

1 Sec. A. DEVELOPMENTAL SERVICES PAYMENT REFORM;
2 DESIGNATED OR SPECIALIZED SERVICE ERRORS

3 During implementation of the first year of developmental services payment
4 reform initiative, from October 1, 2025, through September 30, 2026, an error
5 made by a designated or specialized service agency shall not be subject to a
6 financial penalty, decreased payment rates, budget reduction, recoupment, or
7 clawback of appropriated funds if the error was a result of system limitations
8 or transitional processes outside the designated or specialized service agency's
9 direct control, including:

10 (1) service authorizations, such as deficiencies in individual service
11 authorizations attributable to system functionality, transitional processes, or
12 actions or inactions of the case management organization or the Department of
13 Disabilities, Aging, and Independent Living, or both;

14 (2) operational delays, such as the inability to complete required steps in
15 a timely or accurate manner or delays, omissions, or errors resulting from
16 actions or inactions of the case management organization or the Department of
17 Disabilities, Aging, and Independent Living, or both;

18 (3) service continuity for pending cases, such as ensuring uninterrupted
19 supports at the previously approved level through fiscal year 2026 for
20 individuals who have not yet been reassessed or are awaiting an approved
21 exception; and

22 (4) data and utilization impacts, such as incomplete, delayed, or
23 inaccurate encounter data or utilization reporting attributable to system

- 1 limitations, transitional processes, or actions or inactions of the case
- 2 management organization or the Department of Disabilities, Aging, and
- 3 Independent Living, or both.