



Alliance for the Betterment of
Citizens with Disabilities

Empowering People: Providers Shaping Policies

ALLIANCE FOR THE BETTERMENT OF CITIZENS WITH DISABILITIES
Position Paper
Subcontracting of Services in the Division of Developmental Disabilities
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Currently in the Division of Developmental Disabilities Provider Agreement service providers are not permitted to sub-contract any of the services they have committed to provide.

The Challenge. Growth with Limited Resources

The relationship between New Jersey government and human service nonprofits (HSNP) has evolved. Today, our state faces a daunting challenge to manage the increased services, transparency, accountability and improved outcomes that it is responsible for with decreased resources due to pension and debt obligations. Meanwhile, because the HSNP can't fill gaps with revenue from other sources since there are not enough philanthropic dollars to do so and remains chronically underfunded by the state, it is often left to focus on "making ends meet."

Both the state and the HSNP value a vibrant human service infrastructure which translates to the fact that non-profits cannot be unprofitable. As a result, HSNP must move away from a "scarcity mentality" (cost cutting and small thinking) to new business models capable of providing true sustainability. In order for HSNP to sustain their business for the long term, there must be growth to:

- Enable it to consistently serve members and fulfill its mission;
- Sustain its culture to help employees thrive; and
- Increase its productivity and improve its services.

How do we achieve these goals of vibrancy, sustainability and profitability? The HSNP must have state partners who support and leaders who find opportunities for growth with limited resources. This is how and why ABCD is requesting the ability of service providers to subcontract physical, occupational and speech language therapy services.

A Solution; Subcontract Rehabilitation Services

For service providers who have calculated that it is not as financially advantageous to have PT/OT/STs in their direct employ ask, why should an outpatient hospital rehabilitation facility receive full CCP reimbursement when many DD services providers are able to provide the

administrative and physical overhead? Total reimbursement includes not only labor and employee related expenses, but support costs, general administration and overhead. Some of our DD service providers have calculated that because of the size and scope of their administrative and support staff and with the available space in their facility, the administrative and overhead costs could be paid by them. Any remaining resources, whether profit or not, can help reinforce and bolster the long-term sustainability of the DD provider. As much as possible, without ever compromising quality and quantity of care, we keep the resources within the developmental disabilities service system.

Fairness

Presently, service providers in the Division of Family Development, Division of Mental Health Services, the Division of Aging Services and the Division Medical Assistance and Health Services are permitted to subcontract various services with prior approval from the overseeing state division. The Division of Developmental Disabilities should afford its provider agencies with the same opportunity.

Conclusion

The current restriction limits the ability of providers to manage their businesses in a manner that may be more efficient and effective for their operations. Under Fee for Service, providers were told that they would have more autonomy in conducting their business. This restriction seems contrary to that end and seems to maintain state control.

The ability for DD providers to subcontract PT/OT/ST services will help keep resources in the system, help providers in their ongoing effort toward long-term sustainability and treat DD providers similarly to providers in DHS sister agencies.