



Developmental Disabilities Administration (DDA) Rate Review Advisory Group

March 7, 2024



Welcome and Opening Remarks

Agenda

1. Welcome and Opening Remarks
2. Approval of Meeting Minutes
3. Membership Update
4. Review of MACS Rate Setting Feedback
5. FY 2026 Rate Review Priorities
6. Open Discussion
7. Next Steps and Adjournment

Approval of Meeting Minutes

Membership Update

New RRAG Members (2-year Term)

Seat	Open or Reserved	Position	Incumbent
5.	Open	Industry Representative	David Ervin, <i>Makom</i>
8.	Open	Industry Representatives	Chris Parks, <i>Somerset Community Services</i>
10.	Open	Self-Advocate, Current or Past User of Services	Mat Rice, <i>People on the Go</i>

Review of MACS Rate Setting Feedback

MACS Slide #1

Rate Setting Objectives



- ▶ Rate setting is critical to ensuring accurate and adequate reimbursement to providers and supporting access to home and community-based services for individuals in the waiver.
 - Actuarial soundness requires rates to be ***reasonable, appropriate, and attainable*** for the covered population and services.

Federal Requirements	Maryland Requirements
<p><i>“Payments are consistent with efficiency, economy, and quality of care” (§1902(a)(30)(A) of the Social Security Act)</i></p> <p>States must review waiver service payment methodologies and rates, at minimum, every five years to ensure that rates are sufficient to maintain an adequate provider base qualified to deliver services.</p>	<p>Legislation passed in 2014 directed DDA to conduct an independent, cost driven rate setting study. The objectives included a rate analysis and an impact study that considered the actual cost of providing community-based services. In addition, the study was required to include (a) the cost of transportation across all service types; (b) appropriate wage and benefit levels for direct support and supervisory staff; and (c) rates that incorporate the fiscal impact of absence days.</p>

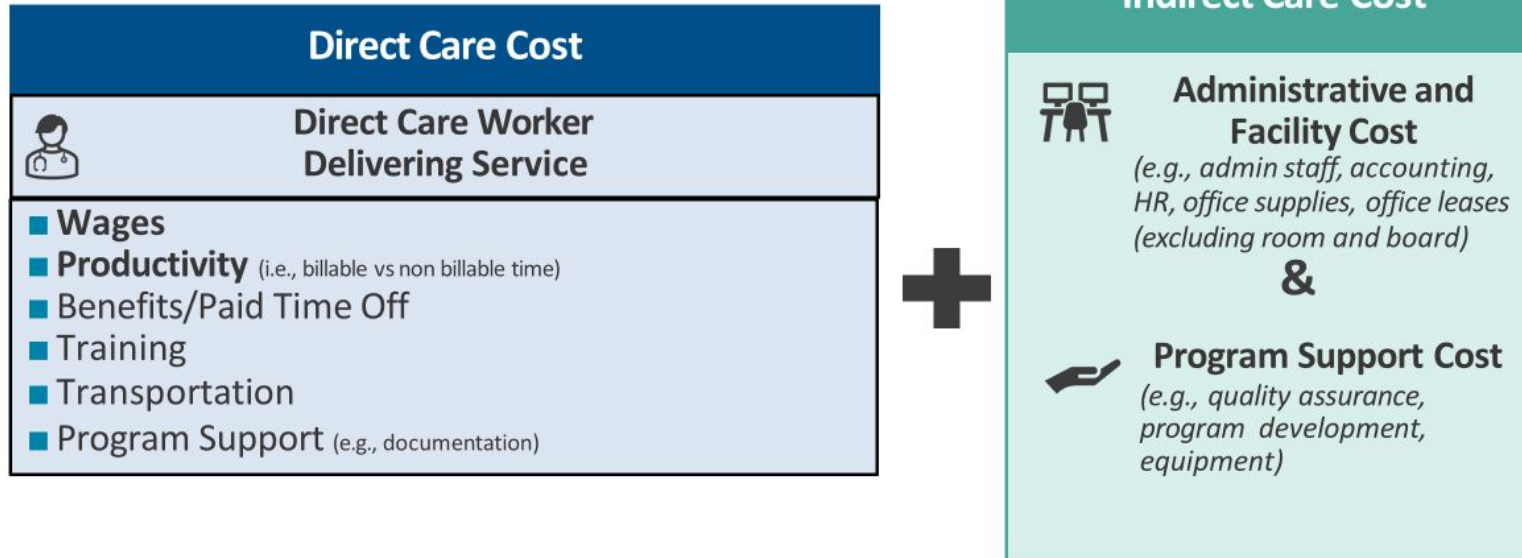
DDA Response: MACS Slide #1

- DDA agrees appropriate costs should be covered, the rate setting process should be data-driven, rebasing should be performed periodically, and the current methodology is structured to achieve the goals.
- DDA pays rates on a fee-for-service basis, which are not subject to the actuarial soundness requirement referenced
- To ensure the adequate capture of costs, high-quality data from *at least 80% of providers is needed.*

MACS Slide #2

General HCBS Rate Setting Methodology

Home and Community Based Services (HCBS) Fee for Service (FFS) rate setting recognizes both direct care and indirect care provider costs when developing a base rate.



DDA Response: MACS #2

- DDA's current methodology for capturing costs incorporates all the costs highlighted by MACS. Due to the current data limitations, DDA uses an alternative method for capturing these costs.
- As we improve the data collection from providers we have been constantly updating our methodology.

MACS Slide #3

Understanding the Wage Model of Rate Development*

Component		Value
Wages		\$ 15.00
ERE	32.0%	\$ 4.80
Facility	0.0%	\$ -
PS	40.0%	\$ 6.00
Training	0.8%	\$ 0.12
Transportation	16.0%	\$ 2.40
G&A	12.9%	\$ 4.20
Hourly Cost		\$ 32.52
15 minute rate		\$ 8.13





DDA Response: MACS Slide #3

- This is a slide from our last RRAG process.
- It provides a high-level summary of how components are put together and is illustrative only.

MACS Slide #4

Rate Setting Issues

Providers have expressed concerns over foundational elements of the methodology, including the base wage used as the basis for the BRICK rate setting methodology. Current concerns focus on four key issues that materially impact rates:

Issue	
	<p>1. Bureau of Labor Statistics (BLS) Wage and Productivity</p> <p>The current BRICK rate setting methodology does not include an explicit adjustment for all productivity (non-billable time). Instead, productivity is 'implicitly' included in the BLS wage, a change to the wage definition recently made in 2023. The lack of transparency in the base wage and productivity assumptions is problematic for both providers and direct care workers.</p>
	<p>2. Base Wage Trend Assumptions</p> <p>The trend assumption applied to the base wage uses a mix of CPI and legislative rate increase trends. Coupled with the 'implicit' productivity factor, the base wage in the BRICK does not represent an appropriate wage to pay direct care workers.</p>
	<p>3. Geographic Differential Methodology *</p> <p>The differential has increased significantly between standard base wage and the geographic differential methodology used in the DDA BRICK methodology, creating work force challenges for providers in the rest of state (*applies to Montgomery, Prince George's, Frederick, Charles and Calvert)</p>
	<p>4. Acuity</p> <p>There is no rate differential for serving people with complex medical needs or challenging behaviors, creating a disincentive for providers to work with these individuals, and not aligning rates to the costs of supporting people based on their level of need.</p>

DDA Response: MACS Slide #4

BLS Wage and Productivity

- DDA's methodology does account for non-billable time by including program support, G&A, training, and transportation in the billable unit.
- DDA also uses higher wage assumptions than provider-reported amounts; this increases all other rate components, helping to cover costs related to productivity.
- Due to data limitations, DDA's methodology does not include an explicit adjustment for productivity.

DDA Response: MACS Slide #4 (cont.)

Base Wage Trend Assumptions

- DDA trends wages every year.
- DDA intentionally increases the base wage in the BRICK to account for non-billable time.
- In years when the legislature mandates a rate increase, DDA uses this rate; in other years, DDA trends wages using the CPI.

DDA Response: MACS Slide #4 (cont.)

Geographic Differential

- DDA's methodology was developed in consultation with the Technical Workgroup ("TWG") and represents a data-driven estimate of wage differences across the regions.

Acuity

- Acuity is accounted for in several services, but agreed to consider other acuity adjustments for this year's rate cycle. Need to receive proposals from RRAG w/i 2 weeks, including proposed structure, data collection tool, and sufficient data within this cycle to consider.

FY 2026 Rate Priorities

FY26 Rate Priorities - Status Updates

Proposed Rate Priority for FY 26	RRAG Voting Outcome 1/24/24	Current Status	DDA Decisions Summary
Employment Supports	Selected in top 3	Not being addressed in FY 26. Waiting for outcomes of workgroup	DDA waiting for outcomes and recommendations of current Employment Supports Workgroup
Acuity	Selected in top 3	Feedback received from RRAG via survey, 2/5/24	Additional information needed to move forward for FY26
Productivity Factor	Selected in top 3	Feedback received from RRAG via survey, 2/5/24	Selected Day Habilitation Services as a pilot, FY26 GLS will be shared to collect data for analysis

BLS Wage Adjustment

- Update BLS Base Wages to the 2023 Table
 - Expected in early May
- Productivity Pilot may impact the use of the 2023 BLS Wages for Day Habilitation Services

Acuity: Current DDA Services and Policies

- Assessed Needs
- Enhanced Services
- Overnight Supports and Overnight Supervision
- Dedicated Support Hours (1:1 and 2:1 staff-to-participant supports)
- Enhanced Rates

FY 2026 Rate Priority: Acuity *RRAG Survey Responses*

- Feedback (5 Responses)
 - Acuity level already incorporated into rates
 - Establish tiered rates to incentivize providers to support more complex participants
 - Assessment tools
 - Use to assign individuals to tiered rates
 - Should not be turned into a rate tool
 - Modify Brick assumptions

Acuity: Next Steps

- Before DDA can move forward, additional detailed guidance will be needed from RRAG members.
 - Specific services to address
 - Specific adjustments to the rate methodology
 - Data required and data collection timing
- Feedback due **March 21, 2024**
 - ***Failure to provide this feedback timely will result in this priority being pushed to the next cycle.***

FY 2026 Rate Priority: Productivity

Building Productivity Adjustment

- The base wage is increased by factor equal to the total hours divided by billable hours for that service
- Productivity Factor impacts all rate components

Productivity Factor as Part of Rate Model

Productivity Factor = Total Wages / Billable Wages or Total Time / Billable Time

Estimated Wage Rate x Productivity Factor = Adjusted Wage

Components are multiplied by Adjusted Wage to get Rate Components

Next Steps: Data Collection Process

- DDA identified Day Habilitation services to pilot introducing a productivity adjustment.
- All current Day Habilitation providers will be asked to provide data on both billed and unbilled time, as well as wages for direct care staff.
- A General Ledger Supplement for FY 2026 (GLS FY26) will be sent to Day Habilitation providers; training and technical assistance will be available.
- Note that as previously mentioned, at least 80% of providers (Day Habilitation) must submit complete and accurate data for DDA to consider making an adjustment

Next Steps: Data Collection Process (cont'd)

- DDA sent out a DRAFT of the GLS on 3/1/24
- RRAG members need to provide input on the GLS by 3/14/24
- DDA will release the final GLS immediately thereafter and all day providers will have until 5/1/24 to submit their data
- After reviewing General Ledger data for completeness and consistency (by summing time components and verifying a match to total time), DDA will determine pilot feasibility and next steps

FY 2026 Workplan

Month	Fiscal Year	Calendar Year	Rate Cycle	RRAG Meeting Timeline	Week 1	Week 2	Week 3	Week 4
Jan-23	FY24	CY24	Rates for FY26 Rate Cycle	<ul style="list-style-type: none"> - RRAG Initial Meeting - Annual process timeline/overview - Solicitation/Discussion of proposals of FY26 rate setting priorities - Discussion of potential priorities and how we would collect data to explore 		<p>RRAG Meeting (Jan 24, 2024)</p>		RRAG Members' Priorities Due
Feb-24				<p>INTERNAL:</p> <ul style="list-style-type: none"> - DDA: Summary of collected priority feedback - Hilltop/Optumas: Begin development of FY26 General Ledger Supplement (FY26 GLS) 	DDA Publishes Priorities to RRAG Site			
Mar-24				<ul style="list-style-type: none"> - Present draft targeted FY26 GLS - Discuss targeted data collection process for FY25 and timeline - Solicit feedback - Update on GL data collection process and opportunity for quarterly pre-submissions 	MDH/DDA releases DRAFT FY26 GLS for review by RRAG (March 4, 2024) RRAG Meeting (Mar 7, 2024)	RRAG FY26 GLS Feedback Due (March 14, 2024)	DDA Publishes FY26 GLS to RRAG Site and Distributes to Day Hab Providers (March 18, 2024)	FY26 GLS TA Session 1 (March 21, 2024)
Apr-24				<p>INTERNAL:</p> <ul style="list-style-type: none"> - Monitor providers ability to complete FY26 GLS - Provide technical assistance - Regular Reminders and check-ins with providers 	FY26 GLS TA Session 2 (April 1, 2024)		RRAG Meeting (April 18, 2024)	DDA Publishes Upcoming FY Budget Figures (TBD)
May-24				<p>INTERNAL:</p> <ul style="list-style-type: none"> - Hilltop/Optumas: Review FY26 GLT, follow up questions on DCT responses with providers, potential agency-level discussions - Update and analyze 2023 BLS Base Wage data 	BLS Wage Data for 2023 Released FY26 GLS Due (May 1, 2024)			RRAG Meeting (May 30, 2024)
Jun-24				<ul style="list-style-type: none"> - Targeted data collection results and potential implications - Discussion around next steps and soliciting feedback on initial thoughts from state team 		MDH/DDA Prep Meetings and Publish DRAFT FY26 Preliminary Findings to RRAG Site (June 13, 2024)		RRAG FY26 Preliminary Rate Feedback Due (June 27, 2024)
Jul-24	FY25			<ul style="list-style-type: none"> - State team decision on rate updates based on targeted data collection efforts - Present fiscal implications for any rate changes - Solicit feedback on decision 		RRAG Meeting (July 10, 2024)		MDH/DDA Prep Meetings and Publish DRAFT FY26 Final Findings to RRAG Site (July 30, 2024)
Aug-24				<p>INTERNAL:</p> <ul style="list-style-type: none"> - DDA: Summary of collected rate feedback - Hilltop/Optumas: Finalize FY26 Rate Changes 		RRAG FY26 Final Rate Feedback Due (Aug 15, 2024)	RRAG Meeting (August 22, 2024)	DDA Publishes Next FY Budget Request (Aug 29, 2024)
Sep-24				<ul style="list-style-type: none"> - Finalize decision and present budget proposals/updates - Facilitated discussion on priorities for next cycle 	MDH/DDA Prep Meetings and Publish FINAL FY26 Final Findings to RRAG Site (Sept 3, 2024)			

Open Discussion

Public Comment

Next Steps and Adjournment

Developmental Disabilities Administration

Calendar of Events
March 2024

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SUN	MON	TUE	WED	THU	FRI	SAT
25	26	27	28	29	1	2
3	4	5	6	7 Maryland Department of Health DDA Rate Review Advisory Group	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

Meetings occur monthly until August 2024 and will be posted on the [DDA's Training Calendar](#)

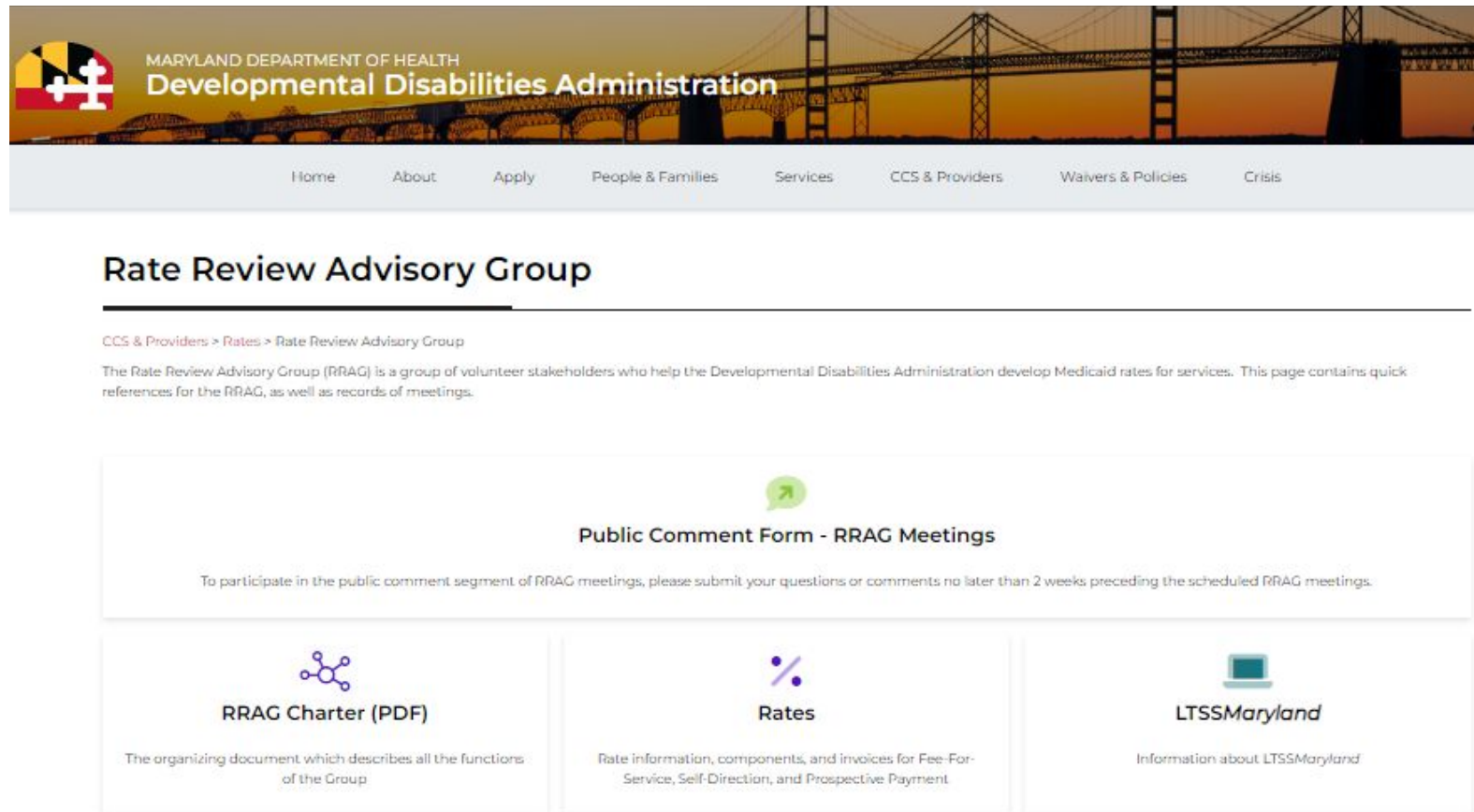
Upcoming Meeting Dates

The next RRAG meeting will be held Thursday, April 18, 12:30–1:45 p.m.

Remaining RRAG Dates
Thursday, May 30, 2024: 12:30 - 1:45 p.m.
Wednesday, July 10, 2024: 12:30 - 1:45 p.m.
Thursday, August 22, 2024: 12:30 - 1:45 p.m.

Rate Review Advisory Group Materials

<https://health.maryland.gov/dda/Pages/LTSSMaryland/RRAG.aspx>



The screenshot shows the website header for the Maryland Department of Health Developmental Disabilities Administration. The navigation menu includes: Home, About, Apply, People & Families, Services, CCS & Providers, Waivers & Policies, and Crisis. The main heading is "Rate Review Advisory Group". Below the heading is a breadcrumb trail: "CCS & Providers > Rates > Rate Review Advisory Group". A paragraph explains that the Rrag is a group of volunteer stakeholders who help develop Medicaid rates for services. Below this are three main content areas: "Public Comment Form - RRAG Meetings" with a subtext about submitting comments 2 weeks before meetings; "RRAG Charter (PDF)" with a subtext describing it as the organizing document; "Rates" with a subtext about rate information and invoices; and "LTSSMaryland" with a subtext about information about the program.

MARYLAND DEPARTMENT OF HEALTH
Developmental Disabilities Administration

Home About Apply People & Families Services CCS & Providers Waivers & Policies Crisis

Rate Review Advisory Group

CCS & Providers > Rates > Rate Review Advisory Group

The Rate Review Advisory Group (RRAG) is a group of volunteer stakeholders who help the Developmental Disabilities Administration develop Medicaid rates for services. This page contains quick references for the RRAG, as well as records of meetings.

Public Comment Form - RRAG Meetings

To participate in the public comment segment of RRAG meetings, please submit your questions or comments no later than 2 weeks preceding the scheduled RRAG meetings.

RRAG Charter (PDF)

The organizing document which describes all the functions of the Group

Rates

Rate information, components, and invoices for Fee-For-Service, Self-Direction, and Prospective Payment

LTSSMaryland

Information about LTSSMaryland

Thank You!