick Guide – FY2025 COLA Increases](#) were posted July 16, 2024, which means the impacted service rates are eligible for federal match on July 17, 2024. With combined state and federal funds, DDD fee-for-service rates, excluding reasonable and customary rates, will increase by approximately \$15,000,000, providing an average 0.49 % increase.

The projected completion date of necessary DDD system changes is on or about August 10, 2024, at which time iRecord will release updated Prior Authorizations and individualized budgets.

Because Support Coordination services typically claim at a monthly rate, the direction for Support Coordination Agencies is unique.

Impacted services delivered July 1 to July 16, 2024

Due to the timing of the public notice, impacted services delivered during the period July 1 through July 16 are eligible for the state portion (50%) of the total rate increase but not for the federal match. For impacted services delivered July 1 through July 16:

- Providers should submit claims for applicable services at the rates that were in effect before the July 16 Public Notice and rate increase.
- Reconciliation of applicable service dates will occur October 1, 2024 (and quarterly after that to account for any lag in claims).
- In the fall of 2024, DDD will issue direct payment to providers through New Jersey Treasury (not via Gainwell) for the state portion (50%) of the total rate increase for impacted services delivered during this period.

Impacted services delivered July 17 – August 9, 2024

Providers will be unable to submit claims at the increased rates until on or about August 10, 2024, when the updated Prior Authorizations are released. If a provider submits claims for services delivered July 17 – August 9 before the system is updated on August 10, those claims will need to be resubmitted.

Impacted services delivered August 10 and later

Claims for services delivered August 10, 2024 and later can be submitted on or after August 10, once the system is updated, and will be paid at the increased rates.

Support Coordination services for July and August 2024

Support Coordination Monthly Rate

As with all other services, Support Coordination services are eligible for the state portion only of the rate increase for services delivered July 1 – July 16, 2024, and are eligible for the full rate increase for services delivered on and after July 17, 2024.

For July 2024 Support Coordination Claims: All monthly-rate claims for Support Coordination services delivered in July 2024 will be submitted at the old rate. Pro-rated reconciliation for Support Coordination Agencies will occur on or about October 1, 2024 (and quarterly after that to account for any lag in claims) as follows:

- DDD will prorate the monthly rates and issue two direct payments to Support Coordination Agencies through New Jersey Treasury (not via Gainwell):
 - one payment for the state portion of the rate increase for service dates of July 1 through July 16, and
 - one payment for the full rate increase for service dates of July 17 – July 31, 2024.

For August 2024 Support Coordination Claims: Monthly-rate claims for Support Coordination services delivered in August 2024 will be paid at the new rate and can be submitted any time after Support Coordination Agencies receive their prior authorization and meet their other deliverables.

Support Coordination Daily Rate

For Support Coordination services that need to be claimed at the support coordination daily rate for part of July or from August 1 – August 9, 2024: follow the protocols outlined above for **impacted services**.