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

Date: Thursday, July 10, 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 (absent)
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 (absent)

State Panelists

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

The Hilltop Institute Panelists

1. Christin Diehl, The Hilltop Institute
2. Alice Middleton, The Hilltop Institute

3. Todd Switzer, The Hilltop Institute (absent)
4. Erik Wikane, The Hilltop Institute
5. Chengli Sun, The Hilltop Institute

CBIZ Optumas Panelists

1. Steve Schramm, CBIZ Optumas here
2. Caleb Lavan, CBIZ Optumas here
3. Megan Frenzen, CBIZ Optumas here
4. Winter Tucker, CBIZ Optumas (absent)
5. Breanna Colvin, CBIZ Optumas here

Welcome and Opening Remarks

The meeting was called to order at 12:08 PM by Mr. Robert White, Chief Operating Officer, Developmental Disabilities Administration (DDA). He opened by reviewing the meeting agenda.

Approval of Meeting Minutes

Mr. White, asked if there were any corrections to both the April and/or May 2025 RRAG meeting minutes distributed to members on May 22, 2025 and July 7, 2025 respectively. No changes were requested.

Motion by Mr. White: Move to approve the meeting minutes for the April 10, 2025, RRAG meeting. Motion seconded by Mr. Chris Parks, Somerset Community Services, and passed.

Motion by Mr. White: Move to approve the meeting minutes for the May 28, 2025, RRAG meeting. Motion seconded by Ms. Laura Howell, MACS, and passed.

Employment Services - Follow Along Supports

Ms. Karen Lee, SEEC, addressed the lack of response to the letter that RRAG members submitted to DDA leadership regarding some of their concerns about the rate review cycle and the decision not to make any rate adjustments for fiscal year (FY) 2027. Mr. White responded that he would address aspects of the letter during the meeting.

Mr. White reviewed the charge of the RRAG in accordance with the charter. Mr. White reaffirmed that decisions related to rates must be data-driven to validate or challenge existing assumptions and resulting rates. Mr. White confirmed that, although there will be no changes for the FY 2027 rate cycle, rates will continue to be reviewed in the future, including Follow Along Supports, to determine if adjustments are necessary. The goal is to rebase rates for FY 2028, to include Follow Along Supports, if the data supports a change.

The General Ledger (GL) Template will continue to be the primary strategy for data collection. Despite continued provider outreach, the majority of providers have not submitted high-quality usable data. There's currently no compelling data to support making a change to Follow Along Supports. Adding questions regarding Follow Along Supports to the Employment Survey in October or through another means to solicit additional data points is being explored.

Mr. White summarized the process improvement changes that will be implemented to address the concerns discussed during this RRAG cycle, focusing on issues related to the authorization of services and the timely approval of new services.

Mr. David Ervin, Makom, questioned the rationale for using June as the cutoff date for determining whether Follow Along Supports rates should be adjusted for FY 2027. Mr. Ervin inquired whether the RRAG could continue discussions and explore potential rate changes for Follow Along Supports. Mr. White explained that, as the state prepares for the FY 2027 budget cycle, the lack of quality data available does not support a rate change. Mr. White clarified that while RRAG members may continue to work and collaborate outside of formal RRAG meetings, DDA does not have the resources to provide ongoing meeting support outside of the rate review cycle.

Ms. Howell noted that providers experienced challenges in completing the GL Template and expressed that an improved tool would likely yield higher-quality data. She recommended revisiting the current requirement for DDA to receive quality data from 80% of providers before considering a rate change, citing the difficulty of achieving this requirement. Ms. Howell also provided examples of other states that have successfully used a lower percentage of provider data to inform rate adjustments.

Ms. Lee proposed that the DDA allocate a 5% increase to the Follow Along Supports' rates and allow the RRAG to continue gathering quality data to support the potential rate adjustment. She noted that, if the data ultimately does not justify the increase, the funds could be redirected elsewhere, but reserving them now would keep the option open rather than closing the discussion entirely. Mr. White emphasized the importance of obtaining enough high-quality, usable data to accurately inform any rate changes and reflect the actual cost of delivering services across the state.

Mr. Parks asked whether the decision in June not to adjust the rates for FY 2027 was due to the start of the DDA budget cycle. Mr. White explained that the decision was made because there was insufficient data to inform any decisions or changes to the rate model. Mr. Parks then asked if the timeframe of the cycle should be adjusted, questioning whether the current rate review cycle is appropriately aligned with the budget cycle. He also raised the concern of having an alternative plan if 80% of the required data cannot be obtained. Mr. White responded that DDA would review the cycle's timeframe to determine if adjustments are necessary.

Bureau of Labor Statistics (BLS) Calculations and Calculation of Fiscal Year 2026 Paid Rates

Mr. Caleb Lavan, CBIZ Optumas, reviewed the FY 2026 paid and fully funded rates. The fully funded rate models for FY 2025 and FY 2026 use the same estimates for key components, including employee-related expenses, program supports, facilities and transportation, and general administration. For FY 2026, the BLS wage component was updated. Mr. Lavan explained that the change in funding percentages varies between services. Generally, but not universally, the funding percentages increased in the geographical differential and decreased in the rest of the state.

Mr. Lavan discussed the development of the FY 2026 paid rates and the two cost containment measures, which included a reduction in funding for Dedicated Hours and a 10% cap on the geographic differential. These will be implemented after the waiver approval, which is anticipated in October 2025. Mr. Lavan emphasized that the FY 2026 paid rates shown are draft rates and are subject to adjustment by DDA and input from the Program Sustainability Workgroup.

General Ledger Template Updates

Ms. Christin Diehl, The Hilltop Institute, provided an update on the General Ledger (GL) Template data collection. As of July 8, 2025, of the 243 GL Template submissions, 235 providers have received direct feedback and were requested to resubmit templates, 143 providers have resubmitted templates (61%), and 92 providers did not respond to the request for template edits. The resubmitted templates (143/293) represent 49% of those required to be submitted for FY 2024. The Optumas team will continue to analyze the resubmitted templates to assess data quality. Hilltop has met directly with over 75 providers and will continue to be available for scheduling to provide targeted technical assistance. Peer-to-peer assistance remains available.

Ms. Diehl highlighted updates to the new GL Template based on provider feedback. The draft template was shared with the provider community in early June 2025 to review and provide feedback. An automated tool for future data collection is being developed to provide additional guardrails for data input, aligning with guidance and ensuring greater consistency. Further information will be shared, and providers will be asked to participate in a pilot group to test the new automated tool and provide feedback and recommendations.

Ms. Howell noted that the current timeframe for completing the GL Template is challenging for providers. Ms. Diehl explained that the schedule aligns with budget cycles, ensuring sufficient time for data collection, analysis, and preparation for the next rate cycle. She added that by January 2026, the goal is to use the analyzed FY 2024 limited dataset, FY 2025 data, and supplemental datasets to inform discussions on priorities for the upcoming cycle.

All updated and finalized GL Template documents will be available on the DDA RRAG Website. The FY 2025 templates will be due September 30, 2025. All submissions must be made through Qualtrics.

Open Discussion/Public Comment

Time was provided for questions and comments from RRAG members and the public. Ms. Howell asked how the August 2025 RRAG meeting could be used effectively to prepare for the next cycle. Mr. White invited RRAG members to share suggestions for how the time should be allocated during the August 2025 RRAG meeting. Ms. Lee recommended using the meeting to plan for the upcoming year, including determining priorities, outlining processes, and setting expectations for what should be accomplished at each meeting. Mr. White agreed and suggested developing milestone dates for the next cycle and beginning discussions on future priorities.

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 1:44 PM.