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

DATE: Thursday, March 16, 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 Thursday, March 16 2023 10AM EST was available at: Maryland Department of Health DDA Rate Review Advisory Group (constantcontact.com)

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

AGENDA

1. **Welcome and Introductions** - *Dr. Laura Herrera Scott, Secretary of Health, MDH and Jennifer McIlvaine, Director of Finance, Medicaid, MDH*
2. **Approval of January Meeting Minutes -** *Jennifer McIlvaine, Director of Finance, Medicaid, MDH*
3. **Policy Updates -** *Robert White, Operations Director, DDA*
4. **Status of February Action Items -** *Jennifer McIlvaine, Director of Finance, Medicaid, MDH*
5. **General Ledger Data Collection Process Update -** *The Hilltop Institute at UMBC*
6. **FY25 Rate Review Priorities -** *Robert White, Director of Administrative Services, DDA and CBIZ Optumas*
7. **Open Discussion**
8. **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 (invited)
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. Rhonda Workman, Director of Federal Programs and Integrity

3. Nicholas Burton, Director of Programs
4. Wesley Huntemman, Chief of Staff
5. Elizabeth Peters, Deputy Director

The Hilltop Institute and CBIZ Optumas Panelists

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

MDH/DDA RATE REVIEW ADVISORY GROUP MINUTES

Thursday, March 16, 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 introduced Secretary Dr. Laura Herrera Scott to deliver opening remarks. Dr. Laura Herrera Scott, Secretary of Health, MDH welcomed members and thanked them for their commitment to helping ensure the rate process in place is open and transparent. Secretary Herrera Scott reflected on the first-rate cycle last year and the progress that was made, particularly highlighting the transportation component and Meaningful Day Services. These efforts led to a proposed increase as part of the Governor's FY24 budget request, estimated to result in $10 million in payments. Secretary. Herrera Scott looks forward to the continued work and progress as members continue through this cycle.

Approval of Meeting Minutes

Members voted to approve the February 24, 2023, meeting minutes with no changes.

Policy Updates

Mr. Robert White, Operations Director, DDA, shared that once the budget has been officially approved, the FY24 rate table will be updated to include the changes Secretary Herrera Scott mentioned regarding the transportation components as well as the application of the mandated cola. As for the Employment 1st workgroup, Mr. White shared that draft questions have been sent to the workgroup for review and a draft survey has been sent for review as well. Any policy updates as a result of that process will be shared with the RRAG group. Ms. Laura Howell, MACS, asked what the percent rate increase is projected to be, assuming the budget is passed as it was introduced. Mr. White responded that the mandated 4% COLA would go into effect July 1, 2023. An additional 2% has also been requested to apply to the funding rate. The changes to the transportation component will be applied to the rate table as well. All of these are contingent upon passage by the General Assembly. Ms. Howell asked for additional information on the impact of Meaningful Day and thought there was potential discussion around the $20 million in addition to target the Meaningful Day rates and how that is significantly under where the rates need to be. Mr. White acknowledged that is correct and that it would be applied to the Meaningful Day rates.

Status of February Action Items

Ms. McIlvaine said there are a few updates to be shared with members from February's meeting. There was a request to compile a list of past data collected that is available and applicable to review this rate cycle, including the relevant data on group sizes shared last rate review cycle. This information will be shared by Optumas during the FY25 rate review priority discussion. There was a request to share the updated data collection rubric. That will also be shared during the discussion. Another request was to offer clarity and expectations around members working in between the RRAG monthly meetings. Ms. McIlvaine shared that the AAG was consulted to ensure guidelines were in concordance with the Open Meeting Act. Members may meet to advance work outside of RRAG meetings but cannot have a quorum of members and cannot replicate the work of the RRAG. Any requests to present work to the RRAG should be submitted at least two weeks prior to the next meeting and can be sent to rrag.dda@maryland.gov. The next status update shared by Ms. McIlvaine was the status of the General Ledger Data Collection Tool. The draft of the tool was distributed to members by email on March 8th. The Transportation Adjustment from last cycle, shared at the August 2022 meeting, was also distributed to members on March 8th.

General Ledger Data Collection Update

Ms. Christin Diehl, The Hilltop Institute, shared that during the last RRAG, there were some questions raised about the GL template draft and materials used historically. The revised draft GL template shared last week is the product of an engaged process. Over a year ago, Hilltop began reviewing materials from the previous GL collection process and drafting a tool. Hilltop had discussions internally to include our fiscal and rate setting SMEs and engaged in several conversations with Optumas to identify the type and level of detail needed in the data to inform a rate rebase process. Services were discussed and intentionally grouped to collect optimal service level data. Additional discussions surrounded data on utilization, payments, and unique participants served. The process was iterative with draft versions of the template and was shared with both Optumas and DDA for review and feedback. Last October (2022), the draft template was shared with the RRAG along with a link to a feedback survey to get initial thoughts, reactions, feedback, and suggestions on the tool. Hilltop was appreciative of the feedback submitted by MACs and incorporated requested edits to the tool prior to the start of the workgroup. From November 2022 through January 2023, Hilltop engaged the 16 providers who volunteered for the GL Provider Workgroup. The workgroup was engaged to provide feedback on all aspects of the tool and the goal was to have providers use the tool and provide targeted feedback. Several technical assistance calls were held to address questions and identified topics as providers reviewed the tool. Seven providers submitted a GL template with data; 5 of those providers submitted additional feedback. Hilltop engaged both the DDA and

Optumas on the key areas of feedback received to assist with decisions on additional edits to the tool.

The revised draft GL data collection template was shared with the RRAG last week for another review and to solicit additional comments. Provider feedback is essential to finalizing the tool and establishing a standardized data collection process.

The RRAG can be instrumental in sharing the draft template with your contacts, provider networks, fiscal staff, and stakeholder groups for review. All feedback can be shared with Hilltop by emailing dda_rates@hilltop.umbc.edu. In addition to feedback on the tool, the RRAG can also be pivotal in helping to identify the technical assistance needs of the provider community to support the adoption of the tool and the preparation required to start collecting data for FY 2024 (beginning on July 1, 2023). The partnership and engagement of the RRAG to help finalize the draft template is essential for data collection needed for the work moving forward.

Opening the discussion to questions, Mr. Christian Parks, Somerset Community Services, shared that members understood the expectation to listen to the presentation today and then potentially provide some additional feedback. Ms. Diehl responded that the Hilltop team can schedule a call if that is helpful to talk through more feedback. Ms. Maria Dominiak, MACS, shared MACS provided feedback last November that did not appear to be incorporated into the tool and asked Hilltop to walk through the tool. Some examples of feedback provided include a time period for collecting information around acuity, billable, and non-billable time. There are some components of the tool that appear to be missing and the tool needs to align and support the rate setting process.

Ms. Diehl shared the General Ledger Data Collection Tool on the screen for members to view. Ms. Diehl reiterated that the goal is to start collecting data in FY24. Secretary Herrera Scott asked Ms. Diehl to update draft instructions with information mentioned here regarding timing and rationale for timing so it is clear. Ms. Diehl said that can be done. Ms. Dominiak asked for the specific time to be reported to be added to the template as well. Ms. Diehl said that can be added to the template before it goes out. Ms. Howell wondered if there are any issues with the transition period of time because providers are going to have to do their routine cost report and then asked if this would replace the cost report required by the DDA. Ms. Diehl said this is a topic that came up with the provider work group and the template is designed to capture cost data for providers who are currently in those systems or may make the change from one system to the other in the fiscal year that data is being collected. Ms. Diehl further shared that Mr. White has briefly spoken about how providers who continue to provide services through PCIS2 would be required to submit the cost reports until they have fully made the transition. Mr. White echoed that this is correct and that the cost reports are unique to the PCIS2 system and are required by law. However, once providers are transitioned over, they will not be required to do the cost reports and so this becomes a replacement for that. In the interim, historical data needs to be collected to inform future rebasing of the rates.

The providers who are in PCIS2 will have to submit both. Mr. White shared that further discussions regarding this will need to happen internally to see if there is any way to reduce the administrative burden.

Ms. Donna Retzlaff, Spring Dell Center, said that the instructions should be as clear as possible, as it may be confusing, especially for providers in two different systems or for those transitioning. Ms. Retzlaff asked for clarification that this becomes the new cost report once everyone is transitioned into the LTSS system. Mr. White answered that yes, that is correct. Ms. Howell raised concern with providers having to complete both. Ms. Howell asked if her assumption is correct that these will not need third-party attestations as the cost reports do. Mr. White confirmed that is correct. Ms. Howell asked if this could take the place of the required cost report in the PCIS2 system until everyone has made the transition. Mr. White answered that the cost reports are required by law so it would require changing the legislation to change the requirement. The GL Template is not mandatory. However, providers are encouraged to fill it out since the more data we have will enable better projections to be made based on how the costs have changed since data was last received from providers a few years ago. Ms. Howell asked if this template could take the place of the cost report until providers fully transition. Mr. White answered that this question will be discussed internally with DCAR to see if there is any flexibility. Mr. Parks asked if the GL tool will be mandatory in FY24. Mr. White answered that right now it is not mandatory but for people billing in LTSS, the audited financial statements are mandatory. Mr. Parks asked if there is concern about not having enough participation if it is not mandatory. Ms. Diehl mentioned everyone is hopeful that the RRAG can work with the provider network to talk about the importance of collecting the data and completing the template. Ms. Howell agreed that they will work to urge all members to complete it. There is tension between wanting to gather data quickly but also wanting to have a good process in place and give providers adequate time to make any changes to their ledgers they have to make in order to comply. Ms. McIlvaine agreed with Ms. Howell about striking a balance between obtaining more robust data quickly and ensuring that is achievable. This is an area where the RRAG can really help. If there are barriers seen to providers being able to adopt this, that would be helpful to know. Any encouragement that can be done through the network to encourage participation will also be extremely helpful. Ms. Karen Lee, SEEC, shared she really likes the framework of the template and from first glance, they could do this now. She asked, looking at Maryland right now at the career pathways and looking at DSPs who are of different levels, how can we break some of that out? If there is a way for us to think about how we break down the number of DSPs 1, 2, and 3. This is something we may want to have up front, so we know how many of each level are happening in different providers. Ms. Howell added that with the data collection originally, there was a lack of clarity in which bucket it went into. For example, with driver wages and salaries or DSP time in transportation some people attribute that to transportation in their ledger and some people attribute that to wages. All those things may not have necessarily got caught initially. Providers need the time to set up a system, so they do not need to go in and manually try to pull apart the data to complete it. Ms. Lee asked Ms. Howell what percentage of providers she is talking about? Ms. Howell responded that she is not sure, but it is more than a handful of providers. Definitely providers that have day programs. She believes there are enough providers, based on the conversations in the technology work group. Mr. Parks agreed with that and added that every organization functions differently and that clarity is needed. The clarity was missed originally with the overtime piece with the original projections, and we are going to see the impact from that. Ms. Lee added that it might be interesting to do a quick survey of people who have licensed day programs to help get data on that and initiate movement quicker. Ms. Howell shared that yes, this is one example, but it might be challenging since there is more than one issue. Ms. Diehl added that a lot of these issues were captured in the cost categories when the original crosswalk was used back when the first data was collected, and a lot of feedback was obtained from the first round with the provider workgroup. There is more clarity on how overtime wages should be categorized on the template and how to help address the consistency across the network. The goal will be to thoroughly vet those templates as they come in the first year to ensure consistency. Ms. Diehl asked for feedback on what is missing and how this can be made clearer. Ms. McIlvaine echoed that any insight provided would be appreciated. Mr. Parks asked what the thought was behind the GL template not required to reconcile with audited financial statements and if we feel comfortable, we are going to get accurate and consistent data. Ms. Diehl said this is a topic that came up as part of the provider workgroup. They spoke more with DDA and Optumas. Ultimately, the decision was that it would not be required. Mr. Parks added they had multiple funding sources for many years and wanted to ensure items are not getting mixed up or missed. He suggested this is where we need to tie out the financials and further suggested we clearly define some of the items to exclude in the cost category description. He added there he thinks there is value in tying it out otherwise it may be hit or miss of what is included and what is not. More specifically, looking at tying the cost categories back out especially the billable and nonbillable hours. That is why we are asking for them with the wage piece so we want to ensure we have the correct wages with the correct billable hours and that there is consideration given to all aspects that are being served at that point in time from that individual staff person.

<u>FY25 Rate Review Priorities</u>

Ms. Lesley Le, CBIZ Optumas, shared that based on feedback from the last meeting, we have compiled a list of current data sources that we have used or anticipate being able to draw from to help us evaluate the various rate components we identified for the various Meaningful Day services. We've cataloged wage data. We are looking at Employment 1st Workgroup data that was shared. We are also looking through the 2017 rate setting cycle data. We are looking at getting past and current population and member data. We are looking at the transportation data template from the FY24 cycle. We also have the CPI and COLA increases and funding level increases. We are also working with DDA to ensure the training requirements are updated and accurate. Those are the major data sources we are looking to lean on to help us address some of the issues that we have identified for this cycle. Please note that the FIAT was not included because we have tried to list any data that would be relevant to specific component adjustments. The FIAT does not contain the level of detail that would help us make any specific adjustments, but rather to use as a benchmark for total provider revenue which we have looked at. Ms. Howell raised some concern about how old that data is and how helpful that data may be. Ms. Le responded that this is why the slide shown is taking inventory of what we have currently to work with and discuss in the next meeting what kind of data we can collect to update some of this information.

Last meeting, we identified eight items we could revisit to impact the meaningful day rates. To help our conversation be productive, we have subdivided those eight items over this meeting and the next. The first five items we will be discussing in more detail today, as they could potentially lead to additional data gathering from providers and would need more lead time to complete. We want to get started on those as soon as possible. These include the facility component, program support component, distribution of transportation costs across settings, non-billable time, and review of rates structure. The remaining 3 items are currently under review because we have more readily available, straightforward data and our analyses will be shared in the April meeting. For example, for base wage we have updated BLS data we can pull. For training, we can update based on policy, and for the service adjustment component, we can update our closure data for comparison.

Ms. Le continued with the Facility and Program Support Components and shared what the current components built into the rate model look like. These percentages were a combination of what was shown in the general ledgers as well as a slight increase done as a program change and to account for some increased costs in transitioning to LTSS. Additionally, there was some differentiation between 2:1 and 1:1 versus small group and large group settings. We parsed the data as best we could but there was no clear distinction between the varying group sizes, only patterns we could cluster.

Ms. Le shared that we can group Facility and Program support together. There will be two tables, one for the Geographic Regions, and one for the Rest of State. Ms. Dominiak asked how they are defining DSP wages, excluding transportation, program support time, PTO, service cost, and training since they are all interrelated. Ms. Le agreed that is good feedback and she will take it back to the group. They can add a second column to say billable versus non-billable DSP wages. Ms. Dominiak asked for this to be clear in the template and Ms. Le agreed they would make the additions. Mr. Parks added there is value in using the cost category descriptions that are going to be part of the GL data collection tool to accompany this request. That way, there can be some consistency in the providers in how they are putting the information in. Ms. Le agreed and shared that they will work with Hilltop to ensure the definitions and directions for this template will incorporate and align with what is in the general ledger tool.

Ms. Howell asked where overtime will fall. Ms. Le answered she would follow up with the Hilltop team to ensure alignment. Mr. Parks asked what the turnaround time would be. Ms. Le responded that they want to review all comments and feedback and then send it out to the provider community. They would collect and analyze the data by May. This will need to be discussed further with the DDA team but that is the current timeline. Ms. Howell raised concern about that being a tight timeline. Ms. Le agreed and added that is why it is up for discussion and why this is being presented now to make adjustments to the template as needed. Ms. Retzlaff suggested discussing what the minimum amount of time providers need to get this done. Mr. Parks said there is a lot going on. It will depend on the level of detail requested. Each provider is very different. It will take at least 30-45 days to review at the minimum. Anything shorter than that will be too heavy of an ask. Ms. Retzlaff agreed and added that about six weeks will be needed. Mr. Steve Schramm, CBIZ Optumas, suggested that since they have not determined what the final data request is, they will hold on to this and look at this in its entirety as a group. Mr. Parks agreed. There is value in diving into this as part of a workgroup before launching out. Mr. Schramm emphasized the guardrails of the workgroups provided by the AG. Any feedback provided will be helpful and welcome.

Ms. Le shifted to talk about the transportation methodology. The current methodology, where transportation costs are compared against wages to arrive at a component used across multiple services, inherently allocates costs based on DSP hours. Last year, MACS introduced a proposal to adjust the methodology which was discussed in an ad hoc September meeting. This proposal was to reallocate the transportation costs, in a budget-neutral way, by the number of participants rather than the aggregated DSP hours. The two charts on slide showed the distribution of hours for each setting size and on the right, the number of participants in each group size setting. These services have a different distribution of DSP hours compared to the distribution of the number of participants. Based on previous DDA utilization expectations, this proposed methodology would shift funding out of Day 2:1 and 1:1 and into small and large groups, where a small piece of that funding would be allocated to small groups, but the majority would be into large groups.

In that September meeting, Ms. Le said we walked through some detailed analyses which we have provided along with the presentation. At a high level, the proposed methodology based on DDA utilization estimates, shifts funding out of Day 2:1 and 1:1 and into small and large groups, with the majority of that funding going into large groups. Again, this proposal, as we understand it, is intended to shift dollars between services but remain budget neutral overall. Ms. Le asked, how can we collect data in a meaningful way to help us evaluate the methodology? Can we as a group come up with a reasonable data collection template to share with the broader provider community? Ms. Le then opened this up for discussion.

Ms. Dominiak mentioned she did not see the appendix listed. She asked to revisit the transportation component and emphasized the need to ensure the distribution of transportation is fair and equitable. One additional thought is to add the transportation to the data request for program support and facility to get a better sense of how providers might allocate their transportation costs. Ms. Le mentioned that last year a collection template for transportation was sent out and it resulted in the increase to the rates of the transportation component. Ms. Le asked what kind of additional data can we collect this year that was not collected during the cycle last year. Ms. Howell said this was a long conversation last year and there was feedback MACS gave last year that was rejected. It might be helpful for MACS to go back and look at this again and give feedback again. The avenue we have gone down leaves us with big swings in adequacy of funding. Ms. Howell requested additional time, as this approach does not seem to solve the larger problem. Ms. Karen Adams-Gilchrist, Providence Center, agreed with Ms. Howell. Her team needs more time to review before providing additional feedback. Ms. Le said her team will take all of the information provided from today, as well as the historical data and conversations, to make adjustments moving forward. Ms. McIlvaine added that we will continue an introduction of these issues today and give people more time moving forward to provide additional feedback at a later date.

Ms. Le shared that the next few slides are around the methodological process considerations with regard to non-billable time. As a brief introduction to this topic, there is billable time for every DSP providing service where providers can bill for the service rendered. However, DSPs also have non-billable time. The intent for the rates is that the billable time should provide revenue to account for both billable and non-billable costs. As an FY25 priority, the topic for consideration is the process by which non-billable costs are accounted for in the rate structure. Currently, there is no explicit adjustment to account for non-billable time as the wage and components are intended to cover both billable and non-billable costs. An alternative proposal would pull the non-billable costs out of the wages and components and add an additional adjustment that explicitly addresses non-billable costs. The data we currently have does not have information split by billable and non-billable wages. In order to make an adjustment, we would need this data. We would also need to begin tracking this data in the templates moving forward. There are some components that inherently include non-billable time. For example, there is transportation cost associated with non-billable time, supervision in the program support, an adjustment for training, and potentially others. Additionally, the wage selections made by DDA as a basis were considerably higher than average wage survey data from the DDA provider community. In order to make this adjustment, we would need to pull out any of the implicit non-billable wage components and replace these with an explicit adjustment. Additionally, the current model has these implicit assumptions for all services. Any change to the methodology would imply a broader change across services for consistency.

Ms. Howell asked to clarify, if wage is pulled out, does that mean it would go into program support? Ms. Le shared that is one item we would like to discuss today and gather initial thoughts. Ms. Dominiak asked to ensure the definitions in the GL data collection tool are consistent and clear for the provider community to get the most accurate data. Ms. Howell added that time is always added, and the process is always rushed. Even though we want this done quickly, we need to take the time to make sure it is done right so we do not add time on the back end. Mr. Caleb Levan, CBIZ Optumas, shared that the rate cycle for FY25 needs to be completed by July. This determines how much time we have to discuss each of these individual topics and some of these we may not be able to solve this cycle. Hopefully, we can arrive at some consensus about how the best efforts of this group can be applied so we can move forward.

Continuing on, Ms. Le shared that with those considerations in mind, we can take a look at what the process might look like if the consensus is to pursue the alternative methodology for non-billable time. As discussed, wage assumptions and some components would likely have reductions to pull out any non-billable time, and we would need to collect data to identify and support the level of reduction that would be appropriate. The components in the model are percentages that represent the type of costs for each component divided by the wages. If we limit the wages to only non-billable time but any component's costs stay the same, we would end up with a lower denominator meaning the component's percentage would increase. Finally, we would add a step in the calculation to increase the alternative "billable-only" rate by some percentage to account for non-billable costs.

There is a lot of context here, Ms. Le shared, but a simplified summary is that wages and some components may decrease to pull non-billable costs out, components based on wages would increase because of a change in the calculation, and there would be an additional adjustment to account for non-billable time on each rate. We're not looking to make a decision about what kind of non-billable costs exist or what level of adjustment there would be. Instead, we want to use this time today to discuss the process. The next few slides discussed by Ms. Le were around the methodological process considerations with regard to potential alternatives to the current rate structure. For Day Habilitation, there are 4 specific services that can be billed under the LTSS system depending on the staffing ratio involved. These are: 2 to 1, 1 to 1, small group (of up to 5 individuals), and large group (with more than 5 individuals)

Ms. Le said they have heard feedback around considering changes to this structure and had briefly discussed this during the last cycle. One potential alternative structure would be to adjust the group sizes within each service and potentially add more services. If there are other alternatives the RRAG would like to discuss, we will have an opportunity in a few moments. One thing discussed last year was to have a separate rate for the exact number of individuals. For example, a rate for 3 people would be different than a rate for 4 or for 5. We heard feedback that this would be administratively burdensome for providers to track as the nature of these services can have many changes throughout the day.

Ms. Le shared that we also discussed in the last cycle some of the limitations of having rates that represent a range of individuals in a group. For example, it may cost more to serve 4 individuals than it would to serve 2, but it may not cost twice as much. By having one rate that encompasses serving 2 or 4 individuals, and billing per person served, the provider would get twice the revenue for serving 4 as it would for serving 2 individuals. Another way to say this is that the average expected cost for the average group size is intended to be covered by the rate. We've also talked about fixed and variable cost components here. In order to have a fixed rate plus a variable rate that adjusts per person served, the rates would need to be structurally different.

Ms. Howell asked when saying alternative structure, does that mean changing the group size? Ms. Le clarified that we are looking to see if we can get more detailed in accounting for those variable costs between the group sizes. Is there a structure that would strike the balance between not being too administratively burdensome versus allowing the rates to be more flexible for those sizes. Ms. Howell added this seems to overlap with previous discussions about acuity. When doing it only by group size, the biggest factor is what the staffing level needs to be and that is partially dictated by group size but also partially dictated by acuity or the support needs of people. So, it is difficult to only drive the rates by group size. That is why it would be a little challenging to respond in the moment. Mr. Schramm shared that we would see this as an opportunity to add some granularity to the rate setting to address concerns raised by providers and also continue to move us forward in the time frame we have available. Then, we could address acuity in the future. Mr. Parks thanked Mr. Schramm and was glad to hear acuity is on the table in the future. The administrative burden of tracking and billing when bouncing between group sizes is a significant challenge. Ms. Le echoed again that any feedback provided will be extremely helpful moving forward.

<u>Next Steps and Adjournment</u>

Mr. White asked for any additional walk-on items before moving to next steps and adjournment. Mr. Parks asked for additional clarification on the memo MDH sent on Tuesday regarding the Medicaid check-in. With the Family Supports Waiver and the Community Supports Waiver in place, if an individual is found ineligible for Medicaid, services stop immediately. Will that be the state's intention for the Community Pathways Waiver? Mr. White said he will take this back to the Federal Programs team and send a response out to this group. Ms. McIlvaine thanked everyone for the discussion today. Moving forward, we should think about how we can streamline the data request as much as possible. We will take that back and talk about that internally.

The next steps are:

1. State team to discuss GL Template internally with DCAR to see if there is any flexibility for this template to take the place of the cost reports until providers are fully transitioned.
2. Optumas to add billable and nonbillable time columns for DSP Wages to the Facility and Program Support mini-GL data collection tool (DCT FY25) for the FY25 rate cycle.
3. Optumas to align language and instructions for DCT FY25 with the language and categories used in the General Ledger Data Collection Template.
4. Optumas to add language regarding timing instructions for DCT FY25.
5. State team to follow up on waiver questions resulting from MDH memo. DDA to update members with the response.
6. State team to send out March Appendix to members.

The next meeting is Thursday, April 13th from 12:30PM to 2:30PM.