

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

**Date:** Thursday, August 28, 2025

**Time:** 1:00 PM to 3:00 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
4. Karen Adams-Gilchrist, Providence Center
5. Laura Howell, MACS (absent)
6. Karen Lee, SEEC
7. Carol Custer, SDAN
8. Chris Parks, Somerset Community Services
9. David Ervin, Makom (absent)
10. Mat Rice, People on the Go (absent)

**State Panelists**

1. Marlana R. Hutchinson, Deputy Secretary
2. Nicholas Gabor, Director of Finance
3. Rhonda Workman, Director of Federal Programs and Integrity
4. Stephanie Jones, Statewide Director of Innovations
5. Nova Evans, Director of Programs

**The Hilltop Institute Panelists**

1. Christin Diehl, The Hilltop Institute
2. Alice Middleton, The Hilltop Institute
3. Erik Wikane, The Hilltop Institute

**CBIZ Optumas Panelists**

1. Steve Schramm, CBIZ Optumas
2. Megan Frenzen, CBIZ Optumas
3. Breanna Colvin, CBIZ Optumas

## **Welcome and Opening Remarks**

The meeting was called to order at 1:05 p.m. by Ms. Marlana R. Hutchinson, Deputy Secretary of the 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 of DDA, inquired whether there were any corrections to the minutes distributed to members on August 21, 2025. No changes were requested.

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

## **Fiscal Year 2028 RRAG Rate Setting Priorities**

Mr. Steve Schramm, CBIZ Optumas, facilitated a discussion with RRAG members regarding potential rate priorities for fiscal year (FY) 2028. He noted that DDA is committed to conducting a rate rebase for the calendar year (CY) 2026 rate cycle. Mr. Schramm also reviewed the potential data sources that will inform the rebase, including 990s, audited financial statements, and FY 2024 and 2025 General Ledger (GL) data. The group raised questions about the cadence and content of the proposed rate-setting cycle for the upcoming year, and Mr. Schramm provided additional details on the expected timing of the data from Hilltop and the resulting RRAG meeting content for next year's meetings.

Mr. Parks recommended updating the rate review cycle timeline to allow additional time for RRAG input and advocated for additional meetings. DDA will assess the current rate cycle timeline and evaluate how it aligns with the State budget cycle. Ms. Karen Lee asked if the future rate-setting discussions would be coordinated with other DDA bodies, such as the Waiver Advisory Committee or MIDSEC. DDA responded that it would consider that suggestion.

Ms. Karen Lee, SEEC, requested that a breakdown of the Bureau of Labor Statistics (BLS) categories be provided to RRAG members in advance of the next rate-setting cycle to support review and feedback. In response, Mr. White confirmed that the BLS wage occupation codes used in the FY 2026 service rate models will be shared with RRAG members for their review and recommendations. (Information was shared directly with RRAG members via email on September 10, 2025.)

Members engaged in a broader discussion on aligning rate priorities with DDA's overall vision for service delivery. Mr. Schramm talked about including in that broader discussion the impact of unintended incentives on expenditure trends. Gregory Miller, Penn-Mar, requested that DDA provide data, if available, on expenditure trends to inform the broader discussion as well as the consideration

of unintended incentives. Suggested priorities for the upcoming cycle included Employment Services, Day Services, Acuity, and the Coordinator of Community Services (CCS) Rates. Mr. Schramm cautioned that, as a rate rebase year, the next rate-setting cycle will be very complex and involved. The Deputy Secretary emphasized the importance of prioritizing rates to foster an ecosystem that promotes equity.

### **General Ledger Template Updates**

Ms. Christin Diehl, The Hilltop Institute, provided a summary of preliminary analyses of the 176 resubmitted FY 2024 GL templates. These templates represent 59% (176/298) of the providers who were required to submit a template for FY 2024. These templates represent 69% of participants served and 58% of the revenue paid in FY 2024 (for the DDA waiver services captured in the GL template). The participants represented and the percentage of revenue varied by service and geographic region. Support services were the most representative, with 72% of participants in the geographic differential and 75% of participants in the rest of the state captured through resubmissions. Additionally, the resubmitted templates captured 63% of expenditures paid in the geographic differential and 62% of expenditures in the rest of the state for support services. The percentages for both participants served and expenditures covered were lower for both residential and meaningful day services.

A preliminary analysis of resubmitted GL templates indicates that 171 of the 176 resubmissions include usable data. The 171 providers reported 784 services. The breakdown by service category included: residential – 225 (29%), meaningful day – 325 (41%), and support services – 234 (30%). The average number of services reported by the provider was 4.58, and a review of hours and expenditures supports that 74% of resubmissions included reasonable wage data. The Hilltop and Optumas team will continue to review and analyze the data submitted for FY24.

Mr. White explained that while sufficient quality data was not available to support a rate change for the FY27 cycle, several operational, policy, and educational initiatives will be implemented. These changes are designed to enhance system efficiencies and reduce provider administrative burdens. The initiatives are based on discussions and feedback received from RRAG members throughout this cycle. Mr. Parks asked if the current level of data submissions would become the new standard for DDA rate setting. Mr. Schramm responded that there is no intention for DDA to lower its standard for data submissions and will continue to strive for 80% submission of robust, usable data, while using multiple data sources to supplement the GL templates (e.g., FY24 and FY25 templates, 990s, and audited financials).

The FY 25 GL Template reflects the information gained from provider feedback during targeted technical assistance, submission of written feedback, and information shared by provider organizations. The final version of the template maintains the original content and data from the draft version shared in June, with clarifying updates. Ms. Diehl highlighted the key updates made to the GL Template based on provider feedback, including clarifying language on the provider tab regarding DSP wages and staffing patterns, additional drop-down menu options within each of the cost categories, and addressing security and integrity concerns.

All updated and finalized GL Template documents are available on the DDA RRAG website. Peer-to-peer assistance remains available for providers. The deadline for FY 2025 GL Template submissions has been extended to October 31, 2025. Providers are encouraged to submit their templates as early as possible.

### **Looking Forward**

Mr. White noted that DDA will evaluate how the RRAG cycle aligns with key budget processes.

### **Open Discussion/Public Comment**

Time was provided for questions and comments from RRAG members and the public. Ms. Hutchinson will issue a formal written response to the letter submitted by RRAG members outlining concerns regarding the rate review process. These concerns were previously discussed during the last RRAG meeting. A question was submitted asking if DDA could implement a form of uncompensated care for individuals awaiting eligibility or those who have lost eligibility. DDA noted that it would not be possible without using 100% State General Funds, as Federal matches would not be available for those who are not eligible.

### **Next Steps and Adjournment**

Details were shared on where meeting materials can be found on the RRAG website. Ms. Hutchinson adjourned the meeting at 3:00 PM.