

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

DATE: Friday, August 19, 2022

TIME: 12:30 to 2:30 p.m.

LOCATION: GoToWebinar

Due to COVID-19, this meeting was held through GoToWebinar only.

Registration for the Rate Review Advisory Group Meeting on Friday, August 19, 2022 12:30 p.m. EST was available at: [Maryland Department of Health DDA Rate Review Advisory Group \(constantcontact.com\)](https://constantcontact.com)

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

AGENDA

1. **Welcome** - *Jennifer Mcllvaine*
2. **Approval of July Meeting Minutes** - *Jennifer Mcllvaine*
3. **Summary of Requests and Updates**
 - a. **June Meeting Minute Revision**, *Jennifer Mcllvaine*
 - b. **RRAG Charter**, *Jennifer Mcllvaine*
 - c. **FIAT and Day Habilitation Data Requests**, *Robert White*
 - d. **General Ledger Updates**, *Cynthia Woodcock*
 - e. **Fixed vs. Variable Costs Discussion**, *Jennifer Mcllvaine*
4. **FY 24 Focus Area Additional Analyses**-*CBIZ Optumas*
5. **FY 24 Focus Area State Team Recommendations** - *Robert White*
6. **Next Steps and Adjournment** - *Jennifer Mcllvaine*

Co-Chairs

1. Jennifer Mcllvaine, Director of Finance, Medicaid, MDH
2. Robert White, Director of Administrative Services, DDA

Advisory Group Members Present

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

DDA Panelists

1. Patricia Sastoque, Director of Programs, DDA

State Medicaid Panelists

1. Steve Schuh, MDH Deputy Secretary of Health Care Financing and Medicaid

The Hilltop Institute and CBIZ Optumas Panelists

1. Steve Schramm, CBIZ Optumas
2. Lesley Le, CBIZ Optumas
3. Christin Diehl, The Hilltop Institute
4. Todd Switzer, The Hilltop Institute
5. Kris Welch, CBIZ Optumas
6. Cynthia Woodcock, The Hilltop Institute
7. Alice Middleton, The Hilltop Institute

DDA Office of Change Management Panelist

1. Emily Ornstein, Consultant

MDH/DDA RATE REVIEW ADVISORY GROUP MINUTES

Friday, August 19, 2022
12:30 pm to 2:30 pm

WELCOME

Ms. Jennifer McIlvaine, Director of Finance, Medicaid, MDH, called the meeting to order at 2:38 p.m. As part of the welcome address, Ms. McIlvaine thanked members for being a vital part of Secretary Schrader and Deputy Secretary Simons commitments to the development of adequate and sustainable rates. This effort promotes the vision and mission of the DDA community. Members' participation and contributions sets the precedent for an open, informed and transparent process to reviewing rates.

APPROVAL OF MINUTES

Ms. McIlvaine stated that the revised and approved June Meeting minutes had been sent to members, and that the draft July minutes had also been sent for review and approval. Mr. Scott Hollingsworth of Appalachian Crossroads had one change to the July minutes: he was not in attendance for the July meeting and requested that his name be removed as an attendee. Ms. McIlvaine moved that the minutes be accepted with this revision, and Ms. Shauna Mulcahy of The Arc Frederick County seconded. The revised minutes were approved by a unanimous vote.

SUMMARY OF REQUESTS AND UPDATES

Ms. McIlvaine explained that the approved, amended June meeting minutes were distributed on August 15, and that the revisions are on page six in the third and fourth paragraphs. The minutes will be posted following this meeting.

Ms. McIlvaine stated that the RRAG Charter will be posted on the RRAG website once the review is finalized.

Mr. Robert White, Director of Administrative Services, DDA, responded to the members' request that the State share raw FIAT, Day Habilitation and EAG data by informing the RRAG that the data had been shared with the State in confidence and that de-identifying the proprietary information in the files is unrealistic, as a process of elimination could reveal the identification. The State will continue to share data summaries and continue taking analysis requests. Mr. White suggested that providers can share raw data with one another if they choose. Mr. Christian (Chris) Parks of Somerset Community Services asked if future data requests could include an option for providers to indicate if they grant permission for their data to be shared with the RRAG. Mr. White responded that it is an option for providers to share data amongst each other without requiring the State to track this administratively. Ms. Laura Howell of MACS expressed disappointment that the raw data will not be shared.

Ms. Cynthia Woodcock, Executive Director of The Hilltop Institute, provided a summary of the approach to developing, piloting, and implementing the new General Ledger (GL) template. Ms. Woodcock provided context that the template will be used to collect detailed provider data and to inform rate rebase years. This standardized template helps ensure consistent data collection across providers for a more informed rate development process. The data will be collected on service-level revenue, expenses, and units of service and technical assistance will be available for providers as they complete the tool. Ms. Woodcock stated that the RRAG members will receive a copy of the template within the next week and will have 30 days to return written feedback. Once feedback and comments are incorporated, the template will be shared with a group of providers for testing this fall. The pilot testing should show whether the instructions are clear, whether the template aligns with costs and revenue units in providers' systems, and to test the online platform used to collect the data. The test group should encompass diverse providers. Ms. Woodcock encouraged RRAG members to assist with recruiting providers for the test group. The final tested template will be shared with the RRAG next rate review cycle. The plan is to have the template ready to roll out to providers by July 1, 2023.

Ms. Woodcock also noted that some RRAG members in the previous meeting indicated that more frequent GL reporting could be useful for special analysis between rebase years. In response, Ms. Woodcock advised that Hilltop's plan is to get feedback from the test group regarding the practicality of a higher collection frequency, then present to the RRAG in January with a proposal for non-rebase year data collection. Mr. Parks inquired about how cost reporting will be accomplished and stated that data collection should be completed each year.

Ms. McIlvaine noted that RRAG members had requested further discussion on the fixed and variable rate components. The State believes that a separate meeting should be held to reach a mutual understanding on the issues. The proposed meeting date is September 16 for one hour, from 2-3 pm. Members are asked to email Ms. Emily Ornstein at emily.ornstein@maryland.gov to confirm attendance and receive a meeting invitation.

FY 24 FOCUS AREA ADDITIONAL ANALYSES

Ms. Lesley Le of CBIZ Optumas presented findings on the staffing and transportation data collected. Ms. Le shared that 41 providers entered transportation data in the Day Habilitation Tab from 2019. Regarding the transportation data, quality concerns resulted in 19 submissions being excluded. Ms. Le explained the process for exclusions, saying that data was excluded if tabs were inappropriately populated (for instance, if data points were missing). The IQR was used to analyze the data spread, looking at and removing outliers. Ms. Le explained that the data was analyzed the same way it was for the previous presentation (July 29, 2022), and the data that came in after the deadline has been added. Her graphs illustrated the 2019 data and the projection data. The variances for the transportation component for each service were shown in bar graphs. Ms. Le also explained that the data was analyzed in several ways, including a straight average, a weighted average, and medians. The results were very similar across

the calculated averages within a few percentage points.

Ms. Maria Dominiak of MACS raised the point of looking at the transportation component using billable wages, and Ms. Le responded that these calculations are done using total hourly wages due to concerns around overstating the percentage if billable wages only was used. Ms. Dominiak restated her concern that these calculations understate the true transportation costs. Mr. Kris Welch of CBIZ Optumas responded that they looked at the data in various ways; he saw the examples that were provided by RRAG members, and he believes this is the most consistent way to use the information. Ms. Howell stated that the method used does not tie back to the GL, and she is deeply concerned. Mr. Parks shared this concern. Mr. Parks, Ms. Howell, and Ms. Dominiak shared that they would like to see the math used behind the analyses Optumas presented. Mr. Welch stated he did not have the exhibits to walk through during the current meeting. Ms. McIlvaine stated that Hilltop and Optumas could have internal discussion with the State to prepare and distribute examples to the group to explain the position. Ms. Howell accepted the suggestion but desired a resolution that ensured concerns were heard and addressed. Ms. McIlvaine replied that she will still seek the exhibits of the model for the next meeting; noting that this may have to be a deeper dive when the next rate review cycle comes up.

Mr. Hollingsworth suggested that since the RRAG Charter allows for subgroups, a subgroup should be formed to deal with these issues. Ms. McIlvaine agreed to take this suggestion back for consideration as a possible next action. Ms. Howell suggested that a resolution on the rates could speed providers' transition into LTSS*Maryland*, as some providers are hesitant due to concerns around rates and that there is urgency around having these discussions.

Ms. Le then moved to reviewing observations and considerations of the analyses. She explained that a robust sample was used, and based on the transportation data, there was strong evidence that the transportation component should be higher than what is currently in the rate model. Various looks at the data resulted in relatively comparable numbers and providers projected increases due to inflation, gas, wages. Ms. Le stated that adjustments should consider using projected data as guidance; increased costs since 2019; and adjustments should be made on a service-specific basis instead of using a blanket approach.

Ms. Dominiak asked whether a weighted average or straight average was used in the calculation, and Ms. Le replied they are showing straight averages. However, Optumas looked at the data in various ways, including weighted averages and the median, and still got very close percentages in all three calculated values.

Mr. Welch discussed staffing ratios. He stated that they used an approach consistent with the transportation component for exclusions. Mr. Welch said they used an additional component of the small vs large group for staffing ratios and that the groupings were based upon service definitions. Mr. Welch said they looked at data in many ways, using straight averages, weighted averages, etc., and in all the looks the calculated percentages were comparable to one another. He pointed out that the bar

graphs showed consistency between the actual and projected data. The projection data came in a little higher than 2019, and this could be due to small groups being more prevalent.

Mr. Welch said that a good sample size was used, but there are limitations to the data they were able to collect around staffing ratios. As providers are transitioning to these services, Optumas may be able to get more detailed data.

Ms. Dominiak asked if the CDS data was capped or corrected because the staffing ratio was high and looked unchanged. Mr. Welch replied that they used the IQR to deal with outliers, and there were more on the CDS side. He further clarified that how the data was collected had an impact. For example, one DSP supports several people but in different time frames. Ms. Dominiak wondered how Mr. Welch got the staffing averages reflected in the chart for CDS. Mr. Welch stated that they used the service definitions for the staffing ratio criteria. Ms. Howell asked about how fractions (i.e., ratios between 4 and 5) were included. Mr. Welch replied that he would go back to review and follow up. The concern that Ms. Howell and Ms. Dominiak raised was that anything above 4 is outside of the service definition for small group, and Mr. Parks agreed, adding that the averages included groupings that were above the service definition on staff ratios. Mr. Welch replied that he would go back to look at the numbers to see if ratios above 4 were included. He will provide in writing what was included. Mr. Parks and Ms. Howell circled back to say these issues are why they are asking to see the raw data. Mr. Parks stated that may be addressed in a subgroup with permission from the involved providers. Mr. Welch said they responded to feedback from the last meeting, and they will provide the additional context on CDS. He also reiterated that providers could share data among themselves.

Mr. White said that he wanted to ensure everyone is on the same page. The current rate is not based on the 2019 data or the projection, but the 1 to 1.5.

FY 24 FOCUS AREA STATE TEAM RECOMMENDATIONS

Mr. White shared that after internal discussions the State is proposing to maintain the staffing level assumptions that are currently in the rate model, as the data for staffing ratios is not compelling enough right now to make any adjustments. He stated that they will continue to monitor emerging experiences and have discussions as new information becomes available. The data received today from MACS regarding CDS will be discussed internally.

Mr. White stated that based on the 2019 data and projected estimates, the transportation data was compelling enough to warrant an adjustment to the transportation component. The State is proposing to use the 2019 data as a starting point and make adjustments for expected program changes, policy goals, and considerations for growth presented in the projections.

Mr. Parks asked for the reasoning in using 2019 data instead of 2022. Mr. White said they did not want to over-project and then have to move downward. The effort was to get between 2019 and the

projections.

Mr. Welch went on to discuss the slide showing the three services for which the transportation averages calculated were based on 2019 data and the program change factor proposed. Each service was considered separately, considering the projected growth, service structure and increased costs. He explained that the adjustment is made to a *component* of the BRICK and does not translate to the full rate.

Mr. Welch then proceeded to discuss the proposed adjustment to increase the transportation component from 28.7% to 46.3% and noted this translates to about 7.8% to 8% increase to the rates for day habilitation. He went on to say that the proposed adjustment for the CDS transportation component went from 34.4% to 43.1%, which translates to about a 4.1% - 4.2% increase in the CDS rate.

Ms. Dominiak asked Mr. Welch to explain what factors were calculated in program impact and why they vary so much by service. Mr. Welch replied that they were based on State assumptions that are informed by projections.

Mr. Welch then discussed the transportation component for employment services. He stated that the proposed adjustment is to increase the transportation component to 41.3% from 18.2% or 22.9% depending on the service. This adjustment would translate to about 8.3% - 12.5% to the rates depending on the service in the employment services group.

Ms. Dominiak spoke to transportation costs that will be discussed in the fixed and variable rates discussion. She stated that she does not believe these percentages are correct.

Mr. Welch stated that it will be helpful to have that discussion.

NEXT STEPS AND ADJOURNMENT

Ms. McIlvaine thanked the Optumas team and went on to state that the overall fiscal impact of the recommended adjustments will be subject to the limitations of the State budget. The Governor's recommended budget will be released in January 2023. As Maryland will have a new governor, the budget must be submitted no later than ten days after the General Assembly convenes, and the legislative session begins on January 11, 2023.

Ms. Howell made some concluding statements regarding concerns she and others raised regarding the process and said that she will share these with MACS so that she can give additional feedback. Ms. McIlvaine and Mr. White both agreed that there is a learning curve in the process for everyone in this first year, and that sometimes it is necessary to "agree to disagree." Mr. Hollingsworth appreciates this opportunity but commented that the process wasn't collaborative, but more of a "show and tell"

opportunity. He wants to understand the process for feedback. Ms. McIlvaine acknowledged that they are working on the feedback process. Mr. Parks suggested that a subgroup work between meetings to increase the pace of the process and inquired if subgroups could work outside of the cycle. Ms. McIlvaine promised to keep that in mind for the workflow over the next few months. She also stated the time has been reached where adjustments must be finalized but that there may be an opportunity for a mid-year adjustment process. Mr. Parks asked when they will discuss the analysis of the GL data collection tool, and what will be the mechanism for immediate feedback. Ms. Woodcock reminded all that they will work with the pilot group during the fall and come back to the RRAG in January 2023, with the expectation that the rollout for providers will be July 1, 2023.

Ms. McIlvaine thanked all in attendance and the meeting adjourned.