DDA PILOT:
FLEX MODEL INDIVIDUAL OUTCOME PAYMENTS

Last Updated: 8/14/2026

TN Department of Disability & Aging

AGENDA

- Flex Model Recap
- Overview of Individual Outcome Payment Pilot
- Resources
- Questions and Discussion

FLEX MODEL RECAP

- The Flexible Residential Support Model ("Flex Model") is available for people who are eligible for Supported Living or Residential Habilitation levels 2 through 4 in DDA's 1915c waiver program.
- People using the Flex Model decide what times of the day and/or week they want direct supports, and which times they want to use alternative tools to meet their support needs in the home and/or community (e.g. Enabling Technology, remote supports, natural supports, etc.)
- The cost difference between traditional residential rates and new Flex Model rates is shared between the State and providers in the form of Flex Model incentive payments.

FLEX MODEL RECAP

An eligible person who chooses the Flex Model will have the following service line items:

1. **Transitional Flex Model:** During days 1-30, providers will receive a daily rate equivalent to the traditional Supported Living or Residential Habilitation rates. Providers are not eligible for the Flex Model Incentive during this transition period (see below).

2. **Flex Model Rate:** Starting on day 31, providers will receive the daily Flexible Residential Support Model rate.

3. **Flex Model Incentive:** Starting on day 31, providers will be eligible to bill for the new Flex Model Incentive. This daily rate will be billed concurrently with the Flex Model rate. It can only be billed on the days when the Flex Model rate has also been billed.

FLEX MODEL RECAP

If a person supported spends time alone at home without in-person staff support, are they required to use the Flex Model?

A person supported is not required to use the Flex Model if their time spent at home without in-person staff is infrequent, sporadic, and/or unplanned. However, a person supported should use the Flex Model if their time spent at home without in-person staff supports their interests or goals related to increasing independence and/or reducing staff support. A person supported should also use the Flex Model if their time spent at home without in-person staff is frequent, regular, and/or planned

FLEX MODEL RECAP

Does using the Flex Model change a person's assessed Level of Need (LON)?

No, using the Flex Model does not change their assessed Level of Need. However, the Level of Need requirements slightly differ for people utilizing the Flex Model than those being supported in the traditional shift staff model. Full descriptions are listed in the Level of Need Requirements Document on the DDA website.

FLEX MODEL RECAP

In September 2024, DDA and TennCare issued a joint memo noting the importance of providing the most appropriate residential service model for each person supported. Highlights of the memo include:

- Providers are expected to be in compliance with the pre-COVID staffing expectations for each residential service.
- For persons supported receiving the traditional Supported Living or Residential Habilitation service, there is an expectation 24/7 staffing. Providers who are using flexible staffing arrangements (i.e. less than 24 hours/day of in-person staffing) to support people in residential settings should be using the Flex Model.
- Inappropriate staffing will be noted during QA surveys under Indicator 9.10 (“The provider ensures people have consistent and sufficient staff”) and may result in a negative finding. Additionally, providers found to be providing inappropriate levels of residential staffing may be subject to negative findings on FAR audits and/or financial recoupments.

PERSPECTIVES FROM PERSONS SUPPORTED

- I feel like an adult because I can be home alone and I can do what I want. I also enjoy spending time with staff, being able to plan my day and them helping me get out and enjoy myself. …. I am living my best life ever. I have a job, a boyfriend, lots of friends and a really busy life. I am an adult!
- Before technology I was never alone in my house. I could not open the door, turn on my lights, control my TV, or have privacy in the bathroom or bedroom. Now technology allows all these things.
- Having enabling technology makes me feel good. I want to be normal and live like everyone else. I feel that with the technology I can eventually live with less staff support.
- I wish we had tried this before, but I know with my past problems it was hard for people to believe I could do it. I hope more people get to try it.
- I am living my best life!

PERSPECTIVES FROM PROVIDERS

- People who choose how their supports are delivered appear happier and express greater satisfaction with their lives.
- We have seen an increase in independence. People have started to do things on their own that we never thought possible.
- They are so much happier. A reduction in behaviors, house mate changes, crisis and more time to focus on what is important.
- We now have remote support staff that provides services when a person needs them instead of being in the home “just in case.”
- We can reallocate the staff that was with someone that now receives 8+ hours of support, to someone that needs that in-person support, or change their job tasks to include them as the remote support responder if needed.
- The flexible residential model has NOT resulted in anyone losing their jobs and instead has created promotional opportunity.

FLEX MODEL CURRENT NUMBERS

- **28** persons supported
- **14** residential service providers
- Over **$500,000** paid to providers as shared savings incentives

PILOT OVERVIEW: THE BASICS

- Up to 100 Flex Model users can receive a one-time $4,000 payment from DDA deposited into their ABLE account.
- Payments will be made to their residential providers, who will deposit into ABLE accounts on behalf of persons supported.
- Requirements:
  - ❑ At least 6 months successfully using the Flex Model (last date to begin using the Flex Model to be eligible for this pilot is 1/31/2027)
  - ❑ Evidence of increased independence (template will be provided)
  - ❑ ABLE account open and active in their name
  - ❑ At least one session with a certified Benefits Counselor
  - ❑ Consent for basic data sharing/evaluation

PILOT OVERVIEW: INDIVIDUAL BENEFITS

- Individuals play a central role in making the Flex Model successful.
- Sharing a portion of cost efficiencies directly with participants reinforces choice, ownership, and person-centered planning.
- Encourages long-term planning, financial literacy, and empowerment through ABLE accounts.
- Helps offset rising disability-related expenses (housing, transportation, technology, employment supports).
- Supports greater exposure to independence-building tools like Enabling Technology and Remote Supports.

PILOT OVERVIEW: PROVIDER AND SYSTEM BENEFITS

- Provider shared savings incentives remain unchanged.
- Measure before/after gains in independence for participants.
- Stabilize Flex Model retention and encourage long-term planning.
- Evaluate impact of outcome payments on Flex Model uptake, satisfaction, retention, and long-term use.
- Assess systemwide savings and HCBS reinvestment potential from increased Flex Model utilization, including cost of overall care.
- Identify opportunities for other payment strategies that support the Pillars of Transformation and DDA's mission to promote independence, inclusion, and meaningful choice.

NEXT STEPS

- DDA will contact providers that support people who have been using the Flex Model for at least 6 months to initiate the reporting and payment process.
- People have between 9/1/2026 and 1/31/2027 to begin using the Flex Model to be eligible for an individual outcome payment as part of this pilot.
- As new people enroll, DDA will be in contact with their providers about the payment process and expectations.
- DDA continues to be available for training, technical assistance, and general questions related to the Flex Model.

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