

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

DATE: Friday, July 29, 2022

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

LOCATION: GoToWebinar

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

Registration for the Rate Review Advisory Group Meeting on Friday, July 29, 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. Summary of Requests and Updates

a. Policies, *Jennifer McIlvaine, Director of Finance, Medicaid, MDH*

b. External Meeting, *Robert White, Director of Administrative Services, DDA*

c. Locked and Unlocked FIATs, *Robert White, Director of Administrative Services, DDA*

3. Approval of Meeting Minutes

Jennifer McIlvaine, Director of Finance, Medicaid, MDH

4. Summary of Employment Services Engagement

Patricia Sastoque, Director of Programs, Developmental Disabilities Administration

5. General Ledger Data Collection Template

The Hilltop Institute at UMBC

6. FY24 Focus Area Data Collection – Preliminary Findings

CBIZ Optumas

7. Next Steps and Adjournment

Jennifer McIlvaine, Director of Finance, Medicaid, MDH

MDH/DDA RATE REVIEW ADVISORY GROUP MINUTES

Friday, July 29, 2022
12:30 pm to 2:30 pm

Co-Chairs

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

Advisory Group Members

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
 - a. Sharon Lewis, MACS
 - b. 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

DDA Panelist - Patricia Sastoque, Director of Programs, DDA

State Medicaid Panelist - Steve Schuh, MDH Deputy Secretary of Health Care Financing and Medicaid

The Hilltop Institute and CBIZ Optumas Panelists

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

DDA Office of Change Management Panelist - Emily Ornstein, Consultant

Welcome

Ms. Jennifer McIlvaine, Director of Finance, Medicaid, MDH called the meeting to order at 12:32 pm. As part of the welcome address, Ms. McIlvaine thanked members for their continued participation and contributions to ensure an open, informed, and transparent process to reviewing rates.

Summary of Requests and Updates

Ms. Jennifer McIlvaine thanked RRAG members who submitted feedback on the RRAG policies. This feedback was helpful and has been accepted. As a summary, the feedback included:

1. Clarification regarding specific statute or code of conduct to ensure intent of who is to be regulated officially under the statute
2. Allowing subgroups to outreach to provider representatives outside of the RRAG membership
3. Qualify the language regarding “filling vacant seats as they turn over every two years” to “filling open seats as they turn over every two years.”

Ms. McIlvaine shared at the recommendation of the Department’s Assistant Attorney General, that it is likely that these documents we have been reviewing will be released/published as an RRAG Charter. This recommendation considers that this document effectively details the RRAG objectives, goals, as well as the expectations and responsibilities for both internal and external members. The title of policies will change to charter. The substance of what RRAG members have reviewed will remain the same. The state team will work to get this document finalized and placed on the RRAG web page shortly.

Mr. Robert White, Director of Administrative Services, DDA shared that a meeting was held on July 11th focused on a presentation request previously submitted by MACS. This meeting was attended by the MACS actuaries, Ms. Laura Howell, Executive Director, MACS, Maryland Department of Health’s rate setting consultants, and representatives of the DDA. The discussion was primarily focused on the fixed vs. variable costs and acuity. Through subsequent feedback from Ms. Howell, the state team will be scheduling next steps and will update the RRAG with any additional conversations.

Mr. White added that this valuable feedback identified the need for more open dialogue and opportunities for furthering understanding. Moving forward, RRAG meetings will have more time in the agenda for group discussion and listening as well as to use smaller subgroup meetings when needed to take a deeper dive to inform key areas. He emphasized that this new rate review structure and partnership is important to the state and stakeholders. The MDH and DDA teams remain committed to ensuring a collaborative and engaged process.

Mr. White said that there are two versions of the FIAT now available on the RRAG webpage, both a locked and an unlocked version. These are available as a resource for those providers who want to use the FIAT for their own planning. Providers are welcome to email Mr. White with any questions on these tools.

Approval of Meeting Minutes

Mr. Christian Parks, Somerset Community Services, requested an amendment to the June 17, 2022, minutes. During the last meeting, he and Sharon Lewis posed a question to Optumas regarding the scatter charts presented for comparable purposes. Mr. Parks requested that the minutes be amended to include additional details from this conversation. He said that the data shared by Optumas on June 17, 2022, should be looked at to consider lower provider utilization. Ms. McIlvaine accepted this feedback pertaining to the meeting minutes and will listen to that part of the conversation through the recording. She said there will be internal conversation regarding the substantive request. Members voted to approve the June 17, 2022, with the recommended amendment.

Summary of Employment Services Engagement

Ms. Patricia Sastoque, Director of Programs, Developmental Disabilities Administration, said that the DDA team is beginning to engage with a number of stakeholders around employment services.

This engagement will take place from August through November and will include providers from the Early Adopters Group, recent pilot providers currently offering Employment Services in LTSS Maryland-DDA Module, members of the Employment First Committee, and identified providers supporting individuals with more significant needs. Engagement will include collecting qualitative information around the employment service rates and policy experiences across the new employment services. This information will provide the DDA team with a better understanding and direction for both policy areas and rates. Any identified rate considerations will be shared back with the RRAG in the next rate review cycle. The goal is to provide an overview of employment services assumptions, identify practices and experiences of stakeholders, and delineate feedback on rates, guidance, and policies.

Ms. Howell requested clarity on how DDA will make progress on employment as there is concern regarding this in the community. Ms. Sastoque responded that she has requested the Employment First Group to advise who is missing from the group and that the group will look at the qualitative information around the rates, the policy experience, meaning, how providers are carrying out their day-to-day operations; and if any of that information is identified as a rate concern it will be brought to the RRAG for discussion and consideration for the next rate setting cycle priorities.

Ms. Karen Adams-Gilchrist, Providence Center, asked if the format will change from milestones to outcomes or hourly etc., if that is on the table for discussion; and if an outside expert on employment funding will join the discussions. Ms. Sastoque responded that the DDA team is looking to gather baseline information via a survey. Once the baseline is established, the DDA will ask for concerns/recommendations on the milestones, including issues created by the processes and policies. Once the critical issues are determined, an expert may be brought in and/or practices in other states may be studied, but next steps will be decided once the issues are known.

General Ledger Data Collection Template

Ms. McIlvaine reviewed the timeline for future rate cycles and began the conversation around rate rebase years. She outlined that rebasing occurs at a minimum of every five (5) years and must include a description of the rate setting methodology and process, ensure appropriate utilization, quality care and sufficient access.

Mr. Steve Schramm, CBIZ Optumas, explained that data is collected to establish a base dataset for a particular period and move it forward to the contract period. Subcategories assist with standardizing the data, and Optumas will ask for feedback to ensure standardization has been done correctly and consistently. Then the base data will be projected forward into a future contract period. Optumas controls for policy, program changes, and trends that have occurred between the base data collection period and the contract period.

Optumas will then review administrative costs to ensure it captures both the programmatic and administrative costs associated with each service and combine them into rates. Finally, Optumas asks for feedback on those rates from the provider community.

Ms. Christin Diehl, The Hilltop Institute, stated that clearly defined cost categories will align with the cost categories in the Brick™ methodology. A standardized general ledger data collection template will ensure consistency across providers and uniform data interpretation.

Ms. Diehl continued that following the end of the FY 24 rate cycle, the draft template will be shared for review and feedback with a target of September/October 2022. There will be ongoing discussions with a small workgroup in September through December, with a finalized discussion summary shared with the RRAG in January 2023.

Ms. Howell asked how much time providers will have to make the changes needed to be able to collect data, as providers will need time to plan. Ms. Diehl responded that the state team is open to feedback on providers' time needs. Currently, the HillTop Institute is drafting the template and will share it at the end of this rate setting cycle. If the group would like to see the template prior to it being shared with a small group of providers, the request will be taken back to DDA.

Mr. Parks said that there is a year's worth of data not collected in this format. He proposed that it may be helpful for some of the early adopter group (EAG) to review and fill out this new template to preserve the past year's data. He asked if revised procedures and policies will be given to providers around April 1, 2023, if the launch date is July 1, 2023.

Ms. Howell asked if there is baseline data that should be collected annually and if there is specific data that should be collected regarding rebase years. Mr. Greg Miller, Penn-Mar, stated that data collected in non-rebase years could prevent surprises in a rebase year. He suggested that a short form could keep major data points during non-rebase years.

Ms. Diehl responded that the goal today is to give a high-level overview of the elements to be included in the template. HillTop recognizes that some providers are in PCIS2, some are in LTSS-*Maryland* - DDA Module, and some are in both systems.

Mr. Miller said that there should be enough flexibility to pivot if needed, for example transportation and the cost of fuel. These costs could affect the rebase. He said providers need a system to deal with these issues.

Ms. McIlvaine replied that this discussion is on the process for a rebase year; however, non-rebase years can include discussion of urgent issues in the monthly RRAG meetings. This may not have instant changes but provides the opportunity to address any cost changes.

Ms. Maria Dominiak, MACS, said that it could be beneficial to test this general ledger template out with a small group of providers before the HillTop Institute rolls it out in January. Ms. McIlvaine agreed and said therefore the state team hopes to engage and roll it out this fall to have enough time for the engagement and feedback so we can implement a good, standardized tool.

Ms. Sharon Lewis, MACS, asked if there will be an opportunity to address issues that have been discussed and are not currently part of the template or this approach to data collection. She mentioned acuity as an example. Mr. Schramm replied that each RRAG meeting will have an announced focus. The idea is to use the regular RRAG meeting schedule to address issues flagged by the RRAG members. Ms. McIlvaine supported this response by sharing that the general ledger data collection is the base, and the RRAG structure provides a way to look at data beyond this base data collection effort.

Ms. Lewis said that several of the issues are not just policy but will ultimately require critical data collection from the providers that will intersect with the rebase data collection efforts. She continued that if we have a discussion in this group and agree that we need to understand more about people who have the highest support needs, it may take one to two years to then incorporate that into any kind of data collection.

Ms. McIlvaine shared that the state team is seeking the balance between being data-informed and being responsive to immediate issues.

Mr. Parks said that the RRAG should look at this as a ten-year strategic plan. He proposed looking at this as a long-term effort and having that as part of the discussion. He proposed a subgroup that is tasked with creating a strategic plan for data collection for a ten-year window. Ms. McIlvaine responded that this was a point well taken. The state team can look at the RRAG cadence and figure out what is needed in the various years and layer on collection for specific issues.

FY24 Focus Area Data Collection – Preliminary Findings

Mr. Welch, CBIZ Optumas, started the discussion by sharing that the state team provided a date for

providers to submit their data: some requested extensions; some submitted more data after the extensions. This is the data received from providers as of Wednesday, July 20th and we have received about nine or ten more since then. As of July 20th we had fifty-nine (59) providers who submitted those templates. Some shared the 2019 data, and some shared the projected data. Some shared both or just one or the other.

He went on to share the various service tabs and what tabs were populated by the providers. “All Meaningful Day” section does not mean that the providers had populated every single one of those. There was a tab for providers who could not easily split out the various subgroups.

Regarding Meaningful Day, in the template there were tabs for Day Habilitation, CDS, Employment Services and Meaningful Day. Those were 2019 data points and we asked for projections moving forward. There is data from 2019 and the projections – this is also split by service for the providers who were able to do that.

Looking at staff ratios that are under five, the average staffing ratio is about 3.2. Looking at the ones that are higher than that, these might be more representative of a larger group – the average staffing ratio there is 6.7. Optumas did the same analyses with the projected data. The average staffing ratio came up a little higher. The small group and large group are relatively similar. The distribution has moved a little bit. This is for all Meaningful Day so there is variance between different services.

Mr. Parks noted that “small group” is defined as less than 5 in the presented analyses, whereas he believed small group to be inclusive of the 5th person. Mr. Welch agreed and that was part of what was considered. The average staff ratio for small and large groups should be viewed as a blend of people served and number of staff. For example, the 3.6 average ratio for small group, is a blend of both small and large groups. These should not be viewed as 100% face-value but informative, nonetheless.

Ms. Howell said that where data applies to specific services, there are Waiver definitions. She asked why the analysis was not aligned with the Waiver definitions. Mr. Welch shared that based upon feedback from RRAG members, the data collection request was not based specifically on the Waiver definitions around group size. He continued that there can be a little noise in the data around how 5.0 is the exact definition of group size, especially if there was a ratio of 5.2. Optumas believed that was more of a “large group”, but it is not clear as there is no 5.2 group size in the Waiver definitions. It is not known if someone has a staff ratio of 4.5, if they exclusively provide small group, or if they provide a mixture of small and large groups. Optumas wanted to present a summary of the data submitted and some of the concerns and complications on how the data can be interpreted. Ms. Howell stated concern with this summary and the quality of the data collected.

Ms. Howell said that large group should start at six (6) for day habilitation based on the Waiver definitions. Mr. Welch noted that is one way to look at the data. There is a break in the definitions between five and six. What we show here is anything that is above 5 is a larger group because the small group ends at 5. This is just a preliminary look at what we are seeing.

Ms. Lee, SEEC, shared that the nine (9) and above staffing ratio looks like the old, sheltered workshop model. It looks like something is wrong with the data when the number is that high. Mr. Welch responded that this is representative of all Meaningful Day services, so some providers had higher staff ratios particularly in the Employment Services. When looking at Day Habilitation by itself the very large group numbers are not present. Ms. Lee said this should be presented as a moment in time, not illustrative of a person's staffing ratio over a week. Mr. Welch agreed.

Ms. Howell noted a concern about how this data is applied and if it is useful or not. The request and the analysis should further the rate review process. There is concern that this data is not helpful. Ms. Dominiak said that assumptions made should be clear and that the average staffing ratios proposed should balance back to the average staffing ratio overall.

Ms. Dominiak asked if Optumas used a weighted or straight average when calculating the staffing ratio. Mr. Welch shared that these are preliminary results, and Optumas looked at simple averages. Optumas may look at weighting or bucketing when trying to allocate for small groups or large groups. Ms. Dominiak shared that a weighted average would be helpful, and it would be the same math used to calculate the staffing ratio, just added together—not revenue.

Mr. Welch shared the preliminary findings around staffing ratios - he clarified that anything in the denominator that is a higher number results in a lower rate. He shared that the projected data is showing fairly similar to what the CY19 experience is showing. Ms. Lee said that when Optumas met with the EAG group, this group was closer to 1.78 not 1.5 for the CDS service. Mr. Welch shared that this can be reviewed to ensure this number is current and accurate—he also shared that there were other ways that this data had been presented previously. This is ultimately how this was built into the rates.

Ms. Dominiak asked for the number of providers who were used to inform these staffing ratios. She also asked for the criteria for excluding outliers. As a follow-up she asked if there is an intent to go back to any providers to get better data to inform these assumptions.

Mr. Welch said these are pieces Optumas would like to share after additional review. There were questions around how representative or significant the sample size is for each piece. Optumas is still looking at the data that is coming in. Optumas will not share individual provider data but can share the criteria for excluding outliers. He continued that Optumas is looking at qualitative data to ensure consistent interpretation. Mr. Parks said that the 1/3.5 ratio for the CDS does not align with where he thinks it would be. Mr. Welch shared it is possible that number is a bit higher due to staffing assignments similar to the employment services.

Ms. Le, CBIZ Optumas, discussed the proportion of time (DSP hours) and resources (material costs) represented by non-billable transportation relative to wages. Mr. Parks asked if line six (6) pertaining to the total Meaningful Day DSP wages should be the total non-billable or billable as opposed to total. He asked if the fixed cost of the transportation component was adjusted for the fact that providers cannot

bill for transportation for X number of hours per day or are we factoring that into the percentage of total wages. Ms. Dominiak said that this calculation is incorrect if it is intended to be what is included in the Brick™. She posed that Optumas should be taking the DSP transportation non-billable hours over the billable hours. Similarly, the non-wage transportation costs should be over the billable wages to get back to total GL. She said that this calculation is understating the percentage if it is intended to apply in the Brick™. Mr. Parks asked that if it is not intended to apply in the Brick™, how would it be changed to apply to the Brick™?

Mr. Welch said this can be taken under consideration. With the Brick™, the wage is the base for everything. With the wage as the starting point, there are other components that are added onto that wage as a supplement—including non-billable elements such as training and transportation. Optumas split out the billable and non-billable time in the wage as the starting point.

Ms. Le shared the distribution of the time and material components as a percentage of the hourly wage. Ms. Le said that there is an average of 39.6% total combination of time and material components to get total transportation across the providers in the 2019 Meaningful Day data. This looked at what the majority of providers shared and is not inclusive of major outliers.

Mr. Welch shared that Optumas can provide the specifics of how we are excluding or including providers after Optumas has the full dataset. Ms. Adams-Gilchrist expressed concern that the most common data element left out was line three (3) and line five (5). She posed that there could be errors. Ms. Le shared that there were more than twenty (20) providers who had completed the data collection; however this was filtered out to ensure a reflection of data that aligns with comments from providers and appeared reasonable. The goal was to include as many providers and considerations as possible based upon the feedback received.

Ms. Le said that Optumas compared 2019 data and projected data for the subgroups. In CDS 2019 it was an average of 37.8%, while the projected data was at 42.5%. The 2019 experience and projected data is higher than the current rate model, and this will be analyzed for an internal discussion with the State. Ms. Le emphasized these are preliminary findings. Mr. Parks reminded Ms. Le of the calculation discussion moments ago in the next analysis.

Mr. Miller shared that employment is a large change. The Employment First work group could focus on this, if providers are showing 42% versus the current rate model of 22.9%. He suggested creating the model that works best for an Employment First State.

Ms. Le reshared the rate review timeline to demonstrate where the group is within the process and discuss the next steps. Optumas has collected data and are now completing analytics and having internal discussions with the State regarding potential adjustments to the Meaningful Day rates. The results of the internal conversations with the state will be shared with the RRAG in the August meeting.

Next Steps and Adjournment

Ms. McIlvaine restated that internal discussions will take place on the options for the Day Hab rates informed by the data collection results once additional providers are incorporated and there is time for additional analyses. As Ms. Le shared, we are planning on presenting those options and having discussion in the August 19th RRAG meeting. The state will then make final policy decisions after discussions and gathering feedback. Reminder: all meeting materials will be made available through the designated DDA webpage for this advisory group.

Mr. Parks said that the group has requested access twice before and now for the third time to have access to the redacted FIAT data. Ms. McIlvaine responded that there will be an internal discussion and will get back to Mr. Parks. Ms. Howell asked if this could include a determination on the request for transportation data. Ms. McIlvaine said that will be considered as well.

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