

**MARYLAND DEPARTMENT OF HEALTH (MDH)/DEVELOPMENTAL DISABILITIES
ADMINISTRATION (DDA) RATE REVIEW ADVISORY GROUP**

Date: Thursday, March 7, 2024

Time: 12:30 PM to 1:45 PM

Location: GoToWebinar

Attendance:

Co-Chairs

1. Jennifer McIlvaine, Director of Finance, Medicaid, MDH
2. Robert White, Chief Operating Officer, DDA

Advisory Group Members

1. Donna Retzlaff, Spring Dell Center
2. Shauna Mulcahy, The Arc Frederick County (absent)
3. Gregory Miller, Penn-Mar
4. Karen Adams-Gilchrist, Providence Center
5. Laura Howell, MACS
6. Karen Lee, SEEC
7. Carol Custer, SDAN
8. Chris Parks, Somerset Community Services
9. David Ervin, Makom
10. Mat Rice, People on the Go

State Panelists

1. Marlana R. Hutchinson, Deputy Secretary
2. Elizabeth Peters, Special Assistant (excused)
3. Wesley Huntemann, Chief of Staff (excused)
4. Nicholas Gabor, Director of Finance
5. Rhonda Workman, Director of Federal Programs and Integrity
6. Leslie Thompson, Acting Director of Programs
7. Wilika Ebo, Chief of Rate Setting, Medicaid

The Hilltop Institute Panelists

1. Christin Diehl, The Hilltop Institute
2. Todd Switzer, The Hilltop Institute

3. Cynthia Woodcook, The Hilltop Institute
4. Alice Middleton, The Hilltop Institute
5. Chengli Sun, The Hilltop Institute
6. Elizabeth Blake, The Hilltop Institute
7. MaryAnn Mood, The Hilltop Institute
8. Dawn Aul, The Hilltop Institute

CBIZ Optumas Panelists

1. Steve Schramm, CBIZ Optumas
2. Caleb Lavan, CBIZ Optumas
3. Megan Frenzen, CBIZ Optumas
4. Winter Tucker, CBIZ Optumas
5. Mereya Quintana, CBIZ Optumas

Welcome and Opening Remarks

The meeting was called to order at 12:34 pm by Ms. Marlana R. Hutchinson, Deputy Secretary, DDA, MDH. She opened by reviewing the meeting agenda.

Approval of Meeting Minutes

Ms. Jennifer McIlvaine, Director of Finance, Medicaid, MDH asked if there were any corrections to the minutes distributed to members on February 29th. No changes were requested.

Motion by Ms. McIlvaine: Move to approve the meeting minutes for the January 24, 2024 RRAG meeting. Motion seconded by Ms. Laura Howell, MACS and passed.

Membership Update

Ms. Hutchinson shared that three new members have been appointed to serve on the RRAG including Mr. David Ervin from Makom, Mr. Christopher (Chris) Parks from Somerset Community Services, and Mr. Mat Rice from People on the Go. Time was given for each new member to introduce themselves.

Review of MACS Rate Setting Feedback

Mr. Robert White, Chief Operating Officer, DDA, MDH reviewed several slides from the “Maryland DDA Rate Setting Issues and Challenges” deck shared by Ms. Howell in October of 2023. The slides included rate setting objectives, federal and state requirements, rate setting methodology used for

Home and Community-Based Services (HCBS), elements of the current wage model and the process of combining them to determine a rate. Mr. White provided responses to each slide highlighting how DDA services follow a fee-for-service model that leans on guidelines from Centers for Medicare and Medicaid Services (CMS), how DDA's methodology comprehensively covers all the elements MACS previously highlighted, and how the current wage model encompasses all the cost categories outlined in the HCBS methodology. Mr. White went on to address each of MACS's concerns regarding the BLS wage for productivity, base wage trend assumptions, geographic differential methodology, and acuity.

Mr. White opened the floor for discussion and any questions from RRAG members. Mr. Chris Parks, Somerset Community Services posed several questions including clarification on how often rebasing should be performed, reasoning for not including actuary soundness in the rate process, the review process to determine high quality data submitted by providers and the process for determining if 80% of data is received from providers. Both Mr. White and Mr. Steve Schramm, CBIZ Optumas responded to Mr. Parks' questions.

Mr. Parks made a point that the quality of data will get better as time goes on. He stated that there will probably be a need for some adjustments for providers to achieve better data and easier ability to fill out the form. Mr. Schramm said that DDA has been flexible in the past and will continue to provide training opportunities and to use as much of the provider's information submitted as possible.

Ms. Donna Retzlaff, Spring Dell Center, asked how it is determined that quality data is captured in terms of the percentage of each of the service entities. Mr. Schramm clarified that that percentage would be specific to the service or rate that we're trying to set and the 80% refers to the providers of that service.

Ms. Karen Adams-Gilchrist, Providence Center asked how data submitted by providers is determined to be high quality and if there is any follow up with providers who have not submitted high quality data. Mr. Schramm responded that high quality data is data submitted that are consistent with the instructions for filling out the General Ledger. He explained that they have previously connected with specific providers when there have been concerns about the data they've submitted. Mr. Parks asked if providers have been allowed to resubmit data if errors have been identified or if their data is discarded once determined it's not high quality. Mr. Schramm shared that there have been instances where they've connected with providers and utilized information based on conversations with providers. Mr. Parks recommended that the General Ledger tool be updated as feedback is received from providers. He also recommended that DDA provide additional training as it gets closer to the September deadline, perhaps starting in June when CFOs are closing out the fiscal year.

FY 2026 Rate Priorities

Ms. Hutchinson reviewed the top rate priorities identified in the last RRAG meeting including employment support, productivity, and acuity. She highlighted that employment support will not be addressed during this rate review cycle as DDA is currently leveraging the National Expansion of Employment Opportunities Network (NEON) Grant and is waiting for outcomes and recommendations from the Employment First Workgroup to determine if there is a rate component for consideration in a future rate cycle.

Ms. Hutchinson went on to discuss the BLS wage adjustment stating that updating the wages to the 2023 BLS data will reduce the amount of trending required and may cause some BLS wages to be reduced in instances where the projections using the 2018 base resulted in higher rates than projections using the 2023 base. The 2023 BLS data is anticipated to be available in early May for this analysis and update. She highlighted that the productivity pilot for day habilitation services offers providers the opportunity to submit actual wage data. Following the receipt of data and analyses, recommendations will be made.

Ms. Hutchinson reviewed specific services and policies that currently address acuity including policies for assessing the needs of participants, providing enhanced services for participants with higher needs including overnight supports and overnight supervision as services, providing reimbursement built around dedicated support hours, and offering enhanced rates for some services.

Ms. Hutchinson reviewed responses on acuity from the FY 2026 Rate Priorities survey highlighting only five RRAG members responded to the survey with limited details. Another acuity feedback form was sent to all providers requesting more specific details on acuity in order to get clearer guidance on concerns and how to best address them. All feedback is due by March 21st.

Ms. Howell stated that some of the questions included on the acuity feedback form around data requirements may be beyond some of the RRAG members expertise. She also stated that acuity may be a good topic for subgroups of the RRAG. Mr. White responded that the state doesn't have the resources to run subgroups but that members are free to come together to discuss topics and submit any recommendations to the DDA. He highlighted that the acuity feedback is needed by the March 21st deadline to be able to address acuity during this rate cycle. Mr. Gregory Miller, Penn-Mar asked if DDA can reach out to other providers to determine if they are experiencing any issues with acuity. Mr. White stated that the acuity feedback form has been sent to all providers for their feedback. Ms. Adams-Gilchrist stated that there is no acuity adjustment for meaningful day services and that the deadline to complete the form is difficult for her organization to meet. She went on to say that she believes it is critical that we identify where we can address acuity for meaningful day. Mr. White

shared that this information was requested previously and that feedback from the meaningful day providers on acuity would be helpful to understand how acuity can be addressed in this area.

Ms. Karen Lee, SEEC stated that we need to address the base of the rates before we can address acuity. She posed the question of how much of the issue is the provider's model of service vs the actual rate. She believes that the employment rates are problematic and may take care of the acuity issue once it is addressed.

Mr. Parks asked if the acuity feedback form is open to all providers. He also stated that RRAG should continue to discuss acuity and employment services during this rate cycle even if enough information isn't received from the acuity feedback form. Mr. White confirmed the acuity feedback form was shared with all providers and clarified that we will continue to discuss acuity and employment services even if we do not have enough information to address them during this rate cycle. He went on to say that the work being done with employment services will determine if there will be any policy changes that would impact rates. Those findings will be shared with the RRAG.

Ms. Christin Diehl, The Hilltop Institute shared that DDA will evaluate a productivity adjustment during the current rate cycle. She shared the math behind a productivity factor explaining that the base wage is increased by a productivity factor that captures time that is not billable. The collection of necessary data from providers will allow for the productivity factor to be added explicitly to the rate model and increase transparency. Ms. Diehl explained DDA will confine the initial investigation of using a productivity factor to the four Day Habilitation services. (2:1, 1:1, small, and large group). To collect the necessary data, a General Ledger Supplement (GLS FY26) will be sent to all Day Habilitation providers to fill out for the period July 1, 2023, to Dec. 31, 2023. If this data collection process is successful, then the supplemental data requested for the productivity factor will be considered for permanent inclusion in the General Ledger Template.

Ms. Diehl went on to share that a draft of the GLS was sent out to Day Habilitation providers on March 5th for review and feedback is requested by March 14th. The final GLS will be released immediately thereafter and all day habilitation providers will have until May 1st to submit their data. Two training sessions on how to complete the GLS will be hosted on March 21st and April 1st and technical assistance will be available upon request. Ms. Diehl explained that complete data will be required from 80%+ of providers to ensure adequate representation of providers and regions.

Ms. Lee asked if DDA is only focusing on meaningful day services when looking at productivity. Ms. Diehl responded that the pilot is limited to the four Day Habilitation services and not inclusive of all meaningful day services.

Ms. Retzlaff asked if the GLS is mandatory. Mr. White clarified that any time a tool is put out that it is mandatory. He stated that there has to be enough data that has statistical significance to inform decisions.

Ms. Howell stated concerns about receiving data from 80% of providers. She asked if DDA has the authority to make completing the GLS mandatory for providers. Ms. Hutchinson stated that DDA is working within their authority. She stated that we cannot address the rates without the data.

Ms. Adams-Gilchrist asked what the requirement for receiving data from 80% of providers is based on. She also asked that in the event that we do not reach that benchmark, will the data that is received still be used to inform decisions for the rate cycle. Ms. Hutchinson explained that we want data that is representative of the majority of the provider base. Mr. Schramm explained the origin of the 80% baseline. He went on to explain that in the past, adjustments have been made with data received from less than that 80% benchmark and DDA received pushback from the provider community that those adjustments were not accurate.

Ms. Hutchinson shared the FY 2026 workplan for the rate cycle highlighting key points and timing to ensure the rate priority analyses can be completed.

Mr. Parks reiterated additional discussion regarding the long-term strategy for data collection would be helpful.

Open Discussion/Public Comment

No public comment submissions were received prior to the meeting. Time was provided for questions and comments from the public via the chat.

Next Steps and Adjournment

Ms. Hutchinson shared the schedule for the remaining RRAG meetings for 2024. Meeting minutes will be made available prior to the next meeting. Details were shared on how to register for upcoming RRAG meetings and where meeting materials can be found on the RRAG website.

Meeting was adjourned by Ms. Hutchinson at 1:47 PM.