

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

Date: Wednesday, May 28, 2025

Time: 12:00 PM to 2:00 PM

Location: GoToWebinar

Attendance:

Chair

1. Robert White, Chief Operating Officer, DDA

Advisory Group Members

1. Donna Retzlaff, Spring Dell Center
2. Shauna Mulcahy, The Arc Frederick County
3. Gregory Miller, Penn-Mar (absent)
4. Karen Adams-Gilchrist, Providence Center (absent)
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 (absent)

State Panelists

1. Marlana R. Hutchinson, Deputy Secretary
2. Elizabeth Peters, Special Assistant (absent)
3. Nicholas Gabor, Director of Finance (absent)
4. Rhonda Workman, Director of Federal Programs and Integrity
5. Wilika Ebo, Chief of Rate Setting, Medicaid (absent)
6. Stephanie Jones, Statewide Director of Innovations

The Hilltop Institute Panelists

1. Christin Diehl, The Hilltop Institute
2. Alice Middleton, The Hilltop Institute
3. MaryAnn Mood, The Hilltop Institute
4. Todd Switzer, The Hilltop Institute (absent)
5. Chengli Sun, 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. Breanna Colvin, CBIZ Optumas

Welcome and Opening Remarks

The meeting was called to order at 12:08 PM by Ms. Marlana R. Hutchinson, Deputy Secretary, Maryland Department of Health, Developmental Disabilities Administration (DDA). She opened by reviewing the meeting agenda.

Approval of Meeting Minutes

Mr. Robert White, Chief Operating Officer, DDA stated that due to the absence of a quorum, approval of the meeting minutes from the April 10, 2025, RRAG meeting will be deferred and addressed at the next RRAG meeting on July 10, 2025.

Employment Services - Follow Along Supports Process Improvements

Ms. Rhonda Workman, Director of Federal Programs and Integrity, DDA, discussed DDAs response to the feedback from the RRAG on Employment Services in prior meetings by implementing several process improvements. As part of those process improvements, DDA's challenge is also addressing the over-authorization of Meaningful Day Services while ensuring timely approval of Person-Centered Plans (PCP) when new services are requested. Ms. Workman outlined several process improvement strategies to address both concerns. These strategies include 1) defining an urgent plan, the appropriate process for an urgent plan, and emphasizing the importance of timely and complete plan submissions. 2) The Person-Centered Planning Manual will be updated to provide additional guidance on urgent plans. 3) Enhanced training for Coordinators of Community Services (CCS) on the appropriate use of urgent plans. 4) Additionally, the DDA Regional Office Plan Reviewers will receive training on the updated PCP checklist. 5) Ms. Workman also discussed the possibility of a Waiver Amendment related to the requirement for individuals to be engaged in competitive, integrated employment prior to authorization for those services. RRAG members were asked to provide feedback on what content should be included in these training sessions and the frequency of training to support improvements in these processes.

Ms. Karen Lee, SEEC, noted that high CCS turnover has created barriers within the process of getting PCPs approved. Ms. Lee recommended that the proposed process improvements be incorporated into mandatory training and documented in the manual. Mr. Parks suggested utilizing the onboarding process to provide training on PCPs and proposed implementing a regular recertification requirement. Ms. Lee also proposed a process improvement aimed at reducing turnaround times by approving the entire PCP for the whole year, with service funding activated as needed once

requirements are met. Mr. David Ervin, Makom, recommended updates to the LTSS system to facilitate faster processing. Additionally, Mr. Parks suggested adding guidance on urgent plans to the service authorization guidelines.

As part of the process discussion, Ms. Laura Howell questioned if the authorization process had changed and Mr. White confirmed that it had not and requested that Ms. Howell provide examples and/or contact him if the process was not being followed. There was discussion regarding a pre-authorization process or an automated process, and DDA noted potential CMS concerns about lack of oversight in an automated process that potentially bypasses DDA.

Transportation

Ms. Stephanie Jones, Statewide Director of Innovations, DDA, in response to RRAG feedback that the use of transportation services for employment services was not clear, provided an overview of stand-alone Transportation Services, including the types of scenarios in which this service may be accessed. She provided a link to the current transportation policy and a visual created by the DDA to help providers understand how to access transportation services correctly.

Employment Services - Follow-Along Supports

Ms. Rhonda Workman noted that to evaluate potential rate changes, further analysis and discussions are necessary regarding the various business models used by providers in delivering Follow-Along Support services, as well as the collection of supporting data to inform policy and subsequent rate changes.

Ms. Lee asked about using the SELN app to collect data and DDA noted that the SELN data collection solution would take several years, and so is not a solution for this rate cycle. Mr. Steve Schramm, CBIZ Optumas, stated that the feedback received during the RRAG process and the available data do not merit changes to Follow-Along Supports for the FY 2027 rate cycle. As a result, no rate adjustments will be made during the rate-setting cycle for FY 2027. Several RRAG members asked about alternative data sources, and Mr. Schramm noted that the GL template is the state's data collection strategy that providers need to complete and submit. There was discussion about the accuracy of the data and DDA's confidence in the data. Ms. Howell suggested that the data standard of 80% was higher than in other states. Mr. Schramm disagreed with the suggestion and noted that DDA would be forced to use multiple data sources in addition to the GL, as previously discussed - 990's, audited financials, etc., if 80% of providers do not submit quality GL data. Currently, only a small subset of the 80% target has submitted high-quality data. Ms. Christin Diehl, Hilltop, noted that if providers want additional data on Employment Services, there is a window of approximately three weeks to request changes as we are soliciting feedback on an updated GL Template.

Annual Model Updates

Outline of FY 2026 Rate Changes

Mr. Caleb Lavan, CBIZ Optumas, reviewed the annual updates for the FY 2026 paid rates. The FY26 paid rates are based on the FY 2026 approved budget, which includes two cost-containment measures that impact the rates. The first measure caps all Geographic Differential rates at 10% above the corresponding Rest of State rate. The second measure decreased the funding percentages for Dedicated Hours by 1%.

Geographic Differential Cap

Mr. Lavan described the starting point for the FY 2026 paid rates as the FY 2025 paid rates. Other than the cost containment measures, the FY 2026 rates are level to the FY 2025 rates. The first cost containment measure for the FY 2026 paid rates caps all Geographic Differential rates at 10% above the corresponding Rest of State rate. If the Geo Differential rate is less than 10% greater than the rest of state rates, it is unchanged. If we back out the funding percentage compared to the FY 2025 fully funded rates, the cap causes a decrease in some of the funding percentages.

Funding Percent Change for Dedicated Hours

The funding percentages for Dedicated Hours for Community Living and Supported Living services in FY 2025 were 87% and decreased by 1% for the FY 2026 paid rates. The 1% decrease is relative to the FY 2025 fully funded rates. This funding level change was applied following the 10% geographic differential cap, further adjusting the funding percentage for dedicated hours services (e.g., 81%) in this region.

FY 2026 Paid Rates w/ Cost Containment (Parts 1-4)

Mr. Lavan walked through four tables showing the FY 2026 paid rates. The layout is the same on all 4 of the tables: services in the first column and all of the services have both the rest of state and geographical differential region rates. The following 6 columns are the FY 2025 rates, starting with the fully funded rates, the funding percentage and then the paid rates. He reminded the group that the fully funded rates are the rates from the theoretical rate model (shown in tan), but the paid rates are the published rates that providers are paid. The funding percentage is the relationship between them.

The FY 2026 paid rates start with the FY 2025 paid rates and are the same unless one of the two cost containment measures applies. The first is the 10% cap on the geographical differential. There are two columns labeled Percent Increase for Geo Diff Rate over the Rest of the State. There is a column for FY 2025 and one for FY 2026. In FY 2025 you can see many of the values are over 10%, but in FY 2026 they are all 10% or less. Obviously, the impact to the paid rates is only on the Geographic differential rates.

Mr. Lavan then talked about the second cost containment measure, the reduction from 87% to 86% in the funding percentage for the dedicated hours services. The dedicated hours services are highlighted in a pink or fuchsia color. That 1% reduction is relative to the FY 2025 fully funded rates. He discussed the change in the FY 2025 and FY 2026 funding percentage columns relative to the FY 2025 fully funded rates. The geographic differential funding percentages for FY26 are also impacted by the 10% cap and are less than 86%.

He noted that the bottom line is shown in the last two columns. This shows the difference between the current rates and the draft rates for FY 2026. The current rates and the draft rates for FY 2026 are exactly the same for rest of state rates, other than the dedicated hours services. The negative percentages under the geographic differential rate represent the impact of the 10% cap.

BLS Wage Update

Mr. Lavan also shared a BLS wage update, noting that the FY 2026 fully funded rate model uses BLS wages from calendar year 2024, trended forward to calendar year 2026. Although the FY 2026 rate model has been updated, it was legislatively decided that FY 2026 paid rates will be based on the FY 2025 paid rates and adjusted based on the cost containment measures.

Ms. Howell inquired about the effective date for the FY 2026 rates. Mr. White responded that the effective date is still to be determined, as a waiver amendment would be required to implement changes related to the Geographic Differential and Dedicated Hours. Ms. Lee requested that the formulas and calculations used to determine the rates be shared with RRAG members. In response, Mr. Schramm confirmed that the formulas used in the rate calculations would be provided to RRAG members.

General Ledger Template: Updates and Next Steps

Ms. Christin Diehl, The Hilltop Institute, provided an update on the General Ledger (GL) Template data collection. The Hilltop team continues to review each submission and follow up with providers to offer feedback and request revisions as needed.

As of May 28, 2025, a total of 238 General Ledger (GL) templates have been received. Of these, 177 providers have received direct feedback, and 173 were asked to resubmit their templates. To date, 101 providers (58%) have submitted revised templates, while 72 providers have not responded to the request for edits. The Hilltop team is currently reviewing the final submissions, and all providers can expect to receive feedback in the coming weeks. A preliminary analysis of the resubmitted templates was conducted to evaluate data quality. Approximately 80% of these resubmissions contained high-quality data suitable for analysis, representing about 34% of the total FY24 submissions received to date.

Hilltop will reach out to the 60 providers that have yet to submit FY 2024 data to offer a connection to peer-to-peer technical assistance and provide additional resources, as requested, to help these

providers get their cost data submitted. We have been focusing on the goal for CY 2025 - continued targeted outreach and technical assistance for providers to improve the quality of the data and pushing towards 100% of providers submitting data for FY 2025 reporting.

Ms. Diehl provided an update on the General Ledger (GL) template for FY 2025. The revised GL template and instructions will be shared with providers for review and feedback. Training on the updated template is scheduled for late June. The submission deadline for the FY 2025 GL template is September 30, 2025.

Open Discussion/Public Comment

Time was provided for questions and comments from RRAG members and the public.

Next Steps and Adjournment

Mr. White shared the schedule for the remaining RRAG meetings for 2025. Details were shared on where meeting materials can be found on the RRAG website. Mr. White adjourned the meeting at 1:59 PM.