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

DATE: Thursday, April 13, 2023
TIME: 12:30 PM to 2:30 PM
LOCATION: GoToWebinar

This meeting was held through GoToWebinar only.

Registration for the Rate Review Advisory Group Meeting on Thursday, April 13 2023 12:30PM EST was available at: [Maryland Department of Health DDA Rate Review Advisory Group](constantcontact.com) (constantcontact.com)

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

MEETING AGENDA FOR APRIL 13, 2023

1. **Welcome and Opening Remarks** - *Jennifer McIlvaine, Director of Finance, Medicaid, MDH*
2. **Approval of Meeting Minutes** - *Jennifer McIlvaine, Director of Finance, Medicaid, MDH*
3. **Policy Updates** - *Robert White, Director of Fiscal Services and Operations, DDA, MDH*
4. **Status of March 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 Fiscal Services and Operations, DDA, MDH, and CBIZ Optumas*
7. **Open Discussion**
8. **Next Steps and Adjournment** - Jennifer *McIlvaine, Director of Finance, Medicaid, MDH*

Co-Chairs

1. Jennifer McIlvaine, Director of Finance, Medicaid, MDH
2. Robert White, Operations Director, DDA

Advisory Group Members Present

1. Donna Retzlaff, Spring Dell Center
2. Shauna Mulcahy, The Arc Frederick County (Invited)
3. Scott Hollingsworth, Appalachian Crossroads
4. Gregory Miller, Penn-Mar
5. Karen Adams-Gilchrist, Providence Center
6. Laura Howell, MACS
    i.   Sharon Lewis, MACS (Invited)
    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 (Invited)
3. Nicholas Burton, Director of Programs
4. Wesley Huntemann, Chief of Staff
5. Elizabeth Peters, Deputy Director

The Hilltop Institute in attendance

1. Christin Diehl, The Hilltop Institute
2. Todd Switzer, The Hilltop Institute (Invited)
3. Cynthia Woodcock, The Hilltop Institute
4. Alice Middleton, The Hilltop Institute

CBIZ Optumas Panelists in attendance

1. Steve Schramm, CBIZ Optumas
2. Caleb Lavan, CBIZ Optumas
3. Megan Frenzen, CBIZ Optumas (Invited)
4. Kris Welch, CBIZ Optumas
5. Winter Tucker, CBIZ Optumas
6. Lesley Le, CBIZ Optumas

MDH/DDA RATE REVIEW ADVISORY GROUP MINUTES

Thursday, April 13 2023
12:30 pm to 2:30 pm

Welcome and Introductions

Dr. Yemonja Smalls, Director of Professional Staff Development, Developmental Disabilities Administration, MDH, called the meeting to order at 12:36 p.m. Dr. Smalls reviewed the logistics of using the webinar feature panel, indicated the meeting was being recorded and that the recording would be available on YouTube.com and the DDA website. Dr. Smalls then introduced Ms. Jennifer McIlvaine, Director of Finance, Medicaid, MDH, to deliver opening remarks.

Ms. Jennifer McIlvaine, Director of Finance, Medicaid, MDH, thanked members for joining the webinar and reviewed the meeting agenda. Ms. McIlvaine then reviewed the DDA vision and mission slide.

Approval of Meeting Minutes

The meeting notes from the previous meeting were sent on April 6, 2023. Ms. McIlvaine motioned to accept the meeting minutes, which Ms. Laura Howell, MACS, seconded. The group accepted the minutes without any additional discussion.

Policy Updates

Mr. Robert White, Operations Director, DDA, then reviewed policy updates related to the Employment 1st Workgroup with the team. The LTSS survey was released to providers and will close Wednesday, April 19th, at 11:59 pm. The DDA will review those results and share that information with the Employment First Committee to determine the next steps.

Status of March Action Items

Ms. McIlvaine then reviewed the status of the March action items.

1. Incorporate feedback for the GL Data Collection Template.
   i. Hilltop will share this during the GL data collection template development discussion.
2. Share updated GL Data Collection Tool for FY25 rate cycle.
   i. The GL Data Collection Tool was distributed to members by email on April 6, 2023.
3. State team to offer clarity on waiver questions resulting from MDH memo.
   i. All questions being answered outside of RRAG separately.
4. State team was to follow-up with DCAR about GL Template replacing the cost reports until providers are fully transitioned to LTSS.

      i.   Mr. White shared that conversations with DCAR regarding the use of the GL data collection tool as a replacement for the cost reports indicated the need to map and identify any gaps in data elements and create a crosswalk between what DCAR is looking for and what is in the GL data collection tool. In addition, one tab needs to be added for attendance. Feedback on this issue should be shared prior to the next RRAG meeting.

5.   Share March Appendix with members.
      i.   March Appendix was distributed to members by email on April 6, 2023.

General Ledger Data Collection Update

Ms. Christin Diehl, The Hilltop Institute, reviewed the General Ledger (GL) template development process and noted a request for additional feedback from RRAG stakeholders. Ms. Diehl recapped the following past progress and issues as follows:

1. The need for assistance finalizing the GL template data collection tool.
2. Help with identifying specific technical assistance needs for implementing the template for data collection starting on July 1st of 2023 to capture and collect data for fiscal year 24.
3. Key highlights of the development process have been:
   - Engaged discussions with fiscal and rate setting SMEs along with CBIZ Optumas to identify data points and level of detail required to support a rate rebase process.
   - Convening a DDA provider pilot workgroup (November 2022 - January 2023) to review the GL and submit data, identifying questions for clarification, feedback, and suggested edits on the template and process. Workgroup included 16 providers, 7 submitted data on the GL template and 5 of those providers submitted additional feedback.
   - Solicitation of feedback from the RRAG at two key points: before the commencement of the provider pilot workgroup in October 2022 and following the workgroup with the provider informed updates.

Next, Ms. Diehl focused on GL data collection template revisions.

Mr. Christian Parks, Somerset Community Services, asked, of the seven providers that provided data, how many of them could put it into the template, not just lump it in one spot?"

Ms. Diehl responded that all seven providers did put data into the template. Four or five completed the template as designed, and others seemed to deviate from the intended process.

Additional feedback from three providers and MACS on the updated template was shared as follows:
   - Improve instructions for detail and clarity.

- Requests for additional details related to completing the template including specific examples and frequently asked questions.
- Consider FAQs in a separate document accompanying the template to address the comments.
- Several suggestions on cost categories included:
  - Improving the cost category guidance, some examples were to allocate I.T expenses, equipment costs, hiring expenses, documentation, time training time, and supervision time.
  - Providers commented to standardize cost categories across the provider Network.
  - Received questions on wages, collecting data on billable versus non-billable time. Need to determine if part of FY25 rate cycle template to be updated in the future.
- Several suggestions regarding template format were submitted to improve the design, this issue is being examined. Examples are data consolidation, additional separate tab for each service. Additional work group discussion needed.
- Acuity is not included in the template. The rate setting method includes a basic Acuity adjustment using the tiered rates. Acuity was not identified as a rate priority for fiscal year 25.
- Cost allocation feedback requested to provide better guidance on allocation methods. Instructions to be updated. General ledger template is intended to collect costs for providing Medicaid services and approved methods for allocating costs to help standardize data collection. The provider work group discussed this topic and more info will be included in the instructions document.

Considerations for updating the template for FY25 were noted. Ms. Howell asked if billable versus non-billable is planned to be addressed in the template's first iteration? Ms. Diehl responded that it was not to be included this year as requested to include as a separate data point. There is the opportunity to capture non-billable wage time in other brick categories. Ms. Howell questioned why would we want to handle it one way and then have a change? Ms. McIlvaine added that this was a decision to analyze as an FY25 priority. Ms. McIlvaine indicated the data is being collected this year as a separate data collection and discussed, the results will be incorporated in future general ledger data collection tools. There seems to be concern of multiple collection tools in parallel, but this is how to deal with limited time and complexity constraints and data collection development iteration is needed.

Ms. Karen Adams-Gilchrist, Providence Center, requested confirmation on using two separate tools to collect data and if they will cover the same period. It was noted there will be discussions held on the second FY25 priorities data collection tool right after we finish talking about the GL tool. There will be quick turnaround time for the tool for this rate cycle. At the same time, we do also need to start working on the larger data collection tool as well so providers can start collecting data in this way for future years.

Mr. Parks noted he was trying to follow the logic around having the billable and nonbillable data collected as part of a separate data tool. How we capture that time and where we capture that time in the GL may impact how we classify expenses and this can be challenging if there are changes each year.. He sees an opportunity to collect the hours and wages associated with billable/non-billable time in the correct categories. Ms. McIlvaine responded that there is a commitment to look at the billable vs. non-billable but there are no conclusions yet because we need to see the data. Any changes that come as a result of the data collection and review effort will be incorporated into the GL template in the future. There has been an effort to coordinate between the GL template and the FY25

Mr. Steve Schramm, CBIZ Optumas, gave some background on capturing the billable versus non-billable time. He noted the following considerations, (a) not a straightforward process, (b) will require a back and forth with the provider community as well as the advisory group to figure out how to do billable vs non-billable data capture. Mr. Schramm indicated, based on feedback from the provider community, that the GL template needs to be provided at least 90 days before the beginning of the contract year. Hence, the decision was to finalize the GL template based on the feedback received, and use the separate data request for this year's rate cycle to begin discussing the detail available for billable versus non-billable and the request for the data format. Mr. Kris Welch, CBIZ Optumas, added that if the billable versus non-billable data collection in the GL tool is rushed and not vetted, additional changes may be necessary to the GL. Mr. Scott Hollingsworth, Appalachian Crossroads, suggested adding billable and a total non-billable data column. He noted providers will have to have the total non-billable time before breaking it down across program support and training to ensure it all adds up correctly. Mr. Steve Schramm, CBIZ Optumas, noted this was exactly the kind of feedback needed from providers, that would be discussed over a meeting or two, to discuss what is available, how you would approach it, and to make certain that there is consistency.

Ms. Maria Dominiak, MACS noted the following:
- MACS provided feedback on how to restructure the GL so that it could serve both purposes of collecting billable and non-billable time.
- Billable and non-billable time critical to rate setting.
- Important to include billable and non-billable time in the general ledger template instead of creating a whole different tool.
- MACS' recommendation was to leverage an existing tool.

Ms. McIlvaine reiterated that MDH/DDA are hearing stakeholders on the importance of these issues and we want to develop this tool and do it right, as mentioned this is going to take time and discussion. The results of what is learned in this rate setting cycle will be incorporated into future versions of the GL template.

Ms. Laura Howell, MACS, voiced her concern about the feedback around acuity. She noted that having data around acuity may help to drive the decision to look at the issue, without the data it would be hard to prove it would need to be addressed. Ms. Howell also provided a follow up comment on collecting data at the service level. She confirmed that data is needed at the service level to accurately set rates and allow each service to stand alone in a fiscally sound way, not all providers provide all services.

Ms. Diehl addressed the next steps for the general ledger data collection. The next steps highlighted were as follows:
- Working on rollout and training plan for the provider Community
- Still looking for feedback on additional targeted assistance needed to include in the plan.
- Incorporate all the edits and suggestions.
- Working with DDA to finalize the changes and provide the information to the community in May.
- Get providers ready to collect the data in fiscal 24, starting July 1st.

Ms. Howell recommended that one to two people should be located centrally to provide technical assistance to providers to ensure consistency. Mr. Parks seconded this for consistency of communication and data.

FY25 Rate Review Priorities

The team transitioned to Optumas and discussed changes for the GL and budget for FY25.

Mr. Welch gave an update to the first 5 topics on the summary slide and an initial analysis on the last 3 topics in gray. See below for the topics:
1. Facility
2. Program Support
3. Distribution of transportation costs
4. Non-billable time adjustment
5. Structure change (group sizes)
6. Base wage
7. Training
8. Service Adjustment (closures)

Feedback on some changes for the FY25 data collection template included three red tabs: transportation, non-billable time, and the rate structure for day habilitation. These tabs need additional discussion and feedback from the RRAG group.

Mr. Welch highlighted the need to collect sufficient quality data from providers, as mentioned in the memo sent out with the FY25 DCT draft. There's a need to agree on a proposal to address identified issues and develop a data collection template for providers to give feedback, decisions around the rate cycle to be data driven. Feedback is still needed from RRAG on these topics.

Ms. Dominiak requested confirmation that the template Mr. Welch asked for feedback on was sent out with the RRAG materials on the 6th. Mr. Welch confirmed that Ms. Dominiak's assumption was correct. Mr. Parks inquired about sharing the worksheet sent, walking through it, and hitting the highlights. Mr. Welch responded that he is still determining the walkthrough's value. However, he suggests that the group focus on discussing the three main topics: transportation, non-billable time, and the rate structure. Mr. Welch then reviewed some examples to discuss the three issues.

Mr. White and Ms. McIlvaine decided to have a spreadsheet walkthrough, and presenter control was turned over to Mr. Welch. Ms. Howell requested clarification that non-billable time is a separate tool, but that transportation and structural changes would go into the GL tool. Mr. Welch clarified that the GL tool is structured as discussed but that the three tabs now being discussed are to collect feedback from the advisory group for the FY25 rate setting cycle.

Mr. Welch reviewed the Instructions tab, then proceeded to the Program Support and Facility tab. He requested confirmation from RRAG on whether this would be an appropriate level of information to address the issue, whether this is reasonable for providers to populate in a fair amount of time, and whether this information could be used to make adjustments to collect the data to address that specific topic for program support and facility.

Mr. Hollingsworth asked about what goes into billable and non-billable time. Mr. Welch responded that there's a rubric to help explain to staff the non-billable and billable split. The goal is to collect the information and then use it. Mr. Hollingsworth confirmed that all non-billable time such as holidays and training would go into the non-billable column.

Mr. Welch highlighted the current intention to collect data for daily habilitation services. He recapped for the team that the general ledger template is an ongoing process that can be modified specifically to the priorities for a specific cycle. There might be additional templates each year to address specific fiscal year priorities.

Comments were made that some people needed clarification on the purpose of this document sent out and it will be difficult for people to provide feedback. Mr. Welch confirmed that the document was intended to collect feedback.

Mr. Welch then showed the tab displaying transportation cost categories and that it's consistent with the general ledger structure, again to get feedback on redistributing transportation costs by staff hours versus individuals served. The tab presents options or possible intent for collecting and displaying information. This issue continues to be a topic for discussion.

Mr. Welch reiterated that feedback is requested by April 17th. However, the team is still determining if they can meet this deadline, but it is to be discussed internally. A question was raised on how to spread non-billable time and does non-billable time get spread across all categories? This issue needs further discussion to be resolved.

Mr. Parks requested clarification and made some comments regarding the GL data collection tool as follows:
- The observation was that there were recommendations for removing non-billable wages from the wage category. The DSP wage category changed to wages for billable services. The non-billable wages and hours should be spread across the appropriate category.
- Can the treatment of non-billable across categories be incorporated into the GL data collection tool instructions?
- There's a concern that dumping all the non-billable time in the program support, or the hours into program support, will become a mismatch. We need to log in to the GL data tool the non-billable data in the category where we would want them. Is this a correct interpretation?

Mr. Welch responds that Mr. Parks is focused on the right direction but still needs functional specifications to build out the functionality at present properly and needs to be worked on. Mr. Parks still emphasizes that multiple changes to the GL tool could be problematic, but there is concern that the team needs time.

The conversation continued for a period where the team rehashed different options. The main consensus was that feedback needed to be reshared with a feedback deadline of April 17th, 2023. Ms. Dominiak inquired about the timeline, and Mr. Welch responded that the plan for getting information to providers was speculated to be the end of April but depended upon feedback.

Ms. Lesley Le, CBIZ Optumas, reviewed the base wage analysis as follows:

"As promised, we did an analysis on the base wage for Day habilitation services. The BLS code used for these services is 21-1093. We have two separate rates for the varying geographic areas. And originally, we had back solved the Rest of State wage from the Statewide and Geographic Differential rates provided by the bureau of labor and statistics. However, in Nov

of 2021, MACS had proposed that we build the rate up by member distribution by county. This proposal was accepted, and the base wages have been using this methodology since then. The current base wage is based on the May 2018 BLS data projected forward to the appropriate year."

There was clarification on the model and calculations for building the base wage and projecting it forward. Ms. Howell raised concerns about using the percentage increase from the legislature because it does not match up to inflation and can lead to incorrect forecasting. A suggestion of using inflation as opposed to using rate increases. Ms. Le responded that this was what had been done in the last couple of cycles.

Ms. Le extended the conversation to discuss projected base wage comparison with the following observations:

- Most recent available data for BLS which is the May 2021 BLS numbers for the same service code that we use for data habilitation.
- The rate model shows May 2021 BLS data projected forward to 2024.
- Based upon limited analysis, May 2021 projected to 2014 is coming in about three percent higher than the fiscal year 24 rates for BLS wages.
- For the geographic differential, a small group is about a six percent difference, for a large group however, there's a five percent difference in the other direction. The change in direction doesn't mean that the wages have decreased, it just means that the rate of growth for those wages are not in the same direction.

Ms. Howell asked Ms. Le if the data from May 2021 is the most recent available. Ms. Le responded that it appears that May 2021 was the most current available data. However, the analysis could be updated with more recent data if available. It was clarified that the comparative analysis was presented to receive feedback on how the team would like to do the analysis. The analysis does show that using the most recent data and a specific method does affect the results. The group discussed the use of CPI and COLA and how they differ and can affect forecasting. Further analysis is needed for the computations for wage forecasting to be used. If the wrong rate is used, it results in underfunding. DDA must provide feedback on computations and the use of CPI and COLA. A timeline for describing computations still needs to be determined.

Ms. Le gave an update regarding the training component. The slide listed what is currently being built into the rate model. Some considerations in the rate model were the proportion of full-time vs. part-time employees, staffing hours needed to cover those in training, staff turnover, and any additional ongoing/upkeep training required. There have been some policy updates on training since the initial hours were calculated. Optumas wants to update the training component to ensure alignment with

the new training matrix. DDA has a draft of the required hours, but the final version is still under review. Optumas is looking for a final version to incorporate into the updates sometime in June.

Ms. Howell asked how much of the training data needs to be collected, to which Mr. Welch responded that data from the 2019 or 2018 provider wage survey can be used. Mr. Gregory Miller, Penn-Mar, raised the issue of turnover in the computations, which Mr. Welch indicated were available. Mr. Miller indicated that we should look at the turnover rate to ensure that it is proper because it can affect training estimates. A discussion was held on the relationship between turnover data and billable and non-billable data.

Ms. Le reviewed the service adjustment analysis. The rate model is examined. Additional team feedback can be sent by email. Several clarifications were discussed. DDA is to take up the conversation to review the model and any extensions.

Open Discussion

No additional discussion.

Next Steps and Adjournment

Ms. McIlvaine closed the meeting and noted the following next steps:
- There will be a communication about extending the feedback deadline.
- The next meeting will be on Thursday, May 18th from 12:30PM to 2:30PM
- Members of the public who would like to observe the meetings, can register through the DDA Training Calendar at Constant Contact Events.
- 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 questions regarding registration or would like to request accommodations, please contact Dr. Smalls at yemonja.smalls@maryland.gov
- Reminder of the meeting dates for this rate review cycle.
    - Thursday, May 18, 2023, 12:30 to 2:30 PM
    - Thursday, June 22, 2023, 12:30 to 2:30PM
    - Thursday, July 20, 2023, 12:30 to 2:30 PM
    - Thursday, August 10, 2023, 12:30 to 2:30 PM

The team is thanked for attendance and continued feedback and discussion. If anyone should have further questions or feedback, please email Ms. McIlvaine.

Meeting adjourned.