

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

Date: Monday, April 20, 2026

Time: 1:00 PM to 3:00 PM

Location: GoToWebinar

Attendance:

Co-Chairs

1. Robert White, Chief Operating Officer, DDA
2. Nicholas Gabor, Director of Finance
3. Jennifer Maher, Director of Finance, Medicaid, MDH (absent)

Advisory Group Members

1. Donna Retzlaff, Spring Dell Center
2. Matt Morgan, Fello
3. Gregory Miller, Penn-Mar
4. Karen Adams-Gilchrist, Providence Center
5. Laura Howell, MACS
6. Karen Lee, SEEC
7. Jessica Gallatin, SDAN
8. Chris Parks, Somerset Community Services
9. David Ervin, Makom
10. Mat Rice, People on the Go

State Panelists

1. Marlana R. Hutchinson, Deputy Secretary
2. Elizabeth Peters, Special Assistant
3. Rhonda Workman, Director of Federal Programs and Integrity
4. 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
4. Ami Patel, The Hilltop Institute
5. Todd Switzer, The Hilltop Institute
6. Chengli Sun, The Hilltop Institute

CBIZ Optumas Panelists

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

Welcome and Opening Remarks

The meeting was called to order at 1:00 PM by Mr. Nicholas Gabor, Director of Finance, Developmental Disabilities Administration (DDA). Mr. Gabor reviewed the meeting agenda.

General Ledger Data Briefing and Discussion

General Ledger Data Representativeness

Ms. Christin Diehl, The Hilltop Institute, provided an overview of General Ledger (GL) Template data received from providers for Fiscal Year (FY) 2025. As of the end of January 2026, 330 providers were identified as providing services covered in the GL Template and were required to submit data for FY 2025. Of those, 211 (63%) of providers submitted templates. All submissions were reviewed and follow up emails were sent to providers with feedback and resubmission requests. Following this process, Hilltop received templates back from 168 providers. This subset was used for the analysis.

Data Validation

Mr. Caleb Lavan, CBIZ Optumas, reviewed the representativeness of the GL Template data and how it can be used to construct the rate model. The 168 completed templates that were submitted represented 55% of the overall DDA volume, whether measured by revenue, units, or distinct users. The GL data represented all sizes of providers. Overall, the GL template data was representative by revenue, by region, and provider size.

Mr. Lavan gave an overview of a typical rate model. Data received from the GL templates are used to construct estimates of the components, then those components are used to construct the rate model. The end result of the rate model is that the constructed rate times the billable hours should match the costs of a typical provider. All reasonable costs are accounted for and reflected in the rate components.

Fiscal Year 2025 General Ledger Wage Estimates

Mr. Lavan reviewed the wage estimate methodology and findings. Overall, the wage estimates were lower than assumed in the rate models previously and varied by service. The productivity factor will bridge most or more than that gap in some cases. The difference in wages between the Geographic Differential region and the Rest of State was not sufficient to definitively support a regional

differential. The data also showed that the staff doing enhanced services were paid equivalent wages to those not doing enhanced services and providers did not offer differentiated wages.

Mr. Chris Parks, Somerset Community Services, questioned whether the comparison accounts for timing differences, noting that providers make wage decisions at the start of the fiscal year and may lag behind state funding changes. Mr. Parks emphasized that providers make real time wage decisions that may not align with projected trends used in the analysis. Mr. Lavan explained the wages being analyzed are from fiscal year 2025 and are trended forward to future rate setting periods to account for wage growth. Mr. Lavan explained how the BLS and GL data are aligned by adjusting for time differences using an inflation factor.

Ms. Laura Howell, MACS, asked whether the analysis factors in the percentage of what is actually funded. Mr. Lavan clarified that in the analysis, they are looking at fully funded rates and trying to determine what is the fair and accurate rate.

Ms. Jessica Gallatin, SDAN, suggested that in self-directed services, enhanced support wages are likely higher, but this may not appear in the data because that dataset was not included. She adds that differences in pay may reflect training or program support rather than direct wages.

Mr. Matt Morgan, Fello, questioned the reliability of the data, pointing out extreme wage values that seem unrealistic. He stated that if the data produces implausible outliers, then the overall methodology should be revisited. Mr. Lavan explained that statistical methods are used to filter out outliers and identify reliable central values. He expressed confidence that the overall trends are valid despite some inaccuracies.

Ms. Karen Lee, SEEC, raised concerns about grouping together employees with different credential requirements, arguing that this could mask wage differences. She recommended separating credentialed and non credentialed roles for a more accurate analysis. Mr. Lavan noted that the data does not clearly show higher wages for credentialed staff, despite expectations. Ms. Marlana Hutchinson, Deputy Secretary, Developmental Disabilities Administration (DDA), suggested refining the data analysis to address Ms. Lee's concern.

Mr. Parks expressed concern that the meeting materials were not shared in advance of the meeting, making it difficult to provide feedback during the meeting.

Ms. Lee suggested analyzing wage data by county rather than region to better understand differences and improve rate setting accuracy.

Mr. David Ervin, Makom questioned whether the data is sufficiently representative given that response rates are below 80% and asked whether that threshold is still required. Mr. Steve Schramm, CBIZ Optumas, stated the goal remains 80% participation but emphasizes that no final decisions have been made and the current focus is on understanding the data.

Mr. Morgan explained that some wage differences may not appear because certain services are bundled into rates rather than billed separately.

Fiscal Year 2025 General Ledger Productivity Estimates

Mr. Lavan reviewed the methodology and findings for the productivity estimates. The productivity factor accounts for non-billable time. Only providers who reported estimates of non-billable time were included in the analysis. Non-billable time was categorized into three components: the productivity factor, the training time factor, and the transportation time factor.

Ms. Lee raised concern that smaller organizations may lack sophisticated time and attendance systems and therefore may rely on rough estimates when reporting their data. She questioned whether data from providers with less sophisticated tracking methods are excluded or treated differently due to potential inaccuracies. Ms. Diehl explained to address data quality, the team conducted checks by analyzing reported percentages across cost categories and followed up with providers when inconsistencies appeared. Some providers adjusted their data, while others stood by their original reporting.

Mr. Lavan provided an example of a service calculation. The analysis indicated that Residential Services and Support Services had comparable productivity estimates, while Employment Services and Behavioral Support Services were also similar to each other and notably higher. The findings show the estimated training time factor based on the reported data from providers, however for some services, the estimated hours do not support the required training.

Ms. Lee suggested that breaking employment services into more detailed categories could help uncover the missing data needed to show differences in productivity and administrative time across service types. She emphasized that services like follow-along, ongoing support, discovery, and job development likely have increasing levels of indirect or administrative time. Ms. Lee notes that identifying these distinctions could be valuable.

Ms. Howell asked whether including respite services within residential services significantly affects the residential data. Mr. Lavan clarified that respite was included due to similar service settings, but it had a relatively small impact and did not materially change the overall numbers. The two groups showed fairly similar results, so the inclusion did not significantly affect outcomes. Ms. Howell explained that respite services can occur in different settings, such as residential facilities or individuals' homes, which might suggest variation in the data.

Mr. Lavan reviewed the reported time factors for training and noted considerable variation in reported values even for services that might be expected to have similar training requirements. This suggests that further refinement or additional modeling may be warranted.

Mr. Lavan transitioned to discussing transportation time factors, explaining that these are grouped into six categories and reflect only the time direct support professionals spend driving clients. These estimates do not include associated costs such as gas or vehicle expenses.

Fiscal Year 2025 General Ledger Cost Component Estimates

Mr. Lavan reviewed the methodology and key findings associated with the cost component estimates. The cost components capture non-wage operating expenses and are organized into six categories: Employee-Related Expenses, Facility Costs, Program Support, Training Materials, Transportation Materials, and General and Administrative expenses. Facility and Transportation components were calculated only for services in which these activities align with the service definitions. The most consistent cost components were Employee Related Expenses and General and Administrative.

Open Discussion/Public Comment

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

Next Steps and Adjournment

Mr. Gabor shared the schedule for the remaining RRAG meetings for 2026. Details were shared on where meeting materials can be found on the RRAG website. Ms. Hutchinson announced that there will be an adhoc meeting the week of May 4th for RRAG members to provide feedback on the meeting deck. The meeting was adjourned by Ms. Hutchinson at 3:01 PM.