



Developmental Disabilities Administration (DDA) Rate Review Advisory Group

April 20, 2026



Housekeeping

Yemonja Smalls No active cameras 23:50

Maryland
DEPARTMENT OF HEALTH

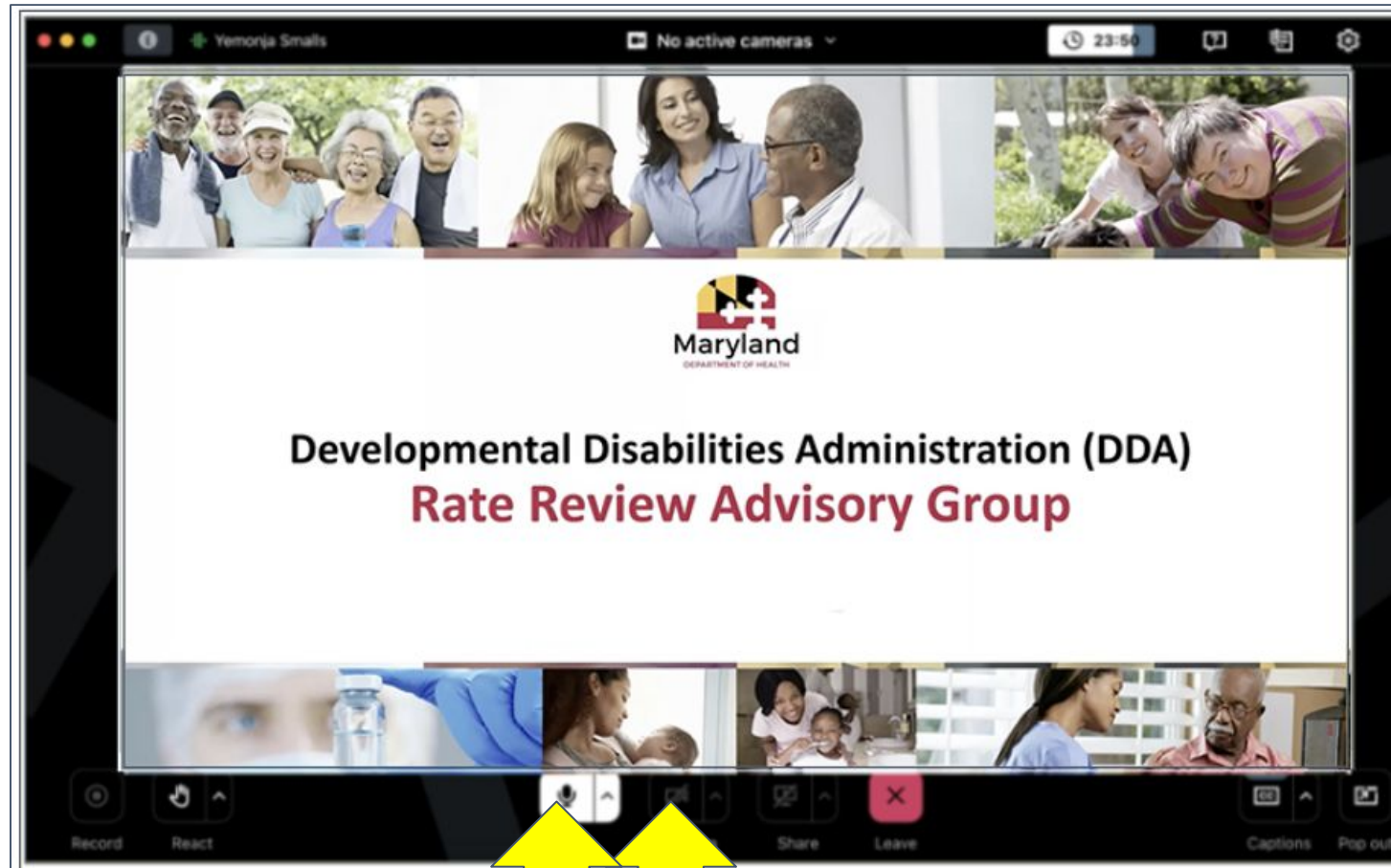
Developmental Disabilities Administration (DDA)
Rate Review Advisory Group

Record React Mic Camera Share Leave Captions

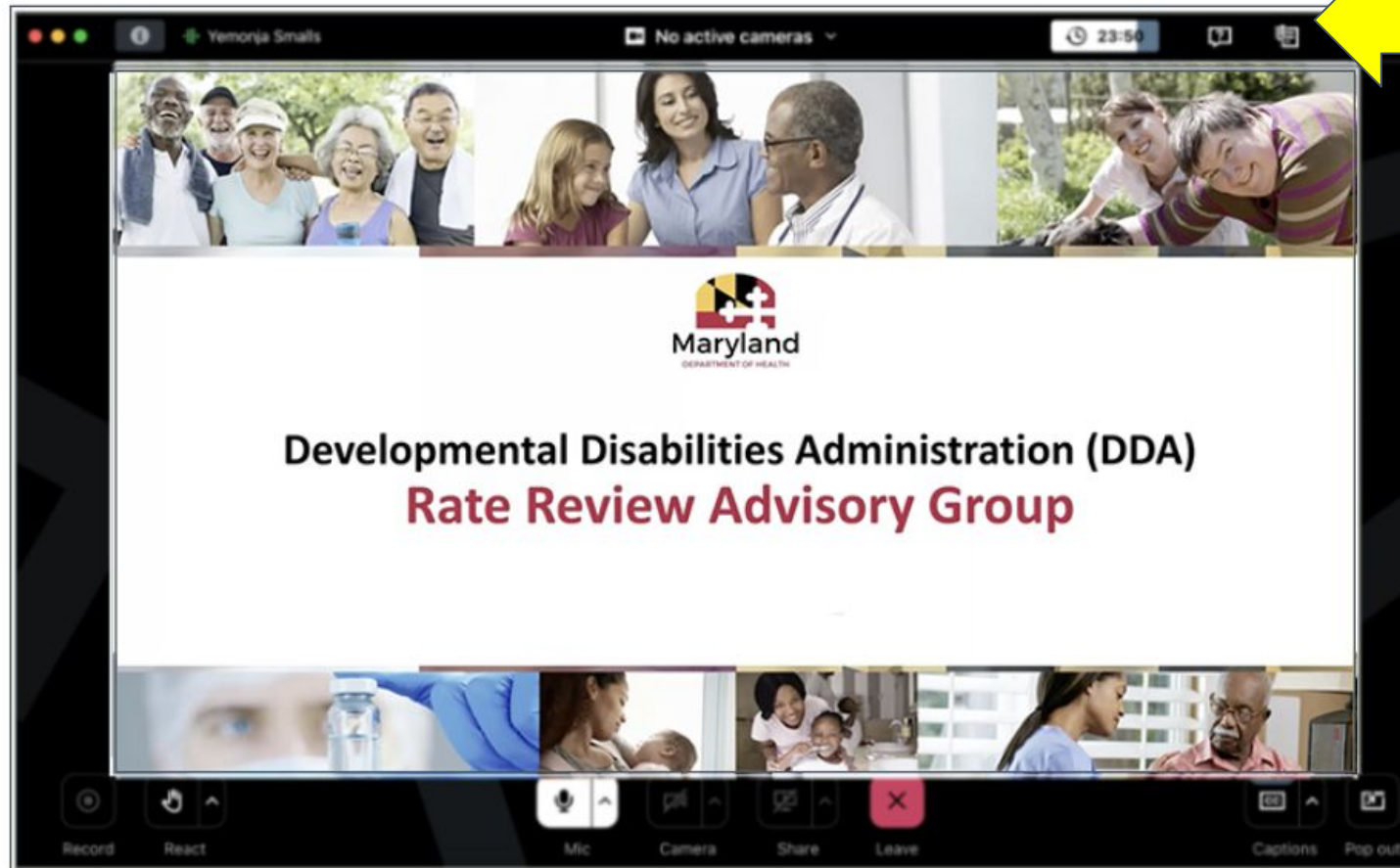


Click here for
closed captioning

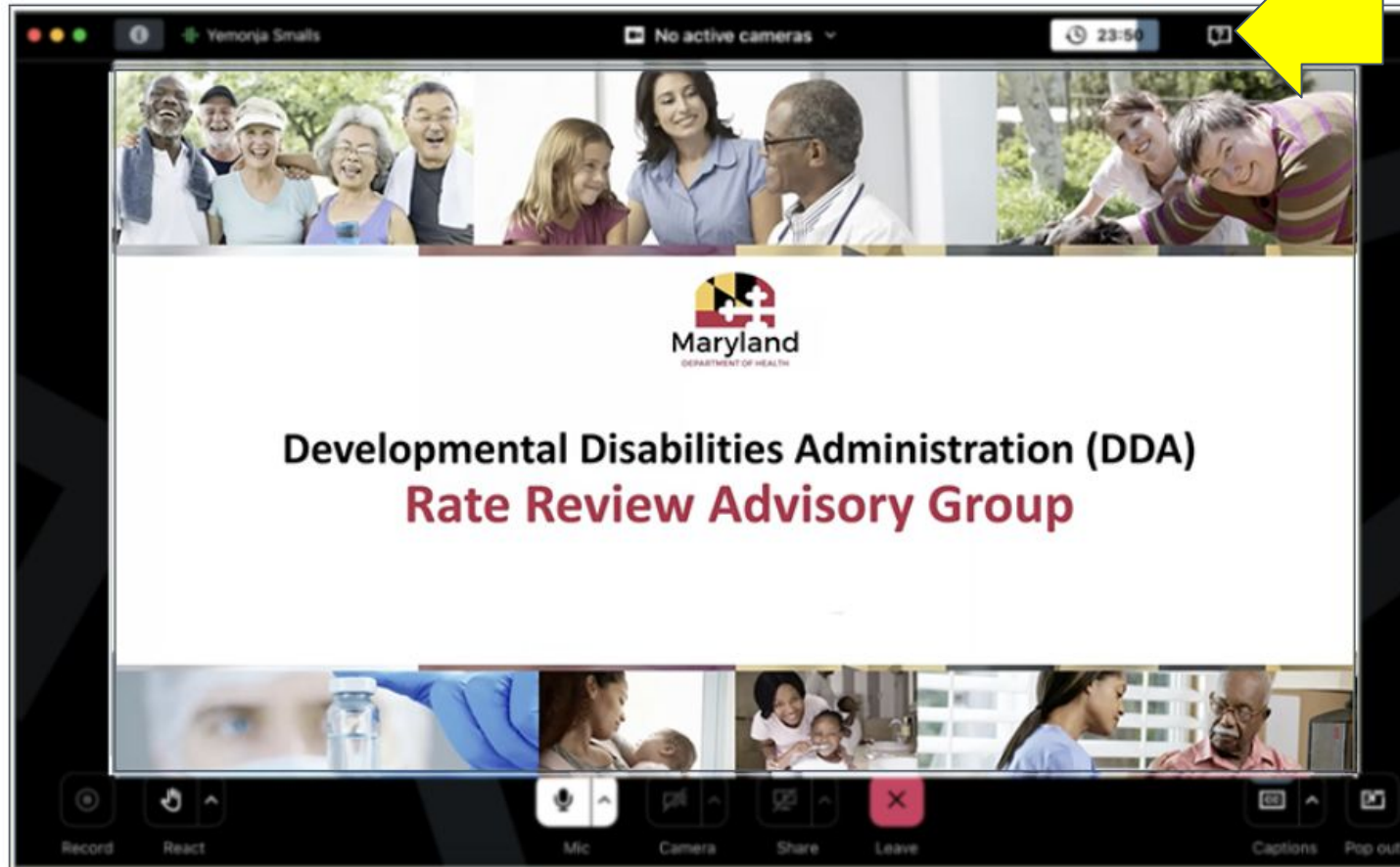
Housekeeping



Housekeeping



Housekeeping



Conduct

The free expression of diverse viewpoints is a fundamental value of our group. This freedom carries the responsibility to engage respectfully, which means treating one another with dignity and respect in good faith.

Uncivil behavior, disruptive actions, abusive language, threats, or harassment will not be tolerated and may result in removal from the meeting.



Welcome and Opening Remarks

Agenda

1. Welcome and Opening Remarks
2. General Ledger Data Briefing and Discussion
 - a. General Ledger Data Representativeness
 - b. Data Validation
 - c. Fiscal Year 2025 General Ledger Wage Estimates
 - d. Fiscal Year 2025 General Ledger Productivity Estimates
 - e. Fiscal Year 2025 General Ledger Cost Component Estimates
3. Open Discussion
4. Public Comment
5. Next Steps and Adjournment



General Ledger Data Briefing and Discussion



General Ledger Data Representativeness

Fiscal Year 2025 GL Templates

- **Submission Summary**

- Total providers required to submit: **333**
 - **As of January 22, 2026**
 - **211 (63%)** providers submitted a complete template for review
 - **122 (37%)** providers with no submission

- **Cohort of Templates Used for Analysis**

- All 211 templates submitted timely were reviewed by Hilltop
 - **168 (50% of 333)** templates fully completed (second or third submission)

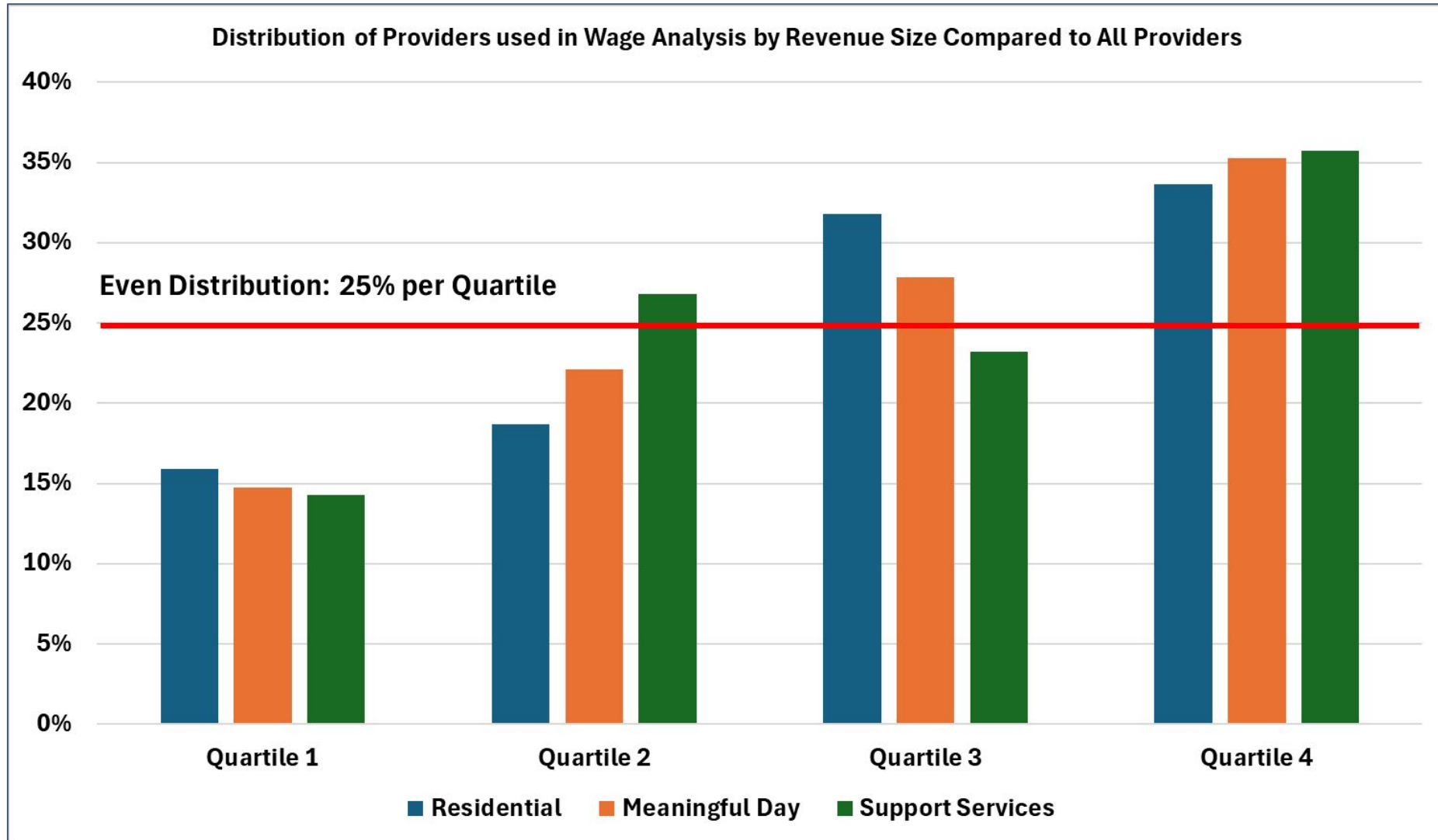


Data Validation

Data Validation: Provider Representativeness

- **Overall Representation:** Providers with complete GL data accounted for approximately 55% of the overall volume (whether measured by dollars, units, or distinct users).
- **Regional Variation:** Rest of State (ROS) had 10% higher representation and 60% of service volume.
- **Impact of Incompleteness:** Incomplete data (e.g., missing hours) comprised about 5% of all required providers and 10% of those who submitted FY 2025 GL templates.

Provider Representativeness by Size



*Large
Providers by
Revenue*

*Small
Providers
by Revenue*

Components in the Rate Model

Expenses for Hypothetical Provider
FY28 Rates

Provider A - Hypothetical Provider		
	Compared to Billable Wages	
Billable DSP Wages	\$160,000	
DSP Wages during Training	\$10,000	6.3%
DSP Wages during Transportation	\$20,000	12.5%
Other DSP Unbillable Wages	\$40,000	25.0%
Total Wages	\$230,000	143.8%
<hr/>		
	Compared to Total Wages	
ERE Expenses	\$65,000	28.3%
Facility Expenses	\$35,000	15.2%
Program Support Expenses	\$60,000	26.1%
Material Training Expenses	\$4,000	1.7%
Material Transportation Expenses	\$24,000	10.4%
Subtotal	\$418,000	
General & Administrative Expenses	\$65,000	13.5%
Total Gross Expenses	\$483,000	
Service Adjustment Expenses	\$20,000	4.1%
Total Expenses	\$503,000	
Hours per Unit	0.25	
Staff per Unit	1	
<hr/>		
Billed Hours	8,000	
Unbilled Hours	3,500	
Total Expenses	\$503,000	
Total Hours/Billed Hours	1.44	

Brick Model Components with Sample Values
FY28 Rates

Provider A - Hypothetical Provider		
	Compared to Actual Wage	
Actual Wage Rate	\$20.00	
Training Time Factor	\$1.25	6.3%
Transportation Time Factor	\$2.50	12.5%
Productivity Factor	\$5.00	25.0%
Adjusted Wage Rate After Time Factors	\$28.75	143.8%
<hr/>		
	Compared to Adjusted Wage	
ERE Component	\$8.13	28.3%
Facility Component	\$4.38	15.2%
Program Support Component	\$7.50	26.1%
Material Training Component	\$0.50	1.7%
Material Transportation Component	\$3.00	10.4%
Subtotal	\$52.25	
General & Administrative Component	\$8.13	13.5%
Total Gross G&A	\$60.38	
Service Adjustment	\$2.50	4.1%
Fully Loaded Wage	\$62.88	
Hours per Unit	0.25	
Staff per Unit	1	
Billable Rate per Unit	\$15.72	
Billed Hours	8,000	
Billed Units	32,000	
Total Revenue	\$503,000	
Adjusted Wage Rate After Time Factors/Actual Wage Rate	1.44	

*Left Table:
Uses the Information from
the GL templates to
estimate components.*

*Right Table:
Uses the component
estimates to construct
rates.*

*Revenue from Billable
Hours at Billable Rate
covers Total Expenses.*



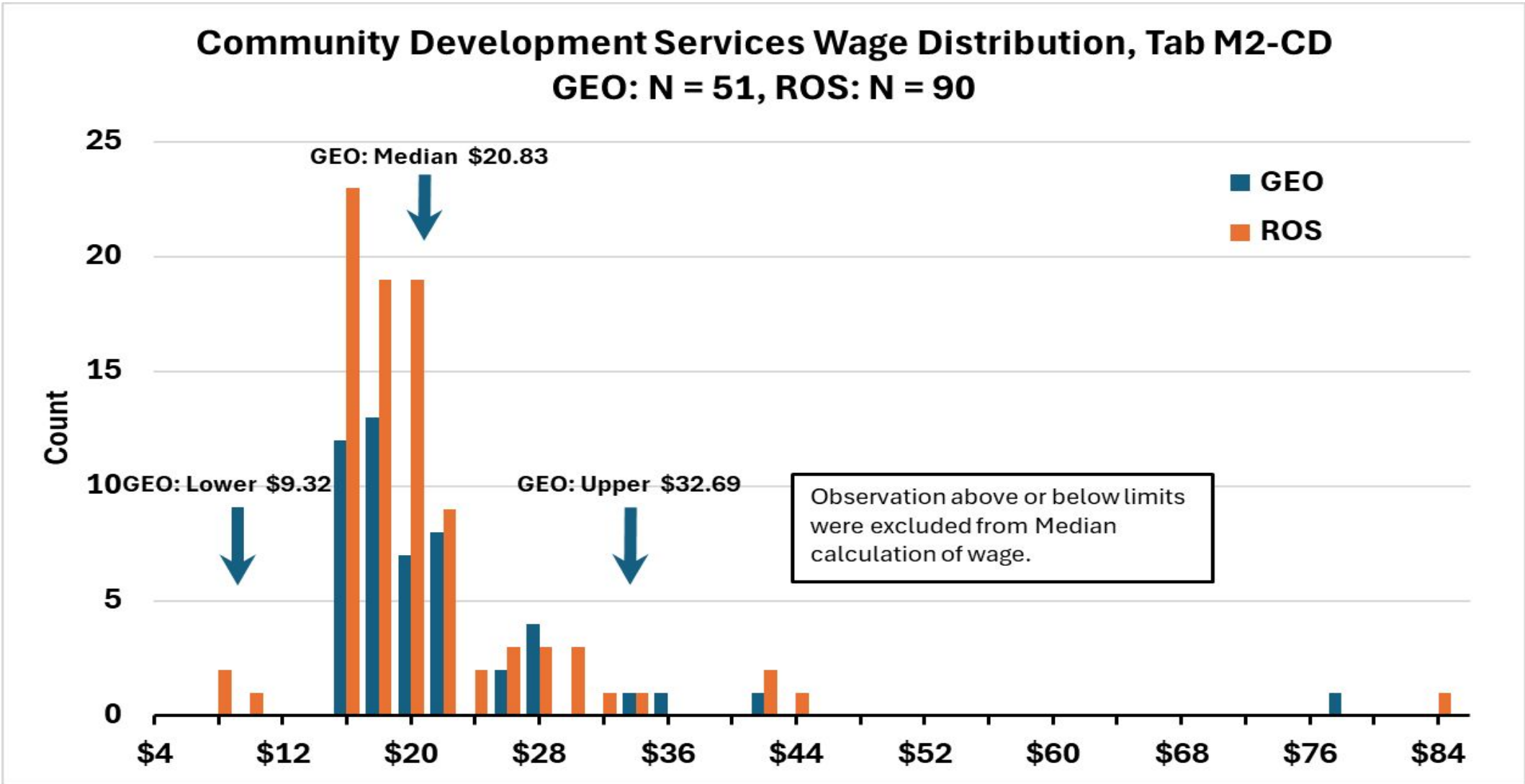


Fiscal Year 2025 General Ledger Wage Estimates

Wage Estimates: Methodology

- **Wage Analysis:**
 - Wage analysis excluded observations without both wages and hours.
 - Outliers were identified using the $1.5 \times$ Interquartile Range (IQR) rule and excluded before final estimation.
 - Any observations left that were below the minimum wage (\$15.00/hour) were also excluded.
 - The median wage estimate for each service was used to reduce impacts from skewed data.
- **Service Groupings:**
 - Services were grouped where provider-reported wages were similar to increase sample size and improve estimate stability.
 - Residential services were split into two groups that share a uniform DSP wage rate.
 - Meaningful Day services were split into three groups.
 - Support services were split into seven groups.

Data Validation: Example of Excluding Outliers in Wage Data




Wage Estimates: Provider Cohort

Distinct Providers in the GL Data Used In Component Analysis / Distinct Providers in the Claims Data

Service	Wage Estimate GEO	Wage Estimate ROS	Notes
Community Living - Enhanced Supports: 1-4 w/Overnight Supervision	1/2	2/4	Limited (4) providers of Community Living - Enhanced Supports statewide
Dedicated Hours for Community Living-Enhanced Supports (1:1,2:1)			
Dedicated Hours for Community Living-Group Home (1:1,2:1)	67 / 197	101 / 271	Largest single group, wages were consistent across multiple services and within services.
Community Living/Group Home: 1-8 w/ and w/o Overnight Supervision			
Supported Living: 1-4 w/ and w/o Overnight Supervision			
Dedicated Hours for Supported Living (1:1,2:1)	3 / 3	8 / 13	Some providers submitted GL data for services for a region not in the claims data
Career Exploration Services: Facility Based			
Career Exploration - Small and Large Group	67 / 197	101 / 271	Grouped with Community Living and Supported Living above. Similar number of observations for residential and meaningful day services
Community Development Service 1:1, 2:1, and Group (1-4)			
Day Habilitation 1:1, 2:1, Small, and Large Group	25 / 78	53 / 130	Wage observations were well clustered and consistent
Employment Services - Job Development			
Employment Services - Customized Self-Employment			
Employment Services - Follow Along Supports			
Employment Services - Ongoing Job Supports			
Employment Services - Discovery Milestone 1-3	5 / 29	11 / 37	Same set of providers used to estimate all BSS
BSS - Except Consultation			
BSS - Behavioral Consultation	5 / 29	11 / 37	This wage estimated by regression. Coefficient was significant.
Environmental Assessment			Limited data to support changes to the current model wages
Housing Support Services	6 / 14	5 / 17	Small number of service providers statewide
Personal Supports	47 / 118	72 / 189	Largest single service, data was consistent
Nursing Support Services	3 / 16	11 / 43	GEO count reduced by several observations to ensure consistency and accuracy. Geo wages were consistent with ROS
Respite Care Services - Day	13 / 23	24 / 92	Fewer providers of Respite - Day, wages were grouped and wages increase estimate stability.
Respite Care Services - Hour			

Wage Estimates: Observations

- Three services required additional adjustment beyond excluding outliers.
 - Behavioral Support Services (BSS) - Consultation was estimated using the undifferentiated BSS data and regressing overall wages per provider versus their fraction of Consultation services in the claims data.
 - Estimating Nursing Support wages required excluding an additional number of observations with particularly small overall wages.
 - Environmental Assessment wages data was insufficient.
- Further discussion needed as some GL wage results are materially different from BLS wages.
 - The rate setting process applies the Brick methodology to establish the fully funded rates. Funding percentages may be applied to the fully funded rates based on funding availability. GL wages represent actual paid wages in FY 2025 and are not adjusted by funding percentages.



Fiscal Year 2025 General Ledger Productivity Estimates

Productivity Estimates: Methodology

- Productivity is intended to capture non-billable staff time required to deliver services, such as paid time off (PTO) and administrative tasks.
- Provider-service pairs without both billable and non-billable wages and hours, or that failed data quality checks, were excluded from estimation.
- Unbillable time was separated into three distinct factors to avoid double-counting and reflect service variation:
 - Productivity Factor: Captures PTO and unbillable administrative tasks.
 - Estimated as $(\text{Billable} + \text{Unbillable}) / \text{Billable}$
 - Training Time Factor: Captures unbillable DSP time spent in training.
 - Transportation Time Factor: Captures unbillable DSP time spent transporting participants.
- Two estimation methods were used for accuracy: hours-based and wage-based. Wage-based estimates generally had significantly more observations. The wage-based method was used for the Training Time Factor and the hours-based method was used for the Transportation Time Factor.

Productivity Estimate: Example Service Calc.

Day Habilitation 1:1

Staffing Ratio

			Percent of Unbillable	Percent of Year
Productivity Factor	1.242			
Training Time Factor	0.058			
Transportation Time Factor	0.158			
Total Time Factor	1.458	Units		
Holidays	8	days/year	9.8%	3.1%
Vacation	10	days/year	12.3%	3.8%
Sick Leave	5	days/year	6.1%	1.9%
Training	82.5	hours/year	12.6%	4.0%
Transportation	4.33	hours/week	34.5%	10.8%
Administrative Tasks Available	3.1	hours/week	24.7%	7.8%
Productivity Unbillable Time	2,080	hours/year		
Training Unbillable Time	345	hours/year		
Transportation Unbillable Time	82.5	hours/year		
Total Unbillable Time	225.3	hours/year		
Billable Time	653	hours/year		
Billable Hours per Week	1,427	hours/year		
Billable Hours per Day	27.4	hours		
	5.5	hours		

Figure 1: Rate model formula with Training and Transportation Time Factors added to the productivity factor, as seen in the Day Habilitation example

$$\begin{aligned}
 & (Wage_{Base}) \times (1 + Inflation_{Total}) \\
 & \times (Productivity\ Factor + Training_{TIME} \\
 & + Transportation_{TIME}) \\
 & \times (1 + ERE + Facility + PS \\
 & + Training_{MATERIAL} \\
 & + Transportation_{MATERIAL}) \times \left(\frac{1}{1 - G\&A} \right) \times (1 \\
 & + Service\ Adjustment) \times \left(\frac{Hours}{Unit} \right) \times \left(\frac{Staff}{Unit} \right) \\
 & = \frac{Billable\ Rate}{Unit}
 \end{aligned}$$

Productivity Estimates: Observations

- Residential and Support Services other than BSS had very similar productivity estimates.
- Employment Services and Behavioral Support Services had the largest productivity factors implying roughly 500 hours of unbillable time excluding training and transportation time.
- Paid time off, administrative tasks and transportation were the largest contributors to the combined total time factor.
- Using an hours based estimate for transportation increased estimated values, but reduced the number of observations.
- Respite - Day was included in the Residential productivity group due to the location of services.
- Nursing Support Services had limited productivity data.
- Further discussion needed on training requirements.

Productivity Estimates: Service Groupings

- Productivity assumptions were grouped by service, rather than one overall productivity factor.
- Includes all unbillable time except for Training and Transportation.
- Five productivity groupings were created, with separate groupings for the Training Time Factor and Transportation Time Factor, where appropriate.

Service Tab	Productivity Group	Wage-Based Productivity	Approximate Annual Hours
R0-5, R7-8, S6	Residential minus Shared Living plus Respite - Day	1.15	245
M1-7	Meaningful Day minus Employment Services	1.24	364
M8-10	Employment Services	1.33	480
S1-BSS	Behavior Support Services	1.34	518
S2-5, S7	Support Services minus BSS and Respite - Day	1.14	250

Training Time Factor: Service Groupings

Service Tab	Training Group	Wage-Based Training	Annual Training Hours per FTE
R1-CL.ES	Community Living - Enhanced Supports	0.01	17.4
R2-5, R7-8	Community Living and Supported Living	0.016	27.3
M1-CE	Career Exploration	0.036	58.0
M2-CD	Community Development	0.035	52.3
M3-DH	Day Habilitation	0.058	82.8
M8-ES	Employment Services - Ongoing Job Supports and Job Development	0.054	72.9
M9-ES.FAS	Employment Services - Follow Along Job Supports	0.027	41.5
R0-DH, R2-DH.CL	Dedicated Hours	0.022	36.7
S1-BSS	Behavioral Support Systems	0.017	26.4
S3-HSS	Housing Support Services	0.027	48.1
S4-PS	Personal Supports	0.017	26.6
S5-NS	Nursing Support Services		
S6-7	Respite Care	0.012	22.2

- There are 13 service groupings in the Training time component.
- Nursing Support Services did not contain unbillable data for Training.

Transportation Time Factor: Service Groupings

- There are six service groupings with Transportation Time Factors.
- Transportation Time Factors were only calculated for services where participant transportation is an expected component of service delivery based on service definition.
- The hours-based estimate provided the most reasonable estimate for transportation time, based on the General Ledger data received.

Service Tab	Transportation Groups	Hours-Based Transportation Time Factor	Annual Transportation Hours per FTE
R1-5, R7-8	Residential Services minus Shared Living	0.071	118.6
M1-CE	Career Exploration	0.022	34.5
M2-CD	Community Development	0.104	156.6
M3-DH	Day Habilitation	0.158	225.8
M8-ES	Employment Services*	0.153	207.5
S4-PS	Personal Supports	0.138	220.9

*Employment Services includes Job Development and Ongoing Job Supports



Fiscal Year 2025 General Ledger Cost Component Estimates

Cost Component Estimates: Methodology

- Component analysis focuses on non-wage operating costs as a percentage of total DSP wages.
- Components reviewed include ERE, Facility, Program Support, Training, Transportation, and G&A.
- Cost category validation was performed to reclassify misallocated cost items and remove non-allowable Medicaid costs (e.g., bad debt).
- Observations with zero or missing DSP wages, or where calculated wages were outliers, were excluded from analysis.
- Service component percentages (except for G&A), were calculated as:
 - $\text{Component \%} = \text{Component Costs} / \text{Total DSP Wages}$
 - $\text{G\&A \%} = \text{G\&A} / \text{Total Costs}$
- ERE and G&A presented as a single statewide value for all services (to allow easier comparisons with the previous FY 2027 rate model).

Cost Component Estimates: Methodology *cont.*

- Other components were reviewed for service-specific appropriateness, grouping, and overlap with productivity (e.g., Training and Transportation material factors).
 - Transportation was set to zero for services where the cost category is not applicable based on service definition and includes direct material costs like gas and insurance.
 - Training was restructured to prevent double counting unbillable DSP training time within productivity; direct training costs remain in the training material component.
- Facility costs were maintained only for appropriate services under the brick model and service definitions (e.g., Day Habilitation and Career Exploration Facility-Based services).
- Facility, Program Support, Training, and Transportation cost component estimates vary by service grouping.

Cost Component Estimates: Observations

- Facility and Transportation expenses were recorded in the FY25 GL data for many services, however they are only included in the model when aligned with service definitions.
- Program Support (indirect costs for specific service) showed significant variation between services.
- Employee Related Expenses and General and Administrative expenses were consistent across services and showed the least variation.



Open Rate Review Advisory Group Member Discussion



Public Comment



Next Steps and Adjournment

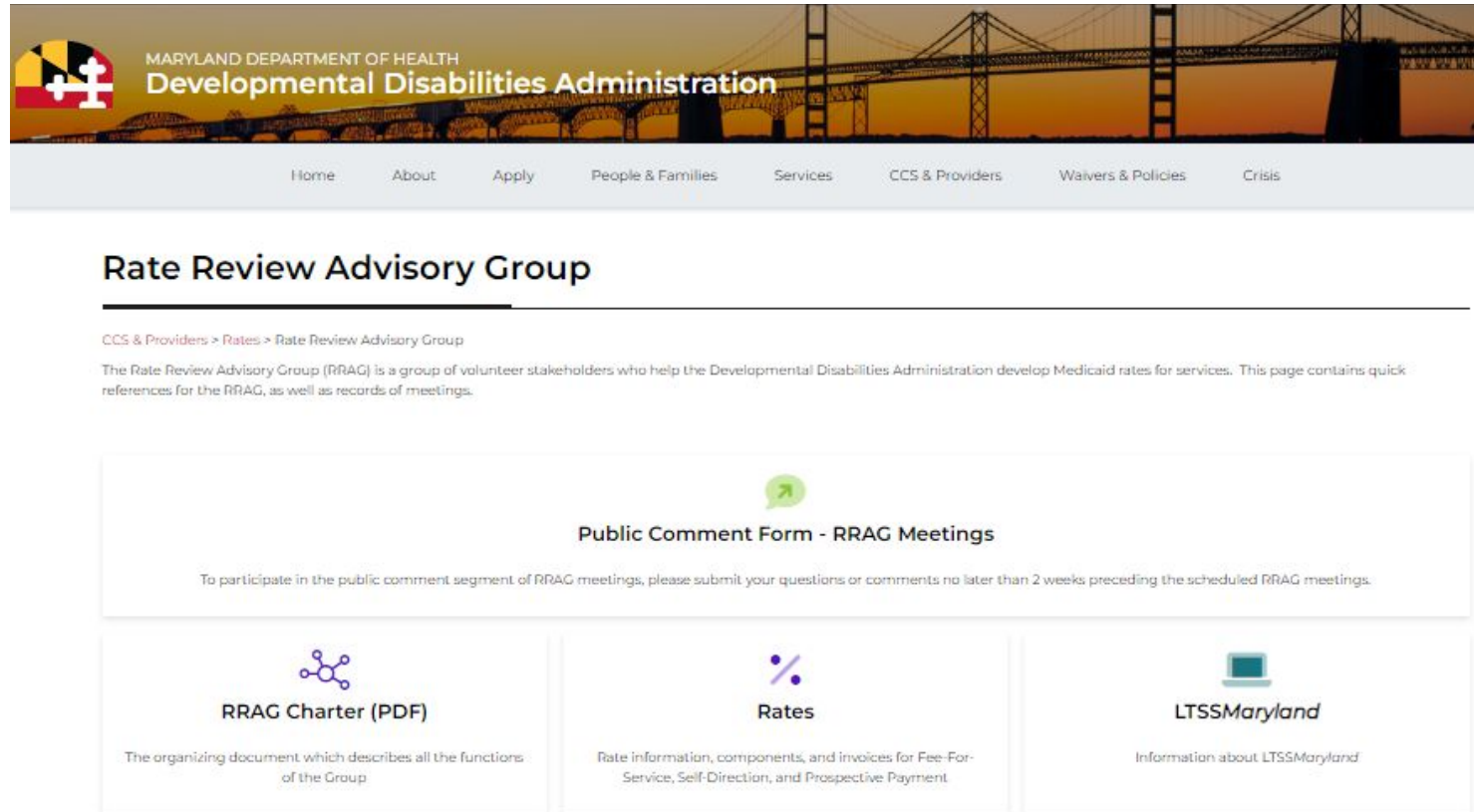
Upcoming Meeting Dates

The next RRAG meeting will be held **Thursday, May 28, 2026 2:00 - 4:00 PM**

Remaining RRAG Dates
Thursday, June 25, 2026 12:00 - 2:00 PM
Thursday, July 30, 2026 12:00 - 2:00 PM
Thursday, August 27, 2026 12:00 - 2:00 PM

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 Rate Review Advisory Group (RRAG) is a group of volunteer stakeholders who help the Developmental Disabilities Administration develop Medicaid rates for services. The page contains three main sections: "Public Comment Form - RRAG Meetings" with a note to submit comments no later than 2 weeks preceding scheduled meetings; "RRAG Charter (PDF)" described as the organizing document; "Rates" described as information, components, and invoices for Fee-For-Service, Self-Direction, and Prospective Payment; and "LTSSMaryland" described as information about LTSSMaryland.



Thank You!



Appendix

Rate Development Summary and Examples

Defining Component Analysis

Component	Examples
Wages	Direct Support Professional (DSP) salaries
Employee Related Expenses (ERE)	Insurance, vacation/holiday/paid time off, and other benefits
Facility	Rent/mortgage, utilities and maintenance for service facility, not room and board for residents
Program Support	Indirect costs for providing specific services (supplies, equipment, IT expenses, bad dept, etc.)
Training	Training staff costs and training supplies for DDA required trainings
Transportation	Staff-provided transportation while providing a service (does not include commute time)
General and Administrative (G&A)	Administrative staff expenses and costs, office rent, office supplies, office IT expenses, etc.

Wage Data - Productivity Factor Example

	Rate Component	Measurement	Expenses
Billable*	Direct Care Staff	DSP Wages: FTE, PTE, Contract	\$188,600
Non-Billable**	Facility	Time on Facility Maintenance/Operations	\$3,300
	Program Support	Documentation Time	\$15,600
	Training	DSP Training	\$8,750
	Transportation	DSP Drive Time	\$9,900
	General & Administrative	G&A Tasks	\$5,600
	Total Non-Billable Wages		\$43,150
	Total Wages		\$231,750
	Productivity Factor (Total/Billable Wages)		1.23

For Productivity, need to split time by billable vs. non-billable

DESCRIPTION FROM GL TEMPLATE:

**Direct Care Staff (Items 1-3): DSP FTE/PTE - billable wages*

*** Program Support (Item 11): DSP wages unbillable - direct care staff wages for documentation time and other unbillable activities (unbillable time)*



Brick Model - Build Up of the Rates

Goal is to capture ALL allowable Provider Costs

