



Alliance for the Betterment of  
Citizens with Disabilities

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**Empowering People: Providers Shaping Policies**

The Current Oversight System

Plan for Improvement

There are over 1,000 agencies approved by Medicaid to provide at least one DDD Waiver service.<sup>1</sup> Of the 1,000+ providers, we tally

- 223 are either licensed and/or certified by DDD for residential and/or day habilitation
- 150 are licensed or accredited Home Health Agencies or Health Care Service Firms, providing Community Based Services (CBS) and Individual Supports (IS)
- 600+ providers primarily provide CBS, IS, and/or Community Inclusion (CI).

It is regarding the latter two cohorts that this paper is focused.

Ten years ago, during the prior administration, our system changed from contract based to Fee for Service. Not only did the Division of Developmental Disabilities (DDD) stop providing direct care services,<sup>2</sup> but the working relationship between DDD and residential/day habilitation service providers transformed from a somewhat paternalistic model to, apart from the ability to set rates, a competitive market-based model.

The transition also welcomed new provider talent by way of Medicaid Any Willing Provider (AWP). The intent of AWP is to improve access to care and quality by increasing continuity of care. Some new providers established licensed residential and certified day habilitation programs, while the majority chose to provide services which do not require licensure or certification. Initially, the qualifications for claiming payment for services were merely Medicaid approval under AWP. The qualifications were expanded four years ago to require that staff be 18 years of age or older, complete all federal/state background checks and drug tests, complete mandated training, and have a driver's license if driving is required.

**Lack of Agency Policy Can Lead to Bad Practice**

Despite the existence of state and federal laws and regulations governing the corporate form for the conduct of lawful nonprofit and for-profit activities, executive compensation, conflict of interest and nepotism, illegal and unethical incidences for which a board of directors can be held liable, insurance coverage and workplace wage/hour and the myriad of provider "musts"

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<sup>1</sup> This number does not include the over 800 vendors which are approved to provide Goods and Services or the 145 agencies which provide Support Coordination under the Waiver.

<sup>2</sup> Under contract-based, DDD staff provided case management services to the individuals receiving services from DDD. Under FFS this function was contracted out to independent agencies to provide Support Coordination services.

in the manuals, DDD itself possesses no enforcement authority despite the existence of “Section 16, Provider Disenrollment”.<sup>3</sup> This authority exists with Medicaid, which has enforced the disenrollment provision as we understand it, only if a provider has not repaid erroneous billing. Understanding that lack of agency policy can lead to bad practice and concerned about the welfare of the individuals’ receiving services, DDD staff has resorted to pestering agencies into compliance.

### Carrot and Stick

It is for this reason that ABCD fully supports efforts to formulate protocols for aspiring DDD providers to first meet applicable state and federal laws in addition to DDD prerequisites before moving on to Medicaid approval and payment for services. A similar protocol is currently employed by the Children’s System of Care in the Department of Children and Families. In addition, an annual audit and review of all providers on their finances, documentation and service quality. We believe that for those currently receiving payment for services, a defined period be set in which to complete the stipulated DDD compliance standards.

The unanticipated onslaught of new providers has taken the whole community by surprise.

Evolution of the current oversight system would be not only a more efficient use of State resources but would prevent the erosion of the service system and, most importantly, ensure that individuals receive services from providers which are abiding by applicable laws, regulations, and rules.

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<sup>3</sup> Community Care Program Manual (CCP) and Support Program Manual (SP).