WHAT FAMILIES SHOULD KNOW ABOUT

Self-Direction

A practical comparison of self-directed and provider-led DDD services in New Jersey

Self-direction can offer families more choice over who provides support, what they are paid, and how services are scheduled. It also shifts meaningful responsibilities from a provider agency to the individual or family. This guide is designed to make those tradeoffs easier to see.

THE BIG IDEA

Provider-led services generally cost more per service hour because the agency rate supports more than the DSP's paycheck: recruitment, supervision, training, compliance, payroll, billing, insurance, administration, and coverage systems are part of the provider's operating model. With self-direction, the family gains more control - but also takes on more of the management work.

Prepared for families receiving New Jersey Division of Developmental Disabilities (DDD) services • Rates verified September 2026

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Self-Direction vs. Provider-Led Services

The core difference is not simply "who pays the worker." It is who is responsible for building and managing the support system around that worker.

Responsibility	SELF-DIRECTION	PROVIDER-LED
Who finds the worker?	The individual/family recruits and selects the SDE.	The provider recruits, hires, and assigns agency staff.
Who directs the worker?	The individual/family directs day-to-day work and expectations.	The family gives input; the provider supervises its employee and is responsible for agency oversight.
Scheduling & call-outs	The individual/family builds the schedule and is responsible for arranging backup coverage when someone calls out.	The provider is responsible for staffing its authorized service and managing call-outs/coverage within its workforce.
Hiring & employment paperwork	The family participates in the hiring process. The FI handles required employment/payroll administration; responsibilities differ by FI model.	The provider handles hiring paperwork and employment administration.
Background checks & drug screening	Required for SDEs. The FI facilitates required pre-employment checks/screening.	The provider coordinates required employee clearances and screening.
New-hire orientation	An Individual/Family-Developed Orientation is required; the family determines the content and trains the worker on the person's needs, routines, preferences, and supports.	The provider is responsible for onboarding/orienting staff, including person-specific training before or as required for service delivery.
Mandatory DDD training	SDEs must complete mandated training. The family must make sure the worker completes requirements and understands person-specific expectations; the FI supports required processes.	The provider tracks and manages required training for its employees.
CPR / First Aid	Required. How the cost is handled depends on the FI model.	The provider ensures required certification and recertification for staff.
Payroll & taxes	Handled by the fiscal intermediary.	Handled by the provider.
Medicaid billing / claims	The FI manages the financial transaction using the authorized SDE billable rate.	The provider submits claims for delivered services.
Daily service documentation	Required. The SDE completes documentation; the individual/employer or managing employer has a role in making sure it is completed/validated.	Required. The provider is responsible for its documentation systems, staff compliance, review, and record retention.
Performance concerns / discipline	The individual/family addresses performance and decides whether the worker should continue. Formal employment separation differs by FI model.	The provider handles supervision, discipline, corrective action, and termination of its employee.
Control over hourly wage	The individual/family chooses the SDE wage within DDD rules and the available budget.	The provider sets the employee's wage. The family does not control what portion of the Medicaid rate becomes DSP pay.

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What the Hourly Numbers Actually Mean

DO NOT COMPARE PROVIDER RATES TO SDE WAGES AS IF THEY ARE THE SAME THING

A provider reimbursement rate is the amount Medicaid/DDD pays the agency for the service. It supports the agency's full cost of delivering that service. An SDE wage is what the worker earns. The SDE billable rate charged to the person's budget is calculated by the fiscal intermediary and includes the wage plus applicable employer burden.

2026 provider-led hourly reimbursement

Service	2026 DDD RATE	HOURLY EQUIVALENT
Community Based Supports - Base	$9.77 / 15 min	$39.08 / hour
Community Based Supports - Acuity	$14.99 / 15 min	$59.96 / hour
Individual Supports - Hourly Base	$9.85 / 15 min	$39.40 / hour
Individual Supports - Hourly Acuity	$15.16 / 15 min	$60.64 / hour

Effective January 1, 2026. These are Medicaid/DDD provider reimbursement rates, not required DSP wages.

Self-directed employee wage

For services subject to DDD's Reasonable & Customary wage rules, the standard SDE wage range generally runs from the prevailing minimum wage up to **$25.00 per hour**. A wage above $25 may be possible through DDD's Enhanced Reasonable & Customary process when the applicable criteria are met.

QUESTION	WHAT FAMILIES SHOULD KNOW
What the worker earns	SDE wage selected by the individual/family, generally up to $25/hour under the standard R&C range.
What the budget is charged	The FI billable rate - not merely the wage. It can include employer taxes and other employer-related costs.
What a provider receives	The full DDD service reimbursement rate, from which the agency funds wages plus supervision, training, payroll, billing, insurance, compliance, recruiting, administration, coverage, and other operating costs.
Why the comparison matters	A lower SDE wage does not mean the same service "costs only $25." It means the family is taking over management functions that a provider would otherwise perform, while the FI handles defined fiscal/employment functions.

A USEFUL WAY TO THINK ABOUT IT

Provider-led services purchase both direct support and an agency infrastructure. Self-direction separates those pieces: the worker provides the direct support, the fiscal intermediary handles defined payroll/employer functions, and the individual/family manages many of the day-to-day staffing responsibilities.

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PART THREE • IF YOU SELF-DIRECT, YOU STILL HAVE ANOTHER CHOICE

Acumen vs. Agency with Choice

Both models use a fiscal intermediary. The biggest difference is who serves as the legal employer and how much employer infrastructure the FI provides.

	ACUMEN - VF/EA	AGENCY WITH CHOICE - EASTERSEALS NJ
DDD model	Vendor Fiscal/Employer Agent (VF/EA)	Agency with Choice (AWC)
Fiscal intermediary	Acumen	Easterseals NJ
Employer of record	Individual, or a family member/friend chosen by the individual, holds the EIN.	Easterseals NJ is employer of record; individual/family serves as managing employer.
Monthly administrative fee	Paid by the State; not deducted as a PMPM fee from the individual's budget.	State contributes the VF/EA-equivalent amount; the remaining PMPM cost is deducted from the individual's budget.
Payroll & taxes	Handled by Acumen.	Handled by Easterseals NJ.
Workers' compensation	State pays.	Included in the SDE service bill rate and paid through the individual's budget.
Training / CPR / First Aid cost	Required; employee reimbursed through a state-funded stipend.	Required; cost covered by Easterseals NJ as employer.
Paid leave	Sick time only, earned at 1 hour per 30 hours worked.	PTO available based on hours and years worked for Easterseals NJ.
Employer-sponsored health insurance	Not available through this model.	Available for eligible employees working 30+ hours/week for Easterseals NJ.
Who approves timesheets?	Individual/employer of record.	Individual/managing employer.
Who recruits/chooses/directs SDEs?	Individual/family.	Individual/family.
Who ends employment?	Individual/employer of record.	Easterseals NJ formally severs employment; individual/family determines whether the worker continues providing their services.

Important: Agency with Choice does not become a traditional provider agency. The individual/family still recruits, chooses, directs, schedules, and approves time for SDEs.

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PART FOUR • WHAT THE ADDITIONAL AWC FEE PAYS FOR

Agency with Choice: Added Support, Added Budget Cost

Families sometimes see the Agency with Choice monthly fee and ask, "Why would I pay more if I am still managing the worker?" The added cost reflects a different employment structure: Easterseals NJ is the employer of record and carries additional employer responsibilities and employee benefit infrastructure. It does not replace the family's role as managing employer.

AWC LEVEL	GENERAL DESCRIPTION	MONTHLY	ANNUAL
PMPM 1	One or more SDEs working 0-40 hrs/week for the participant or Easterseals NJ; no health benefits elected	$266.34	$3,196.08
PMPM 2	One SDE works <30 hrs/week for the participant but 30+ hrs/week for Easterseals NJ; no health benefits elected	$493.98	$5,927.76
PMPM 3	Health benefits elected: one SDE works 30+ hrs/week for participant OR qualifying multiple-SDE scenario	$646.62	$7,759.44
PMPM 4	Two or more SDEs work 30+ hrs/week for the participant and elect health benefits	$987.82	$11,853.84

Current DDD-posted AWC PMPM table is effective February 1, 2025. DDD notes that the table is guidance only and the Support Coordinator should confirm the applicable PMPM with the AWC fiscal intermediary.

What AWC adds compared with Acumen's VF/EA model

ADDED INFRASTRUCTURE	WHAT IT MEANS
Employer of record	The family does not need to hold the employer EIN; Easterseals NJ assumes the formal employer-of-record role.
Formal employment separation	Easterseals NJ handles severing the worker's employment.
Employee benefits infrastructure	Eligible workers can access employer-sponsored health insurance; PTO is available based on the AWC employment structure.
Training / certification expense	Required training and CPR/First Aid costs are covered by Easterseals NJ.
Workers' compensation structure	The FI holds the workers' compensation arrangement, with the cost reflected in the service bill rate.

THE TRADEOFF

Acumen generally preserves more of the individual budget because DDD pays the VF/EA administrative fee, but the individual/family is the employer of record. Agency with Choice costs the individual budget more, but shifts the formal employer-of-record role and several employer responsibilities to Easterseals NJ. Neither option eliminates the need for the family to actively manage the worker and the services.

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PART FIVE • QUESTIONS TO ASK BEFORE CHOOSING

Which Structure Fits Your Family?

THINK ABOUT	ASK YOURSELF
Staffing	Do we already know who we want to hire? Are we comfortable recruiting new workers and finding backup coverage?
Management	Can someone reliably schedule staff, communicate expectations, approve time, address performance concerns, and follow up when documentation is missing?
Training	Are we prepared to provide a meaningful person-specific orientation and make sure the SDE understands health, safety, behavioral, communication, and daily support needs?
Budget	How many hours of support can the budget sustain under provider-led rates versus the SDE billable rate? What AWC PMPM fee would apply if we choose that model?
Employer role	Are we comfortable being the employer of record under Acumen, or would we rather have Easterseals NJ hold that role under AWC?
Benefits & retention	Would access to PTO or employer-sponsored health insurance make a meaningful difference in recruiting or retaining the SDE we want?
Mixing models	Would it make sense to self-direct some supports while using provider-led services for others, based on staffing needs, reliability, complexity, or family capacity?

SELF-DIRECTION DOES NOT HAVE TO BE ALL-OR-NOTHING

A family may use self-directed services where greater control is valuable and provider-led services where agency infrastructure, backup staffing, clinical oversight, or reduced family management burden is more important. The right arrangement can change over time.

Official New Jersey resources

- DDD Self-Direction Options and Education
- DDD Side-by-Side Comparison of SDE Models (February 2026)
- Agency with Choice PMPM Cost Table
- DDD Supports Program Policy Manual
- FY26 DSP & Supervisor Rate Increases (effective January 1, 2026)
- DDD Best Practice Guide

Rates, policies, and fiscal intermediary requirements can change. Families should confirm current information with their Support Coordinator and the applicable fiscal intermediary before making budget or employment decisions.

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