

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

DATE: Thursday, July 20, 2023

TIME: 12:30 PM to 2:30 PM

LOCATION: GoToWebinar

This meeting was held through GoToWebinar only.

Registration for the Rate Review Advisory Group Meeting on Thursday, July 20 2023 12:30PM EST was available at: [Maryland Department of Health DDA Rate Review Advisory Group](https://constantcontact.com) (constantcontact.com)

After registering, participants received a confirmation email containing information about joining the webinar.

MEETING AGENDA FOR July 20, 2023

1. **Welcome and Opening Remarks** - *Bernard Simons, Deputy Secretary, DDA, MDH, and Laura Herrera Scott, Secretary, MDH*
2. **Approval of Meeting Minutes** - *Jennifer McIlvaine, Director of Finance, Medicaid, MDH*
3. **Rate-Related Policy Updates** - *DDA, MDH*
4. **Status of June Action Items** - *Robert White, Operations Director, DDA, MDH*
5. **General Ledger Data Collection Process Update** - *The Hilltop Institute at UMBC*
6. **FY25 Data Collection Tool** - *CBIZ Optumas*
7. **Open Discussion** - *Robert White, Operations Director, DDA, MDH*
8. **Next Steps and Adjournment** - *Robert White, Operations Director, DDA, MDH*

Co-Chairs

1. Jennifer McIlvaine, Director of Finance, Medicaid, MDH
2. Robert White, Operations Director, DDA

Advisory Group Members Present

1. Donna Retzlaff, Spring Dell Center
2. Shauna Mulcahy, The Arc Frederick County (Invited)
3. Scott Hollingsworth, Appalachian Crossroads
4. Gregory Miller, Penn-Mar
5. Karen Adams-Gilchrist, Providence Center
6. Laura Howell, MACS
 - i. Sharon Lewis, MACS (Invited)
 - ii. Maria Dominiak, MACS
7. Christian Parks, Somerset Community Services
8. Karen Lee, SEEC/EAG
9. Carol Custer, SDAN
10. Mat Rice, People on the Go (Invited)

State Panelists

1. Laura Herrera Scott, Secretary, MDH
2. Bernard Simons, Deputy Secretary
3. Workman, Director of Federal Programs and Integrity (Invited)
4. Nicholas Burton, Director of Programs
5. Wesley Huntemman, Chief of Staff
6. Elizabeth Peters, Deputy Director of Administrative Services

The Hilltop Institute in attendance

1. Christin Diehl, The Hilltop Institute
2. Todd Switzer, The Hilltop Institute (Invited)
3. Cynthia Woodcock, The Hilltop Institute
4. Alice Middleton, The Hilltop Institute

CBIZ Optumas Panelists in attendance

1. Steve Schramm, CBIZ Optumas
2. Caleb Lavan, CBIZ Optumas
3. Megan Frenzen, CBIZ Optumas (Invited)
4. Kris Welch, CBIZ Optumas
5. Winter Tucker, CBIZ Optumas
6. Lesley Le, CBIZ Optumas

MDH/DDA RATE REVIEW ADVISORY GROUP MINUTES

Thursday, July 20 2023
12:30 pm to 2:30 pm

Welcome and Introductions

Dr. Yemonja Smalls, Director of Professional Staff Development, Developmental Disabilities Administration, MDH, gave an opening greeting, reviewed the logistics of using the webinar feature panel, and indicated that the meeting was being recorded and that the recording would be available on YouTube.com and the DDA website. Dr. Smalls then introduced Mr. Bernard Simons, Deputy Secretary, DDA, MDH, to call the meeting to order and deliver opening remarks. Mr. Simons called the meeting to order at 12:30 p.m. and thanked the members of the RRAG team for volunteering.

Mr. Simons introduced Dr. Laura Herrera Scott, Secretary, MDH, to make a few opening remarks and observations. Dr. Herrera Scott welcomed everyone, thanked the team's ongoing commitment, and clarified the discussion regarding CPI versus COLA. Dr. Herrera Scott emphasized that the Optumas team would elaborate further in the presentation on CDS. Mr. Simons reviewed the agenda and introduced Ms. Jennifer McIlvaine, Director of Finance, Medicaid, MDH, to approve the meeting minutes for June.

Approval of Meeting Minutes

Ms. McIlvaine stated that the previous meeting was distributed on June 18th. Ms. Laura Howell, MACS, had requested the following changes be made to the last RRAG meeting minutes, listed below:

- From the May RRAG meeting minutes, Ms. Howell requested that on page 5, there be further clarification that CPI and COLA would not be both applied in her recommendations.
- From the June RRAG meeting minutes, Ms. Howell requested, on page 8, clarification as to the intent behind a comment regarding the application of Meaningful Day services or if the estimation process applies to all services.
- From the June RRAG meeting minutes, Ms. Howell requested on page 9 that the final comments be edited for presentation and clarification.

Ms. McIlvaine then called for all to approve the meeting minutes for June, to which Ms. Howell seconded the motion. Mr. Christian Parks, Somerset Community Services, had also requested that the documentation be distributed before the following RRAG meeting. Ms. McIlvaine turned the panel to Mr. Robert White, Operations Director, DDA, to discuss rate-related policy updates.

Rate-Related Policy Updates

Mr. White thanked Ms. McIlvaine and reviewed the rate-related policy updates:

- The BLS wages will be updated for all the Meaningful Day services. The exception to this is for where there are decreases, in which case no changes will be made to the BLS wage.
- Services that will be receiving the 2021 BLS update are:
 - CDS
 - Day Habilitation
 - Employment
- A slide reflecting this update will be presented during the August RRAG meeting.
- Applying the 2021 BLS update to Meaningful Day was a policy decision to address concerns related to the adequacy of the Meaningful Day rates.
- A formal policy to address the BLS updates and COLAs moving forward will be developed during the off-cycle.
 - Feedback can be given using the same process currently used for all DDA policies.

Ms. Karen Lee, SEEC/EAG, had asked when the DDA anticipated applying the updates and if the FY25 budget would impact it. Mr. White answered that the rates will go live for FY25. Mr. Scott Hollingsworth, Appalachian Crossroads, asked regarding the attachments sent out, one of the columns for “Follow Along” and “Large Group,” if an updated BLS wage had been used. Mr. White answered yes to Mr. Hollingsworth’s question and said the team had decided not to decrease the intake rate. After answering all questions, Mr. White transitioned into reviewing the status of the May action items.

Status of May Action Items

Mr. White presented the list of the topics and status updates from the June meeting:

- Day Providers data submission rate,
 - The team is still working on pulling the information and will share this information at the August meeting.
- BLS/Provider documentation on trend calculations (CPI and COLA applications),
 - The file was sent out with the July meeting materials and is available on the RRAG webpage, linked in the handout.
- GL Template Training and Technical Assistance sessions communication,
 - The documents and resources have been distributed and are available on the RRAG webpage, linked in the handout.
- Optumas will present updates to the FY25 DCT analysis during the presentation.

Mr. White then introduced Ms. Christin Diehl, The Hilltop Institute, to discuss the General Ledger data collection process.

General Ledger Data Collection Process Update

Ms. Diehl greeted the panel and gave an update on the General Ledger Data Collection process. Below are the highlights:

- The development has transitioned into the implementation and data collection phase.
- Hilltop encourages the provider community to review the tool and be prepared to submit data for FY24.
- Submissions of the GL template are required.
- GL Templates containing FY24 cost data will be due in September 2024, additional information will be shared with the providers in the future.
- All GL documents are posted to the DDA website, which includes:
 - Instructions document,
 - GL template data collection sheet,
 - Example GL template data collection tool,
 - FAQ,
 - Recorded training sessions.
- Technical assistance will continue to be available to all providers upon request.
 - Providers are encouraged to contact the Hilltop email address with questions and request 1:1 assistance.

After reviewing the updates, Ms. Diehl turned over the panel to Mr. Steve Schramm, CBIZ Optumas, and the Optumas team to review the FY25 Data Collection Tool.

FY25 Data Collection Tool

Mr. Schramm addressed two issues upfront:

1. He addressed the error related to Program Support, and mentioned that the error has been corrected and will be reflected on slide 18;
2. He also addressed the confusion related to the June meeting related to the treatment and source of wages, and how the wages are trended forward.

Mr. Schramm introduced the Rate Priorities and Focus Areas table for the FY25 rates. Mr. Schramm reminded the team of the areas that Optumas was looking to address this cycle. Mr. Schramm outlined that for this discussion, the team will be talking through the areas in gray today based on what we were able to collect from the FY25 DCT. The topics that were reviewed are outlined below:

- Facility
- Program Support
- Distribution of transportation cots
- Non-billable time adjustment
- Structure change (group sizes)
- Base wage
- Training
- Service Adjustment (Closures)

Mr. Schramm then listed an overview of the topics covered. these topics are listed below:

- Review data request for Facility and Program Support.
- Facility costs.
 - Review cost categories.

- o Share initial data.
- o Discuss results.
- Program Support costs.
 - o Review cost categories.
 - o Share initial data.
 - o Discuss results.

Mr. Schramm noted that at the current time, the Optumas team does not have the provider participation data, and the recommendations for facility and program support are subject to change if the number or size of providers that participated in the DCT impacts the credibility of the data.

Next, Mr. Schramm presented Tab 1. Program Supports & Facility, and Tab 2. MACs Prop DCT. The two tabs were for providers to fill out regarding the Facility and Program Support components based on feedback from RRAG members. One was labeled Tab 1. Program Supports and Facility. The second, labeled Tab 4. Mr. Schramm noted that MACs Prop DCT, which was provided by MACS had additional detail that proved quite helpful for Facility and Program Support.

Mr. Schramm provided a summary of the cost categories tab and explained that the tab is being defined in the GL process. Mr. Schramm then presented the results from what was collected in the FY25 DCT for the facility. Mr. Schramm introduced the team to the information being shared. Listed below are the key features of the Facility Cost Assumption, Comparison of Tab 1 and 4 Results graph:

- On the horizontal axis, the providers were arrayed in alphabetical order.
- There are 2 data points for each provider grouped together
 - o The blue bar represents the calculated component for tab 1's data
 - o The orange bar represents the calculated component for tab 2.
 - o Some providers only have the blue or orange data point, due to not filling out one tab or the other.
- On the vertical axis, is the calculated facility costs relative to the DSP wage, consistent with the current rate methodology.
 - o The bright lines across show the current assumption in the rate model for Facility costs as a benchmark of where anticipated facility costs will fall.
- Tab 4 Facility data was used to calculate a Facility Ratio of approximately 28.5% shown in a later graph.

Mr. Schramm presented the FY25 DCT: Facility Results table, and below are listed the key points from the discussion:

- The first column has the current facility assumption for the FY24 rates.
 - o The current facility assumption is approximately 21% and 23%
 - o The results from the team's analyses, presented in Tab 4 data (orange results from the prior graph) were approximately 28.5%.
- The data reflects a higher Facility cost component than what is currently built into the rate model.
 - o Optumas is recommending an increase to the facility component to be more in line with the most recent data.

Ms. Maria Dominiak, MACs, asked regarding the criteria for outliers if the team had removed the zeros from their calculations. Mr. Schramm had confirmed that this was the case. Ms. Dominiak asked a second question to clarify if the team used the total DSP wages as the denominator for calculating the percentages or if the team used billable wages. Mr. Schramm confirmed that the team had been using all wages. Ms. Dominiak had agreed that they had been seeing more consistency with the facility costs being higher but that the MACs team had been seeing a higher percentage, which Ms. Dominiak's final question was if the team's calculation of the mean or is it a weighted average. The team replied that since they don't have underlying information yet on provider size or participation, they cannot weigh it now.

Mr. Parks asked if there is value in looking at the received data under the MACS tab, if there is value in trying to incorporate the DCT moving forward, and if the team would receive different data or data or format that would be more usable.

Mr. Schramm commented that the team did recognize the value of additional detail, and if it was deemed helpful by the providers to have both tabs available, that is something the team would support going forward.

Mr. Schramm cautioned that there is still some inconsistency between tab one and tap four for some providers. And as part of the learning process, the team must be cognizant of this. Mr. Schramm noted that the data collection tool is seen as a tool to be used annually and is separate from the general ledger (GL) template. Mr. Parks agreed and wanted to make note that the GL template should be viewed as a living document, and the team must be conscious about the documentation being modified if need be. Mr. Schramm was in agreement.

The panel transitioned to answering questions. Highlights from the discussion are listed as follows:

- Ms. Dominiak stated that the Optumas Tab had defined only the non-DSP individuals who provide program support. In contrast, in Tab 4, MACS had asked the providers to do their best to try to allocate how much time a DSP might spend on program support, and that was separate from the non-DSP costs associated with program support. Ms. Dominiak asked if it would be added to the tab for calculation.
 - Mr. Schramm responded that it would be most productive if MACs could provide their calculations, and the team could collaboratively look at how the MACS data had been adjusted. Mr. Schramm stated that the team can aggregate and share their calculation information with MACS. Mr. Schramm believed it would be helpful if the team could compare the two methodologies and resolve any differences.
- Mr. Hollingsworth observed an issue regarding wages and vacation that the wages will still be in use.
 - Mr. Schramm answered that the BRICK methodology works using a direct care wage model because it is structured to focus on billable time. The other non-billable components are intended to be captured by the different categories like ERE and admin.

- Mr. Schramm explained that the team's goal is to be consistent and ensure that if the team uses billable hours as the metric for how providers get reimbursed, the team will capture all the total dollars up in the numerator. When divided by the billable time, the math works out to capture the total expenses for providers.
- Mr. Parks asked if the team had verbiage that the billable versus non-billable is implicit in the rates.
 - Mr. Schramm stated that the direct wage model has several associated components, but currently, the team is focusing on facility and program support.
 - Mr. Schramm explained that a Direct Care Wage model starts with a wage base, and then all other expenses incurred by a provider would be accounted for in the different categories.
- Mr. Parks explained a situation from last year where the team collected the transportation data with a fixed and a variable component. The fixed-rate component would go into several different calculations within each component, and Mr. Parks expressed concern as to whether the application of this data would be included in the BRICK.
 - Mr. Schramm had replied: "Each one of the components is intended to be as close to a data driven component as possible. However, we know there are going to be variations and disconnects. We use these categories to add additional dollars into. So, then, at the end, we end up with an aggregate dollar amount that is intended to match your total expenses and we've instructed providers to include 100% of allowable costs per CMS guidelines. The largest implicit adjuster that we use is using the BLS wage, which is significantly higher than what you all are showing as your average wages that you're paying. So, while not perfect, we are trying to adjust for each of these as a proxy."

Mr. Schramm presented a screenshot of the Program Support Cost Categories. Mr. Schramm commented that of the Program Support cost categories provided in the DCT, it was again consistent with the other GL data collection efforts. Due to variations observed in the Program Support data, the Optumas team spoke with a couple of providers to understand the data and the source of some of the observed variations.

A graph of the Program Support Results was presented next, to which Mr. Schramm explained the details of their results. Listed below are some highlights:

- The graph is set up the same as the facility data with the horizontal axis showing providers in alphabetical order and the vertical axis plotting the 2 Program Support values providers submitted from Tab 1 and Tab 4 measuring the program support percentage.
 - There are some providers that only have the blue or orange data point due to not filling out one tab or the other.
 - The bright green line across shows the current Program Support assumption in the rate model as a benchmark of roughly where the Optumas team anticipated the

Program Support costs to fall.

- Providers shared that they may have included costs in the program support that would better be categorized elsewhere such as administrative costs, resulting in greater variation in the Tab 1 data.
- Due to concerns on the integrity of the Tab 1 Program Support data, the large variability in the Tab 1 data, and its inconsistency with the Tab 4 data, combined the additional conversations with providers, the Optumas team chose to utilize the data from Tab 4

Mr. Schramm shared the average the Optumas team had calculated for Program Support from the data. The data reflects a lower Program Support cost component than currently built into the rate model. Given that the Program Support cost data has increased variation and the data supports a lower component percentile, the Optumas team is not recommending a decrease to the Program Support component now.

Mr. White explained the team's next steps are to have an internal discussion based on the recommendations of Optumas and will update the provider community in the August RRAG meeting.

Mr. Schramm discussed an overview of the training results next, below are key points:

- The Optumas team has made a preliminary recommendation to DDA regarding the findings for the rate methodology contingent on the provider participation information.
 - However, the Optumas team has not yet made a recommendation to DDA regarding the Training data.
- The Optumas team views the training differently than the Facility and Program Support components, due to more assumptions and policy decisions involved.

For the training data, the Optumas team presented a list of key details and goals moving forward, below is a list of points made during this discussion:

- Optumas team requested a count of FT and PT employees that required the initial training in FY22.
 - Includes employees brought on as a result of turnover.
- Optumas team requested for the count of FT and PT employees requiring ongoing training and the total hours worked by all DSPs in FY22.

Mr. Schramm then opened the floor to any questions that the provider community may have.

After questions were discussed, Mr. Schramm reviewed the submissions that had been received.

Below are key points:

- 50 providers populated the training tab.
- The Optumas team excluded any providers that filled in 0 employees requiring training, or 0 total hours worked which leaves 36 data points.
- There were 6 providers that populated the total hours worked with what seemed reasonably like a weekly total hours - less than 50 hours.
- The Optumas team checked for total annual hours per employee. This resulted in 1 response

- being excluded for hours being too high and 9 responses being excluded for hours being too low.
- After adjustments, the final trimmed data set contains 26 responses,
 - 1684 employees.
 - 1117 needing ongoing and 567 needing initial training in FY22.
 - 2.3 million total hours worked. This information implies that approximately 36.5 hours/week per FT employee and 15.8 hours/week per PT employee.
 - Based on previous experience and reasonable checks, the Optumas team feels that this is a reasonable data set to start their analysis with.
 - Comparing the data received to the current assumptions in the model, disparities with the current assumptions arise.
 - More required hours based on policy updates are needed.
 - A higher share of FT vs. PT staff in the data than originally assumed (82% in the more recent data vs. the assumed 67% in the rate model).
 - Of the submissions received, 50 providers populated the training tab.
 - Excluded providers filled in 0 employees requiring training, or 0 total hours worked, which leaves us with 36 data points.
 - 6 providers populated the total hours worked with what seemed reasonably like a weekly total hour - less than 50 hours.
 - The Optumas team checked for total annual hours per employee, which resulted in 1 response being excluded for hours being too high and 9 responses being excluded for hours being too low.
 - The number of employees that need ongoing training, will also need additional training time for the difference in new training hours.

The Optumas team plans on taking feedback into consideration, finishing their analysis once the policy decisions have been finalized, and will share the results and recommendations in the August meeting. Mr. Schramm opened the floor to further questions before continuing with the presentation to discuss the qualitative data Optumas requested in the DCT.

Mr. Schramm and the Optumas team asked providers to share comments in two areas:

- 1) Their thoughts on the data collection process and specific data components tabs they populated data on.
- 2) To comment on the group size/structure of Day Habilitation.
 - a. Optumas team will be sharing the themes and comments to help improve the process and look for priorities for the next rate setting cycle.

Below are the overall comments that the Optumas team found regarding the data collection for FY22:

- Providers asked us to note the potential operational impacts of COVID.
- Facility Costs and Services - Anticipated increased costs to facilities moving forward.
- LTSS Transition/Billing - Transition will take time and emerging data will take time.

Mr. Schramm moved onto the feedback received from providers regarding their thoughts on the current group size/rate structure for day habilitation. For the first question, 19 providers responded. Responses are grouped into 4 themes listed below:

- Group Sizes and Ratios - Several providers submitted comments to align Day/CDS sizes and rates.
- Operational challenges - tracking data for the group sizes
- Financial Considerations - assess the financial impact of group sizes on revenues and adequacy of rates for appropriate staffing.
- Other Data Points - Transportation is still an area needing clarification.

The second question regarding what the team could utilize data to reconsider in the rates, 11 providers responded. Responses are grouped into 3 themes:

- Rate Assumptions - Request additional variation in cost components.
- Structure and Rates - No consensus around group size.
- Group Ratios - Adjust criteria for the ratios and supports provided.

Mr. Schramm thanked the panel for sharing their thoughts, and gave his final comments, saying that while there were a lot of thoughtful comments to consider from providers, there was no overwhelming consensus on how best to address concerns around the group sizes. Below Mr. Schramm is quoted:

The Optumas team summarized the comments from providers and will be sharing with DDA for consideration in any adjustments in the policy in future cycles as the team gains emerging data from providers that have moved into LTSS. As these services are being billed, we will better be able to distinguish group sizes and evaluate the costs associated at the various levels and thus, re-evaluate the effectiveness of the current rate structure.

Mr. Schramm opened the floor for final questions and discussion.

Open Discussion

Mr. White Thanked the team for their comments and then transitioned the meeting to open discussion. Mr. Gregory Miller, Penn-Miller, explained he would avoid using "consider" as it would not necessarily be actionable. Mr. Miller then asked about the non-billable time and how feasible it would be to accomplish all eight topics for review in the FY25 section. Dr. Herrera Scott explained that she believes the team is making the best decisions possible with the data available. Mr. Miller asked if the team has done all it can to move forward in the decision-making process and if the provider community could do anything to help expedite the process for the FY25 actionable items.

Mr. Simons responded that the team would have to think differently about the data that the team would have to deal with collectively. Mr. Simons asked as DDA would ask to help develop some of the data points that would be informative.

Ms. Howell asked if there would be an ability to have something on the list for the next rate cycle and what the process would be to set priorities for the next rate cycle. Mr. White responded that the next cycle would be a similar process as to what the team had done at the beginning of this process, where

the team collaborated to develop the priority list and then distilled it down to 2 or 3 things that would be feasible, depending upon the feasibility of the items involved. And that the team would not lock into the topics listed on the DDA Decision Summary slide.

Mr. Hollingsworth made a final comment regarding priorities for the next cycle that if the providers could figure out how to track downtime, it would be helpful as a priority.

Mr. White thanked Mr. Hollingsworth and said he would note Mr. Hollingsworth's suggestion and moved on to closing out the discussion for the RRAG presentation.

Next Steps and Adjournment

Mr. White closed the meeting and noted the following next steps:

- Reminder of the final meeting date for this rate review cycle.
 - Thursday, August 10, 2023 from 12:30 to 2:30 PM
- The August meeting will give updates on the recommendations related to program support facilities and the training components of the break and share an updated slide showing the impact of the updating of the 2018 BLS to 2021 for those meeting for day services.
- The team will coordinate a meeting with the Optimus team and MACS to discuss the difference in methodologies used in the data analysis.
- Members of the public who would like to observe the meetings can register through the DDA Training Calendar at [Constant Contact Events](#).
- Meeting connection links will be sent one day and one hour prior to the meeting. Meeting minutes will be made available following the meeting.
- If there are questions regarding registration or an accommodation needs to be requested, please contact Dr. Smalls at yemonja.smalls@maryland.gov

Mr. White then turned it over to Mr. Simons and Dr. Herrera Scott for closing remarks. Dr. Herrera Scott thanked the team and that she had taken notes on the feedback given during the discussion. Dr. Herrera Scott reiterated that the team is doing the best they can with the data available to meet the provider's needs.

Mr. Simons commented on the progress the team has made since the first meeting, and that the process has been a new experience and is interactive. Mr. Simons was enthusiastic about the discussions moving forward.

Mr. White thanked members for their attendance, and reminded the provider community to send their feedback to the RRAG email address prior to the next meeting.

The meeting was adjourned at 2:22PM.