

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

DATE: Tuesday, April 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 Tuesday, April 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 McIlvaine, Director of Finance, Medicaid, MDH

2. **Meeting Materials and Updates**

Jennifer McIlvaine, Director of Finance, Medicaid, MDH

Lesley Le, Consultant, CBIZ Optumas - Rate Setting Consultants

3. **Day Habilitation Components**

Kris Welch, Consultant, CBIZ Optumas - Rate Setting Consultants

4. **Finalizing FY 2024 Priorities**

Lesley Le, Consultant, CBIZ Optumas - Rate Setting Consultants

5. **Cost Reports and General Ledgers**

Lesley Le, Consultant, CBIZ Optumas - Rate Setting Consultants

6. **Application of Supplemental Budget**

Robert White, Director of Administrative Services, DDA, MDH

7. **Next Steps and Adjournment**

Jennifer McIlvaine, Director of Finance, Medicaid, MDH

Next meeting is Friday, May 20, 2022 12:30 pm to 2:30 pm. Members of the public who would like to observe the meetings, can register through the DDA Training Calendar at [Constant Contact Events](#). Register once and get reminders for each meeting via GoToMeeting

Meeting connection links will be sent one day and one hour prior to the meeting. Meeting minutes will be made available following the meeting. If you have any questions or would like to request accommodations, please contact Donna Will at donna.will@maryland.gov.

Next Meeting: Friday, May 20, 2022, 12:30 to 2:30 p.m.

Staff Contact: Ms. Donna Will

Donna.Will@maryland.gov

MDH/DDA RATE REVIEW ADVISORY GROUP MINUTES

April 19, 2022

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 (Support invited)
 - b. Maria Dominiak, MACS (Support attended)
7. Christian Parks, Somerset Community Services
8. Karen Lee, SEEC/EAG
9. Carol Custer, SDAN
10. Ken Capone, People on the Go

DDA Panelists

1. Robert White, Director of Administrative Services, DDA
2. Patricia Sastoque, Director of Programs, DDA
3. Rhonda Workman, Director of Federal Programs, DDA

State Medicaid Panelists

1. Jennifer McIlvaine, Director of Finance, Medicaid, MDH
2. 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. Christen Diehl, The Hilltop Institute
4. Todd Switzer, The Hilltop Institute
5. Kris Welch, CBIZ Optumas

DDA Office of Change Management Panelist

1. Kerri Zanchi, Consultant, DDA
2. Emily Ornstein, Consultant, DDA

Rate Review Advisory Group

April 19, 2022

Introduction and Overview

Ms. Jennifer McIlvaine, Director of Finance, Medicaid, MDH called to order the meeting of the Rate Review Advisory Group at 12:34 p.m.

Approval of Meeting Minutes

Members voted to approve the March 21, 2022 meeting minutes with no revisions.

Meeting Materials and Updates

Ms. Lesley Le, CBIZ Optumas, identified a transportation figure that was shared in the last meeting where there was an ask to understand how this amount was calculated. She summarized that a follow up call was made with Mr. Christian Parks, Somerset Community Services, where he was able to share how he came to that figure, which was similar to calculations done independently by CBIZ Optumas.

Ms. McIlvaine recognized the need for clear rules on engagement and communications outside of the monthly meeting and shared that the Medicaid and DDA will develop a governance document that will outline roles and responsibilities of members and review practices of the advisory group.

Day Habilitation Components

Ms. Le provided an overview of several strategies discussed in the prior RRAG meeting to review the Day Habilitation rates and specifically talked about revisiting certain components such as transportation and the staffing ratio assumption. Ms. Le also reviewed the prior discussion around creating discrete group sizes to address the fixed vs variable cost concern. Ms. Le stated that there have been internal discussions since the March RRAG, and that Mr. Kris Welch, CBIZ Optumas, will be giving an update on each part.

Mr. Welch walked through feedback to the shared draft data collection tool specific to each of the Day Habilitation rate components, including transportation and staffing ratio. There was a commitment made in the last meeting to collect data from providers to help inform the day habilitation rate development and to see if any adjustments are warranted and to what degree. Mr. Welch noted that there was an initial interest to collect data and share it prior to the next RRAG, but based on the feedback to the data collection tool so far, additional discussion is warranted. The aim is to provide an update to the data collection template at the next RRAG meeting.

Mr. Parks noted an issue in aiming for a FY22 Q1 date with Appendix K and being in the middle of winter. He also had a concern that there has not been a normal quarter since before COVID. Other members of the group shared the same concern that they have not been in full operation and the resulting data will be skewed.

Mr. Welch recognized the complexity in getting information that is several years old. He proposed to either look at emerging data, potentially a combination of Q1 or Q2, or to see if certain adjustments can be made to the historical dataset.

Ms. Karen Lee, SEEC, provided some background being a DC fee-for-service provider for years. In her experience, the work in DC on rates did not specifically pull out transportation. Rather, in DC the focus was on calculating the hourly rate for a DSP to breakeven since they have to calculate out how many billable hours a DSP will work on a weekly basis and take into consideration absentee days.

Mr. Welch asked for any thoughts around alternatives, such as looking at timelines further back or potentially postponing any changes to transportation until there is more comfort with the data that will be available. There is complexity around wanting to move forward and the concerns around recent data.

Ms. Maria Dominiak, MACS, asked for clarity around the policy rules and guidelines that should be used knowing that the new LTSS and rate structure have different rules around transportation. Ms. Dominiak asked if this data request is more of a theoretical exercise to see how transportation would look in a normal environment with LTSS or if it was an explicit request for actual data/estimates of what providers would project to be incurred in a normal situation.

Ms. Laura Howell, MACS, raised a concern around pushing data collection 6 months given this seems to be a key piece to addressing the Day Habilitation rates. She noted that data is important, but we are in an unusual time and other rate adjustments have been made using older data.

Mr. Welch proposed to the RRAG potentially collecting data from CY19 or a similar period pre-COVID and then asking about any adjustments needed to account for the projected period. This adjusted data set would inform future rate decisions.

Other members of the group agreed to this approach but raised a concern around the data not typically captured in the way that has been proposed. The group discussed nuances of data collection to consider and an appropriate timeline for data collection. Suggestions included looking at individual schedules for accurate data needed for a sampling of service predictions

pertaining to transportation from Ms. Lee and looking at fixed and variable cost assumptions to address the entirety of Day Habilitation rates from Mr. Scott Hollingsworth, Appalachian Crossroads.

Mr. Welch explained that this is one of the reasons why the DDA is requesting more recent information, but if the decision is made to look at historical data, adjustments will need to be made. Mr. Welch proposed not having a data collection tool split by group size, instead only one template for transportation and then having a separate section that is split by group size to look at staff ratios. In reference to the draft data collection template that was sent prior to the meeting, Mr. Welch asked if the 6 lines are sufficient for providers to provide pre-COVID data. If so, he asked if there are any other nuances we need to consider. For example, instead of having the 4 separate templates and into 1 format, is that something reasonable for the group? What does the timeline for that information then look like?

Ms. Donna Retzlaff, Spring Dell, shared that the data collection tool has to be more defined if it is going out to providers. For example, is it transporting to and from, in between services? Recommended that this be defined for exactly what providers should be pulling and assumed this will take a while to collect since providers don't normally collect the data in that way.

Ms. Lee agreed with the need for clarity on what's expected to minimize the risk of data being all over the place. Ms. Lee also shared that it will be easier for us to collect without group size, but we still would need more clarity on this piece to know we're comparing apples to apples.

In response to questions about the scope of meaningful day services, Mr. Welch shared that the intent was for all meaningful day services.

Ms. Lee cautioned that many services have changed since pre-COVID and have become a more community-based state. There's a lot more transportation happening now than there was pre-COVID because we are in the community more – encouraged that sampling be used for predictability of individuals schedules which should be able to get that pretty easily from providers.

Mr. Greg Miller, Penn Mar, shared concern with the template specific to capturing the entire fleet of vehicles as some may have loans on them, some may not.

Mr. Parks agreed on that point as well. Requested clarifications on the intentions to help assist in reviewing the calculations for the transportation components.

Mr. Welch responded that originally, in the ledgers, there was a broad category of transportation costs compared to wages which was used to develop transportation components. Explained that specifically this exercise is looking to identify the amount of time DSPs spend providing transportation vs providing a specific service. We wanted to look at that in terms of hours since that'd be easier, and could also use dollars – for example, transportation hours vs total hours or transportation non wage costs vs total wages. This could assist with comparing to the transportation component.

Ms. Lee raised a question regarding what data providers are using to know that the current rate is not sufficient and asked whether that data could be shared to use in the rate development process. She summarized that if providers are saying it's not sufficient, providers must be using some data to determine the rates aren't sufficient and if we could figure out that gap, we could figure out the data we need to collect.

Ms. Howell shared that the bigger issue is that the day hab rate as a whole is not adequate and there have been a few items to focus on and transportation is one of them. Not that transportation is the sole piece but one piece of the broader rate.

Ms. Lee asked if there is the potential to separate out transportation as a separate cost. Can we have a transportation rate and then a service rate?

Mr. Welch thanked the group for discussing really good points for consideration. He transitioned the group to talk about the staffing ratio data request and shared that if the group were to look at a general staffing ratio that includes 1:1 and 2:1 versus those who are in various large groups, the staffing ratio will be somewhere in the middle and would not be appropriate for any of those group sizes. He then opened the floor for any comments or questions looking at staff ratio information.

Ms. Howell asked about the staffing ratio in context of existing policy decisions. Mr. Welch clarified that the goal is to develop a rate using the various components for the intended group size for those policy definitions, and then dividing it by the number of people expected to be served. He shared that the goal is to try to collect information on how staff ratios tend to exist for providers currently and how that would proceed in the future. He also clarified that the ask would be for data collection specifically for the new service definitions even if not all providers utilize the new definitions as it relates to the LTSS Maryland - DDA Module versus the legacy system PCIS2. For example, even if providers are in PCIS2, the group could ask how providers are staffing currently, and how might they serve various groups of people. Ms. Howell again expressed concern about services affected by the public health emergency and Appendix K and whether this data collection is feasible.

Mr. Miller expressed that it feels like we're pushing back but we're not really pushing back. When you're talking about small groups vs large, if you have a large group, sort of by its very nature, you're going to have less difficult people in that large group. Concern is people are going to look at existing rates and figure out where people should go depending on the rates instead of getting the rates right. Mr. Welch is looking for some good information, however providers are overwhelmed with day-to-day operations mixed with trying to figure out how to give data that makes logical sense. Other members of the group echoed Mr. Miller to which Mr. Welch expressed understanding that this is a complicated topic.

Ms. Lee had proposed that Day Habilitation providers explore the cost per hour of offering this service. Mr. Parks stated that this would be very difficult. Ms. Howell said that there is an argument to be made to take an updated look at what it costs per unit/service to provide the service. Such as by looking at the ledger all over again. Ms. Howell continued that she thought there are issues with how the original data was collected that has fed problems into the rate development. She proposed that providers could offer this data in a timely manner and it could address some challenges providers have faced.

Mr. Miller asked Mr. Welch about other states that may be an example to explore. Mr. Welch shared that his team can certainly look at what other states have and share some of that information. Mr. Miller said he could share information from Pennsylvania. Mr. Welch stated that if there is additional information the group would like Optumas to share, that members should reach out to the DDA as soon as possible to incorporate that into upcoming Rate Review Advisory Group discussions.

Ms. Dominiak shifted the conversation to the staffing ratio for transportation versus the staffing ratio for direct support. She proposed a weighted average considering the staffing ratio may vary. Ms. Lee proposed that the DDA could reach out to providers who made the decision to go into LTSS so as to not use data from two years ago (pre-public health emergency). Ms. Dominiak requested permission to share a prepared slide deck on proposed methods to address the fixed and variable rate component. She noted that the deck would be available to members and the DDA following the meeting and summarized two options – similar approach that DDA had presented a couple years ago in the initial LTSS rates that basically splits the different components into those that are variable and fixed and a second option a different way of looking at it and has a slightly different result.

Mr. Welch transitioned to sharing some initial findings from the FIAT tools in the next meeting or certainly in future meetings to see how rate comparisons might look. In terms of changing the structure of the rates, he summarized that based on discussions with the DDA, this would

not be feasible to start in FY23. The intent here is to give an update in terms of any rate structural changes, not something that is in place for FY23. The concept of looking at fixed and variable and how that may be addressed will be something we continue to review. Ms. Dominiak expressed concern about under-funding in relation to the fixed versus variable component. Mr. Welch shared that options we had seen so far present some mathematical issues in cost duplication. In order to better address that, it would likely need to split off services in how they're defined and billed.

Ms. Lee said that there are a lot of providers who have transitioned into the LTSSMaryland-DDA module, and it may be worth asking if they were concerned about the Day Habilitation rates. Ms. Howell responded that providers who chose to transition felt the upside of the residential rates were enough to counter losses in Day Habilitation. She continued that for providers who offer Day services only, some chose to not transition Day Habilitation, while some did. Ms. Howell shared that the goal is to not have any one service be dependent on a particular system and that it would be troubling if there was no change for FY23.

Ms. Lesley Le, CBIZ Optumas, clarified that the no change for FY23 was only in reference to the review proposed last meeting of changing the service definitions and how the service is operationalized since it would be time intensive to operationalize and can be administratively burdensome to providers, not that there would be no change to the Day Habilitation rates.

Finalizing FY 2024 Priorities

Ms. Le shared the list of priorities from previous meetings, with the goal to narrow down what the group wants to address in FY23 to affect FY24 rates. She opened it up to the group for discussion.

Ms. Lee, SEEC, asked to consider career pathways as there is a big issue with wages and staff turnover.

Ms. Howell asked about the fixed/variable cost allocation noted and if that would be considered sooner than the FY24 priorities through Day Hab rate review. Ms. Le shared that she would imagine the fix/variable cost allocation would be addressed through the day rate review. Mr. Welch supported this statement.

Ms. Howell shared that this issue of wages and staff turnover should factor in the minimum wage. Ms. Le asked what other priorities the group would be comfortable with pushing to the next rate review cycle if moving forward with addressing wages and staff turnover. Ms. Lee proposed that the revenue and expense for group home size addressed concerns with dedicated hours. Ms. Le offered moving the feedback about group home sizes to FY25 to look at

the wages and staff turnover issue instead. Ms. Howell expressed agreement with this approach but also noted that there is another priority from providers concerned about offering employment supports. Mr. Miller agreed with exploring the relationship between wages and turnover and looking at employment providers as the two highest priorities.

Ms. Le stated that hearing that the DSP wage concern is a very high priority for this group, CBIZ Optumas will take that back internally and discuss if this is something the DDA can address in the upcoming year.

Mr. Miller stated that utilization on its own is a massive issue with this new system and that the faster the group can focus on really looking at the first few months of transition and utilization, there will be good information for what the group will want to look at in the future.

Ms. Lee ended the conversation by clarifying that factoring in “career pathways” this encompasses the employment first rate and also new services like the housing supports.

Cost Reports and General Ledgers

Ms. Le shared that the group had discussed the cost report template with the intention of aligning it and consolidating the general ledgers. The DDA heard feedback that there needs to be enough lead time to share the template through which the data will be collected so providers can plan and collect data accordingly. For rebasing years, because of the lead time needed and the labor intensity of collecting this information to use for rate setting, CBIZ Optumas will be looking to collect time period FY22 general ledgers for the first rebase schedule. The DDA and its rate setting consultants are still working through the process by which general ledgers will be shared and collected.

Ms. Le also shared that the general formatting of the cost report will be consistent and the team is still talking through any changes. Mr. Parks noted that if there are any changes and additional data is asked for then that information needs to go to providers before the start of the fiscal year so they can make any structural changes to general ledgers now.

Application of Supplemental Budget

Robert White, Director of Administrative Services, DDA, MDH shared that the supplemental budget has an additional 4% rate increase and will positively impact all DDA providers equitably as it will follow the same approach as the mandated annual COLA. FY23 rate increases will be effective July 1, 2022 in both systems. Rates overall increase by 8%. If in process rate work discussed today identifies rate increases beyond FY23 budget, this will inform the FY24 DDA budget development. As rate work progresses, there are a number of factors that will be considered. Mr. White closed by thanking the group for the important work on the Day

Habilitation rate, noting that it is in the collective interest of the DDA and RRAG given the timeline of the FY24 budget request.

Next Steps and Adjournment

Ms. McIlvaine thanked members for the discussion and shared appreciation for the good questions and insight. Next meeting will be Friday, May 20th at 12:30 PM. Major topics will be follow up on data collection, discussing cost reports, discussion on approach FY24 priorities, and reviewing preliminary FIAT findings.

Note: Shared presentations/materials referenced in these minutes will be made available on the website for public access. All requests to share resources/materials must be made/submitted in advance.