

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

DATE: Friday, February 24, 2023

TIME: 10:00 AM to 12:00 PM

LOCATION: GoToWebinar

This meeting was held through GoToWebinar only.

Registration for the Rate Review Advisory Group Meeting on Friday, February 24, 2023 10AM EST was available at: [Maryland Department of Health DDA Rate Review Advisory Group](https://constantcontact.com) (constantcontact.com)

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

AGENDA

1. **Welcome and Introductions** - *Jennifer McIlvaine, Director of Finance, Medicaid, MDH*
2. **Approval of January Meeting Minutes** - *Jennifer McIlvaine, Director of Finance, Medicaid, MDH*
3. **General Ledger Data Collection Process Update** - *The Hilltop Institute at UMBC*
4. **Discussion of FY25 Rate Review Priorities** - *Robert White, Director of Administrative Services, DDA and CBIZ Optumas*
5. **Open Discussion**
6. **Next Steps and Adjournment** - *Jennifer McIlvaine*

Co-Chairs

1. Jennifer McIlvaine, 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
 - i. Sharon Lewis, MACS
 - ii. Maria Dominiak, MACS
7. Christian Parks, Somerset Community Services
8. Karen Lee, SEEC/EAG
9. Carol Custer, SDAN
10. Mat Rice, People on the Go (invited)

DDA Panelists

1. Bernard Simons, Deputy Secretary
2. Elizabeth Peters, Deputy Director, Administrative Services
3. Rhonda Workman, Director of Federal Programs and Integrity

The Hilltop Institute and CBIZ Optumas Panelists

1. Steve Schramm, CBIZ Optumas
2. Caleb Levan, CBIZ Optumas (invited)
3. Megan Frenzen, CBIZ Optumas
4. Christin Diehl, The Hilltop Institute
5. Todd Switzer, The Hilltop Institute (invited)
6. Kris Welch, CBIZ Optumas
7. Cynthia Woodcock, The Hilltop Institute
8. Alice Middleton, The Hilltop Institute (invited)
9. Winter Tucker, CBIZ Optumas

DDA Office of Change Management Panelist

1. Emily Ornstein, Consultant

MDH/DDA RATE REVIEW ADVISORY GROUP MINUTES

Friday, February 24, 2023
10:00 am to 12:00 pm

WELCOME AND INTRODUCTIONS

Ms. Jennifer McIlvaine, Director of Finance, Medicaid, MDH, called the meeting to order at 10:10 a.m. As part of the welcome address, Ms. McIlvaine thanked members for being flexible with the change of the February meeting date. The additional time was tremendously helpful for the state team to review the RRAG rate review priority survey in relation to the commitment to the work of this group.

Approval of Meeting Minutes

Members voted to approve the January 26, 2023 meeting minutes with no changes.

General Ledger Data Collection Process

Ms. Christin Diehl, The Hilltop Institute, shared that review of the feedback from the five (5) providers who participated in the General Ledger (GL) Workgroup is underway. Feedback questions targeted the instructions, cost category definitions, ability to provide requested data, potential accounting system updates, time needed to collect the data, time needed to complete the template, and allowed for the option to share additional comments. Additionally, Hilltop is reviewing the seven (7) submitted templates for comments shared directly in the submissions.

Ms. Diehl added that Hilltop is engaged with Optumas on feedback related to how the data is being collected and discussing the possibility of suggested alternatives based provider feedback. Many of these suggestions and feedback are related to the granular level of data requested. The template currently requests providers allocate costs across the seven (7) designated cost categories, by service.

Hilltop is also gathering feedback and questions that relate to policy issues and questions to share with DDA. Key topics include interest, depreciation, and requirements for GL templates to match audited financials. Ms. Diehl concluded her updates by sharing that edits to GL template will be completed in the coming weeks and an updated version will be shared with the RRAG in March.

Opening the discussion to questions, Mr. Christian Parks, Somerset Community Services, asked for more information on the role Optumas is playing around the GL process. Ms. Diehl responded that

Optumas is part of discussions around the data needed to collect information related to rates. Mr. Parks followed by asking if RRAG members could have access to the information around these discussions. Ms. Diehl said that the template will be shared with RRAG members, and the feedback that drove revisions to the template can certainly be shared. Ms. Karen Adams-Gilchrist, Providence Center, said that she heard a concern from a colleague about pulling out the separate transportation types by group size and the use of the “buckets” of data required to complete the template. Ms. Diehl responded that this feedback was received through the GL workgroup, and discussions with Optumas are assisting to ensure the decisions are data-driven. As the workgroup concluded its work, the next step is to share the GL template with the RRAG for final feedback.

Mr. Parks asked about the goal around the implementation of the new GL template. Ms. Diehl said the goal is to have providers starting to collect data in FY24. Mr. Robert White, Director of Administrative Services, DDA, added that the DDA thinks the GL data collection tool can be used in place of the Cost Report tool traditionally used to collect data. Mr. White continued that Ms. Adams-Gilchrist point was well taken and asked the RRAG members to think through how providers can be supported to develop the capacity to gather this important data in a way that is informative to the MDH. Mr. Parks asked if there was feedback from the GL workgroup regarding translating their current general ledgers to match the template. Ms. Diehl said that feedback from the workgroup was that completing the template would be difficult based upon current data collection methods providers have in place. Mr. Parks emphasized the importance of having consistent reporting of data. Ms. Adams-Gilchrist shared that feedback she heard was around data assumptions concerns.

Continuing the conversation, Ms. Donna Retzlaff, Spring Dell Center, said that enough time is needed to educate providers on how to complete the template. Mr. Parks recommended training for providers begins at least 90-days prior to the start of the fiscal year. This entails that by next month the GL template with instructions must be final. Ms. Laura Howell, MACS, said that providers will have to restructure their current general ledgers and crosswalk the data collected from the previous year. She added that if the RRAG is going to review the GL template, it needs to get to members at least two weeks prior to the RRAG meeting. Ms. Karen Lee, SEEC, asked if it matters which billing system providers are in - PCIS2 or LTSS - in order to complete the GL template. Ms. Diehl responded that the template is designed to collect data across both systems. She also shared that a major goal of using the pilot GL workgroup was to do a deeper dive with providers on the template and then vetting that feedback with Optumas. The intent is that many of these concerns have been addressed by the time the template is shared with the RRAG in March.

Discussion of FY25 Rate Review Priorities

Ms. McIlvaine thanked the seven (7) RRAG members who participated in the rate priority survey and

shared a slide with a summary of the results. She noted that the RRAG member priority ranking is reflective of only those survey responses that provided rank ordering—3 out of the 7 responses. Every respondent provided valuable feedback that has directly supported MDH’s decision making around the FY25 rate priorities.

To summarize the RRAG member ranking, the career path development for DSP was ranked as the highest priority. The rate sufficiency for non-billable staff time and exploring the relationship between wages and staff turnover were tied for 2nd. There was a three-way tie for the third priority - compare assumptions to waiver policy and renewal; employment services rate development; and transportation component equity.

Ms. McIlvaine added that the majority of respondents indicated the importance of looking at these priorities holistically. For example, a member noted that, “all of these priorities are interrelated with each other.” Another member noted that some of the issues are macro and some are micro,” and that, “separating them indicates they are separate problems.” Members did not have any follow-up questions or conversation following the review of these survey results.

Pertaining to fiscal year 2025 rate priorities and focus areas, Mr. White acknowledged that the DDA continues to have a shared goal around evaluating the adequacy of Meaningful Day rates and prioritization of workforce stability. Using the contributions and feedback of RRAG members, and in agreement with comments about the interrelation of the priority list, the Department developed a plan to advance work across these two key focus areas – workforce and meaningful day.

Mr. White detailed that first, to address our shared commitment to the workforce, the DDA will leverage the current and ongoing work of the MD DSP Consortium as well as engage with national expertise to review/advise on the current data collected through the Consortium. This will help shape the next steps including the need or recommendation for expanded sampling (data is limited to a subset of eight (8) providers) that will lead to the development of formal recommendations. These recommendations will then be shared with the RRAG.

Second, in the area of Meaningful Day Services, the Department is going to focus on Day Habilitation and Employment. For Day Habilitation, this will be actioned through the RRAG, while the study of employment services will be actioned through the Employment 1st Committee.

Mr. White explained that Nick Burton, Director of Programs, DDA, met with the Employment 1st Provider Subcommittee on February 13, 2023. The subcommittee discussed various survey questions for DDA providers related to Meaningful Day Services (MDS) in LTSS. Mr. Burton should have draft survey questions to the subcommittee members by Monday February 27, 2023 to review and provide feedback. Once survey questions are finalized, the survey will be sent out via constant contact. The subcommittee will review survey responses and as applicable make rate recommendations to the RRAG. The goal is to have recommendations from the committee shared with the RRAG in the early spring.

Mr. White summarized that due to RRAG member feedback pertaining to Day Habilitation rates specifically, the DDA will be conducting a comprehensive review of provider cost data to evaluate the key rate components. The DDA has worked with Optumas to develop an approach that will accelerate this important review and best guide us forward. Mr. White then asked Mr. Kris Welch, CBIZ Optumas, to walk through the proposed approach to this review.

Mr. Welch explained that Optumas is supporting the process to review the Day Habilitation rates. Currently there are nine (9) component values used to calculate the rates for these services. Additionally, there are some methodological and calculation assumptions implied in how these nine (9) component values are combined to develop rates. Optumas and the DDA discussed how and when these values, methodology, and calculations may best be reviewed.

Mr. Welch then walked through the timeline and plan for this rate review cycle. This meeting will include a review of the planned process with time allocated for members to offer feedback. In March, Optumas will share data request templates informed by any feedback provided and begin to collect data through identified provider sampling. In April, Optumas will share preliminary results from data collected and ask for your review. In May, Optumas will share preliminary recommendations for FY25 rate updates informed by RRAG feedback and ask for additional review. In June, Optumas will share final recommendations informed by RRAG feedback for the DDA to consider budget impacts and funding levels. In July, the DDA will meet with budget teams from DBM and MDH to discuss the proposed changes and make final determinations about any funding level changes.

Continuing, Mr. Welch shared that of the nine (9) component values, Optumas is tasked with reviewing the Base Wage assumption, the Facility component, the Program Support component, the Training component, and the Service Adjustment (or Closures) component in this cycle. Optumas has a process proposed to review each of these, and would like to hear any feedback on this process - such as how data can be collected and used, what context needs to be considered, and alternative sources of information.

Mr. Welch shared the process as follows:

- For the Base Wage assumption, the plan is to review emerging US Bureau of Labor Statistics (BLS) data (and potentially any other recent wage data sources), share the results and how they compare to current assumptions with the RRAG, and ask the RRAG for input on how best to interpret and use these data to support the Base Wage assumption.
- For the Facility and Program Support components, the plan is to collect a small version of general ledger data from relevant providers. This would essentially ask for Facility, Program Support, and Wage expenses to compare the Facility and Program Support assumptions to the current model.

- For the Training component, the plan is to review and discuss the methodology and assumptions currently in place in the model and solicit feedback from the RRAG on potential changes.
- Lastly, for the Service Adjustment or Closures component, the plan is to share assumptions with the RRAG, solicit input on what data can be collected and would best represent this information, request this data from providers and summarize it for comparison with the current model.

Mr. Welch paused for initial thoughts around the process for collecting and reviewing these data.

Ms. Lee asked if the career pathway and the workforce turnover will be integrated and if it would be considered in the component review. Mr. Welch shared that it would be very helpful if the data is available. Ms. Lee said this could be shared. Ms. Howell said that similar to Ms. Lee's point, the minimum wage information will not be known until mid-April. She continued that there may be an accelerator in place so that this should be included in the review in addition to the BLS. Ms. Welch said that the model has BLS information and a method to adjust this data for projected time periods. He noted that this is exactly the type of feedback that would be helpful for a minimum wage expectation and how data should be interpreted.

Ms. Lee said that RRAG members would like to receive the data before projections are completed. Mr. Welch said that is the ideal process for the state team as well. Mr. White said that currently the state team is looking at the BLS wage falling outside of the \$15 an hour threshold. Mr. Steve Schramm, CBIZ Optumas, offered that other states look at what the BLS is versus the minimum wage and this can be applied to this methodology if there is a new minimum wage requirement. Ms. Howell said that other states are looking at 25-50% above the minimum wage as a standard as an appropriate goal for starting wages.

Mr. Scott Hollingsworth, Appalachian Crossroads, asked for an explanation around how the percentile ranking in the BRICK™ method and how that applies to this review. Mr. Welch shared that the model has the wage and the percentile next to it from the BLS. Since the BLS has their own set of job codes, there are assumptions made around how the BLS data can inform DSP wage assumptions. Mr. Hollingsworth said there is cause to look at these assumptions as part of the review as well.

Mr. Parks thanked the DDA for making the commitment to address the MDS rates. He echoed the comments from others that addressing the minimum wage is a stable benchmark to move forward. He also asked that the deep dive on data needed be applied to the GL template effort underway. Ms. Howell said that from the MACS perspective, the percentage above minimum wage has decreased.

Mr. Welch said these are all good questions and discussions to continue with the MDS review this year.

Ms. Lee added that the other piece to think about is looking at the standardized CMS competencies for career pathways and ensuring the BLS job codes match those competencies at the onset of this work. Mr. Welch encouraged members to share additional feedback following the meeting as well. Ms. Howell shared concern around Employment Services being addressed through the Employment 1st Committee, as she observed that it is a policy group. Mr. White responded that the rates are there to support the policy - the work of the Employment 1st committee will come to the RRAG from a rate perspective.

Mr. Welch shifted the conversation to a review of some of the calculations and methodology implied in the current rates being considered for review in this cycle. These are as follows:

- The distribution of costs between setting sizes - specifically in relation to transportation for day habilitation services. At a high level, currently the transportation costs are distributed based on an employee. In September Optumas walked through a proposal to redistribute these same costs, on a budget-neutral basis, based on the individuals receiving service. The preliminary intent would be to review and describe the difference between these approaches with the RRAG, solicit input on how data reflecting these differences could best be collected from providers, collect and share data summaries with the RRAG, and solicit input on how these data support a recommendation around an approach to take.
- Next, the model currently has implicit assumptions around non-billable time. Based on feedback from the RRAG, it may be helpful to adjust the model to pull these implicit assumptions out and add an explicit adjustment to account for the cost of non-billable time. The preliminary intent would be to solicit input from the RRAG on how data could best be collected to represent this, collect the data from providers, share data summaries with the RRAG for review, and solicit input on how these data support a recommendation around an approach to take.
- Finally, based on input from the RRAG, the structure of Day Habilitation group sizes may need additional review. For context, the current structure has 4 setting sizes: 2 to 1, 1 to 1, a small group including 2-5 individuals per DSP, and a large group including 6-10 individuals per DSP. The preliminary intent would be to solicit input from the RRAG on if and how this structure might be changed. Based on this input, the state team would work with the RRAG on a method to best collect data to represent these differences. Optumas would summarize the data for sharing with the RRAG and solicit RRAG input on how the data support a recommendation around an approach to take.

Mr. Welch paused for any initial thoughts around the process for collecting and reviewing these data.

Mr. Parks said that whatever is learned through this process, has to be translated into the GL process as well.

Ms. Lee offered that the Employment 1st Committee can offer value on viewing employment services before the data is reviewed by the professionals. She recommended the same approach with reviewing other Meaningful Day Services to identify known values to inform discussions around rate review.

Mr. Hollingsworth reflected that this sounded like a heavy lift this rate review cycle. Mr. White shared that during the first cycle, data was collected around group sizes, this can be shared back out for updating. Mr. Welch said that the intent is to make sure we're capitalizing on the RRAG as a rate review resource and input on how data can be used/collected to ensure progress is made. Ms. Maria Dominiak, MACS, noted that FIAT was used in the past which highlighted challenges with the MDS rates. She asked if there is consideration to use this FIAT data to focus/prioritize rate review. Mr. Welch said the FIAT was comparing prior revenue to expected revenue and did not take into account expenses. However, the state team can leverage any information used in the past. The FIAT is available for providers to use independently, but the state team can take a look to see if there is anything that can be extracted to answer any of these current rate review questions.

Mr. Parks asked if there is information to share from the GL workgroup. Mr. Welch said that Hilltop can discuss and see what data is available for review. Ms. Diehl responded that there is a small data set that would benefit from additional guidance moving forward, but there is agreement on ensuring the GL template gathers the data needed and this can be coordinated with Optumas.

Ms. Howell said that it would be helpful to see the plan with data and different components in writing, however this plan does sound positive. Mr. Hollingsworth asked if there is a way to evaluate if this approach/methodology is efficient. Mr. Welch said this would be something to keep in mind throughout the process, and the team is looking for information, support, context from the RRAG to ensure the state team is considering all appropriate factors in the data collection and analysis.

Mr. Welch reiterated that additional thoughts around the process are welcomed before the next meeting. In the next meeting, proposed data requests will be explicitly shared to solicit RRAG feedback before requesting data from the provider community. At that time any final comments from the RRAG around the proposed process can be discussed. He then asked for additional questions or feedback. Mr. Parks said there needs to be an on-going commitment to adjust the methods/form of collecting data over time. The GL data collection template is an example of what will need to change

over time. He continued with reminding the state team of his long term data collection plan recommendation. Mr. White said that out of the first round of data collection, Optumas was able to create a rubric around data collection. He said this could be updated to assist with standardizing data collection tools. Mr. Welch thanked RRAG members for the helpful feedback.

Open Discussion

Mr. White shared that the remaining time is for open discussion starting with the topic of subgroups. He said that during this rate review cycle, the Department will be directing state resources to the review of day habilitation rates as part of our regular meeting process. However, RRAG members are welcome to meet between meetings to discuss issues of concern, conduct their own analyses, etc. He asked that any additional detail or context that is derivative of this work be brought back to the RRAG for consideration, and incorporation into the RRAG meeting minutes.

Mr. Gregory Miller, Penn-Mar, asked for more information around the first priority of career ladders. Ms. Lee responded that Ms. Lee's organization worked on a US Department of Labor EARN grant around building a DSP curriculum. This grant was won and a consortium of providers was created, and a DSP II career pathway was created in addition to DSP I and III. Ms. Lee said that now this consortium is up to ten (10) providers. The goal is to align the consortium created curriculum with the NADSP badging curriculum and that it overall aligns with the DDA requirements. She added that a frontline DSP training is also in process. This includes collecting data with support from the US DOL. She discussed the return on investment for the state and other benefits of this effort thus far. Ms. Lee said that Mr. Miller is welcome to have his agency as part of this consortium. Mr. Miller thanked Ms. Lee for this information, and shared that his agency has five to six years of data around DSPs and the retention rate. Ms. Lee said that the level of technology that DSPs need to participate in the training is also a consideration. She is working with the DDA on gathering data on this effort.

Mr. Parks wanted clarity of subgroup rules regarding members meeting amongst themselves. Mr. White clarified that anything brought up outside of RRAG would need to be brought back to the RRAG and included in meeting minutes. Ms. Howell asked for further clarification regarding limitations. Ms. McIlvaine clarified that the Department is not able to support subgroups at this time but if a subset of RRAG members have issues they want to further discuss, the RRAG co-chairs can provide space in the RRAG meeting to highlight any discussion. Ms. Howell asked for clarity regarding the number of members able to meet offline. Ms. McIlvaine mentioned that the Department will have to take that back for additional direction.

Ms. Howell brought up the importance of workforce and Meaningful Day Services. She requested additional discussion of a plan including where it makes sense to talk about issues offline to make

RRAG meetings as substantive as possible. Ms. Lee asked what the Department wanted in terms of timing and expectations for meeting offline. Ms. McIlvaine responded that most of the demand around subgroups has been for work to continue in between monthly RRAG meetings. The state team's intent is to take a measured approach to help work continue between meetings. However, if there are any areas where subgroups can help speed things along in between meetings, that is where the need would be for additional work. One helpful step may be to send out a written version of items discussed today and next steps to inform a more concrete idea for members. Using the feedback and work from today between now and the next meeting will also help shape that collaboration moving forward.

Mr. Parks asked if the Department is able to share the feedback we received from the survey about subgroups. Ms. McIlvaine will circle back internally to discuss. Mr. Hollingsworth stated his interpretation of the subgroup messaging allows for flexibility in subgroup meetings. Ms. McIlvaine stated that seems to be the answer. What we can do between now and the next meeting is to have a written version of what was discussed today and we can go back to see what specific guardrails would be required and how flexibility can be built in. While the Department will not be facilitating or providing resources for subgroups, the RRAG co-chairs can provide additional guidance and structure.

Ms. Howell said it would be helpful to have the actionable items people are responsible for coming out of the meeting. She added that it would be helpful to have these items summarized at the end of the meeting minutes as well as an agenda item. Mr. Parks mentioned a couple of items that have not been discussed from the last meeting, such as transportation adjustment. He noted that some walk-on items seem to be lost between meetings. Mr. Write thought a matrix was sent out showing the impact the adjustment had on specific services and that the budget is still being discussed. He added that once that is finalized this group can have further discussion. Mr. Welch believes there is an 8% adjustment (without COLA) based on the matrix. Ms. Howell said that she did not remember seeing a matrix, but it may be helpful for this group to see it. Mr. White said that he would attach the matrix to the minutes when it is out as well as on the agenda as follow up for next month to review again.

Next Steps and Adjournment

Ms. McIlvaine appreciated the input and productive discussion. The next steps are:

1. Compile a list of past data collected and available and applicable to review this rate cycle. Include relevant data on group sizes shared last rate review cycle.
2. Share the updated data collection rubric
3. Offer clarity on expectations around members working in between the RRAG monthly meetings

4. Distribute list of items discussed this meeting to RRAG members
5. Send out the matrix of impact of last rate review adjustments to specific services

The next meeting is Thursday, March 16th from 10AM to 12PM.