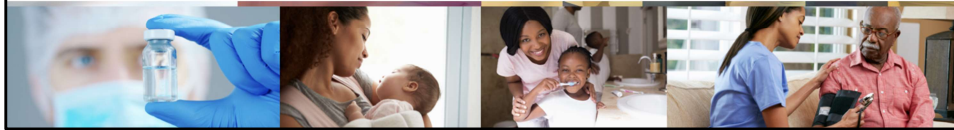# Maryland
DEPARTMENT OF HEALTH

Rate Review Advisory Group

Developmental Disabilities Administration

3/21/2022

Agenda

1. Introduction and Overview

2. Approval of Meeting Minutes

3. LTSS Expanded Pilot Transition Timeline

4. Overview of Rate Development

5. FY 2022 Rates

6. FY 2023 Rate Priorities and Data Sources

7. FY 2024 Priorities

8. Next Steps and Adjournment

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Introduction and Overview

DDA Vision:

People with developmental disabilities will have full lives in the communities of their choice where they are included, participate, and are active citizens.

DDA Mission:

Create a flexible, person-centered, family-oriented system of supports so people can have full lives.

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Approval of Meeting Minutes

- Members were sent an email with meeting minutes and presentation deck from emily.ornstein@maryland.gov on Monday, March 7, 2022

- Following approval, minutes will be posted on the Rate Review Advisory Group webpage at https://health.maryland.gov/dda/Pages/RATE-REVIEW-ADVISORY-GROUP.aspx

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LTSS Expanded Pilot Transition Timeline

● **Start of Rate Review Cycle (FY23/FY24)**

● **April Rates (FY2022)**

● **4% COLA (FY2023)**

January/February 2022   **April 1, 2022**   **July 1, 2022**

● **Start of Rate Review Cycle (FY25)**

● **4% COLA (FY2024)**

January/February 2023   **July 1, 2023**

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MD Fiscal Year State Operating Budget Cycle:
https://dbm.maryland.gov/budget/Pages/cycle-calendar.aspx

Overview of Rate Development

Goals of Rate Development:

- Create a structured, iterative process
- Maintain transparency of rate development
- Incorporate feedback from RRAG, providers, and other stakeholders
- Aligned with policy goals
- Informed by data or policy direction
- Standardized across like services
- Developed independent of budget constraints

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Overview of Rate Development
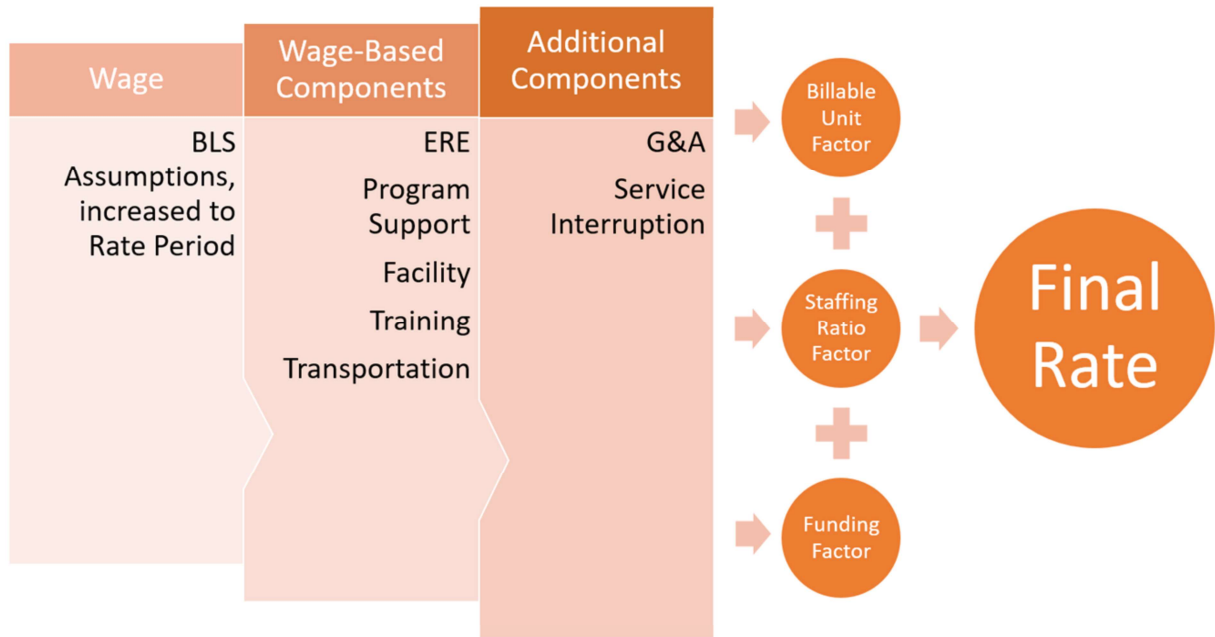
Key Points: Foundation of rates is the Wage selection. The Wage-based and additional components are then built in relative to the wage costs from the general ledgers or policy direction to get a "fully loaded rate". The fully loaded rate is then multiplied by the billable unit (hour, day, 15 min, etc) and the staffing ratio (1 staff to 1 person, 1 staff to 2 people, etc.) and the funding factor/percentage to get to the final rate for each service.

Overview of Rate Development

Bureau of Labor Statistics (BLS) Wage Range Data

D.C. Area				Region A	Region B	Region C
90%				90%	90%	90%
75%	Geo. Diff.	Standard (Rest of State)		75%	75%	75%
50%	$18.92	$16.50 (avg)		50%	50%	50%
25%				25%	25%	25%
10%				10%	10%	10%

Change from Data Period To Future Rate Period (COLA, CPI, etc.)

9.5%

Example: **Supported Living w/ Overnight Supervision**

Corresponding BLS Code:
21-1093 Social and Human Service Assistants

Standard $18.06

Geo. Diff. $20.71

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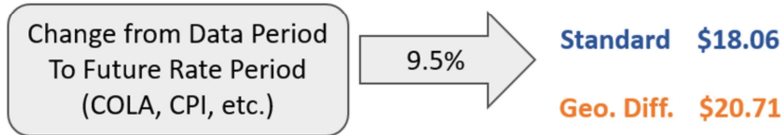
Key Points: The wage data is derived from the Bureau of Labor and Statistics (BLS) database. The selected BLS code and percentile for each service is determined based on policy direction. The Standard wage is based on a calculated average of the

regional BLS wage and membership distribution.

Overview of Rate Development

Example:
Supported Living w/ Overnight Supervision

Employee Related Expenses (ERE)	• Assumed similar across all services • Aggregate of <u>All</u> GLs • 30.5%
Facility	• Room and Board not eligible for rates per CMS • Remove from residential rates • 0%
Program Support (PS)	• Assumed distinct by Service Category • Aggregate of <u>Residential</u> GLs • 25.5%
Transportation	• Assumed distinct by Service Category • Aggregate of <u>Residential</u> GLs • 6.5%

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Key Points: The starting point for most of the component development was the relative to wage cost percentiles calculated from the general ledgers. From there Optumas and DDA examined, based on policy and feedback, whether the costs are appropriately aligned with policy goals. Depending on the service and based on policy goals, the DDA either selected the relative percentiles in the general ledgers or an enhanced calculation. For instance in some services, the DDA elected to take 125% or 150% of the General Ledgers. This is indicated by the "Source" column within the rate models.

Overview of Rate Development

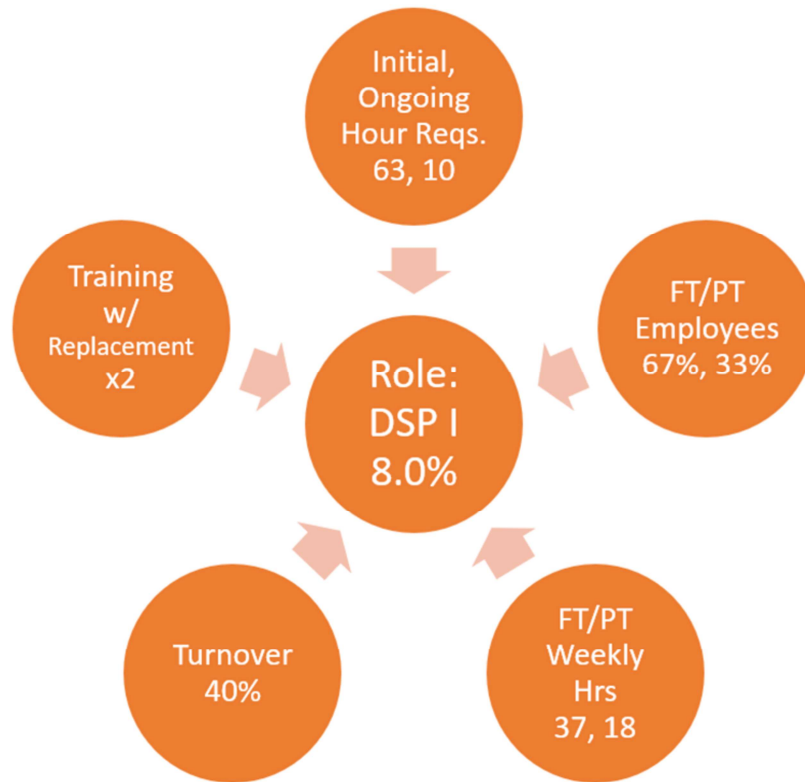| Training required for all roles except Nursing	
Communicable Diseases	The Aging Process and the Special Needs of the Elderly
Medication Technician Training Program	Community Integration and Inclusion
Medication Technician Training Program Renewal	Individual-Directed, Outcome-Oriented Planning For Individuals (IDOOPI)
BSS training (Intense training)	Incident Reporting and Abuse Prevention
Seizures	Self Determination/Self Direction
First Aid/CPR	Specific "person specific" trainings
Blood Borne Pathogens	Basics of Employment First
Person-Centered thinking	Mandt Chapters 1-3

Role specific trainings	Roles
Mandt 7-9 as applicable	DSP I w/ Behavior, DSP I w/ Behavior & Meds, DSP II w/ Behavior & Meds
Medication Administration	DSP I w/ Behavior & Meds, DSP I w/ Meds, DSP II w/ Behavior & Meds
ACRE	Employment Specialist
DSP II	DSP II, DSP II w/ Behavior & Meds
Mentor Credential	DSP II, DSP II w/ Behavior & Meds
Basic Employment Training	Job Coach
CESP Exam and Certification Maintenance	Employment Specialist
Nursing	Nursing

Training

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Key Points: The required training is listed in this slide and which roles they apply to.
The total number of training hours required for each role was factored into the cost.

Overview of Rate Development

Initial, Ongoing Hour Reqs. 63, 10

Training w/ Replacement x2

FT/PT Employees 67%, 33%

Role: DSP I 8.0%

Turnover 40%

FT/PT Weekly Hrs 37, 18

Example:
Supported Living w/ Overnight Supervision

Training Cont.

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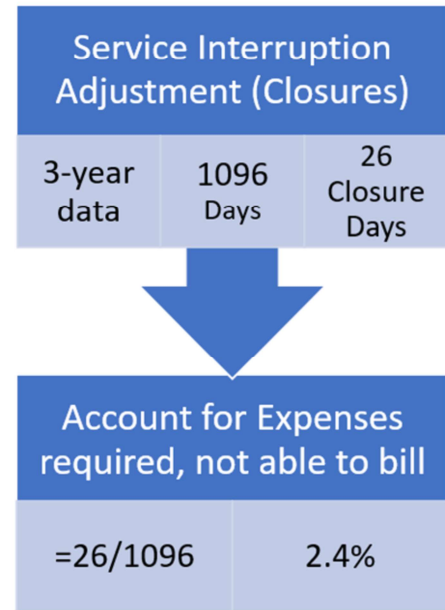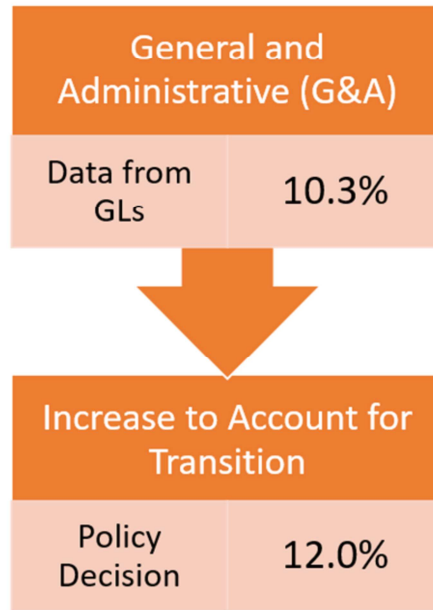**Key Points:** The DDA factored in more than just required training hours for the training component. The DDA recognized that accounting for the cost of training hours alone, may not cover the true costs of training. There are cost differences for full time vs. part time employment and tenured staff who would do ongoing training vs. new staff that would need all of the trainings. Optumas and DDA wanted to take into account turnover rates and coverage while staff is out on for training as well.

Overview of Rate Development

Example:
Supported Living w/ Overnight Supervision

General and Administrative (G&A)	
Data from GLs	10.3%

↓

Increase to Account for Transition	
Policy Decision	12.0%

Service Interruption Adjustment (Closures)		
3-year data	1096 Days	26 Closure Days

↓

Account for Expenses required, not able to bill	
=26/1096	2.4%

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Key Points: The general & administrative costs in the general ledgers showed about 10.3% relative to the wages. The DDA made the policy decision to bump G&A up to 12% to account for the added costs of transitioning and operationalizing the new system. This is another example of when the DDA chose to enhance the component, rather than taking the value from the GLs to align the component with policy goals. Additionally, the DDA included an adjustment for day hab closures because the DDA recognizes that when there are closures in day settings, Residential services are also impacted. Optumas collected 3 years of data about closures. In the 1096 days of service we looked at, we saw that there were 26 closures which is approximately

2.4% applied to the rate.

Overview of Rate Development

Example:
Supported Living w/ Overnight Supervision

Staffing Model:
Assumptions for SL 2 person home w/ Overnight

Period	Daily Hours	Staff	Days	Total Hours
Base Weekday	18	1	5	90
Base Weekend	24	1	2	48
"Flex" Weekday	5	1	5	25
"Flex" Weekend	8	1	2	16
Base Hours Subtotal				138
"Flex" Hours Subtotal				41
Total				179

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Key Points: The DDA has updated the residential hours using a staffing model for the various residential sizes. Additionally, the DDA built in "flex hours"per residence into the base/shared hours to address the need for some flexibility to support providers in operationalizing individualized, community based activities and supports.

Overview of Rate Development

Example:
Supported Living w/ Overnight Supervision

Rate Build Ex:
SL 2 person home w/ Overnight Standard Rate

Component	Source	% / Factor	Dollars
BLS 21-1093: Social and Human Service Assistants		*50.0%*	*$ 16.50*
Inflation	2018 to 2022 (4% COLA w/ 5.2% CPI)	9.5%	$ 18.06
ERE	Total	30.5%	$ 5.51
Facility	None	0.0%	$ -
Program Support	Residential	25.5%	$ 4.61
Training	DSP I	8.0%	$ 1.45
Transportation	Residential	6.5%	$ 1.17
Subtotal			**$ 30.79**
G&A	Policy Decision	12.0%	$ 4.20
Service Adjustment	Policy Decision - Offset for Day Hab closures	2.4%	$ 0.83
"Fully Loaded Rate"			**$ 35.82**
Billable Unit	Day		
Hours/Unit		25.57	
Staff/Unit		0.50	
Billable Rate			**$ 458.03**
Funding Level Adjustment		83.0%	
Funded Rate			**$ 380.17**

Key Points: This slide shows how each of the components are combined together, along with the funding level adjustment, to calculate the final rate.

FY 2022 Rates

Since April 2021	
Change	**Description**
Wages	Increased Residential and some Day base wages
Review for consistency	Corrected rounding, minor issues, service matching
Budget policy	Overall increase, updated with funding level
Transportation component	Enhanced funding for transportation
Residential hours	Updated daily staff hours with DDA guidance
Brick to Unit Conversion	Reverted to original methodology to avoid cost duplication

Since September 2021	
Change	**Description**
Residential hours	Updated daily staff hours with operational considerations
Review for consistency	Increased to Community Development Service (group) wage for consistency
Standard (ROS) Wage Avg.	Aggregated from individual regions, not solved from State

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Key Points: The tables show a high level summary of the changes that have been made to rates since April of 2021. More details around each adjustment and the impacted services can be found in the attached document.

Review of Stakeholder Interests and Priorities

Rate Components

- Clarify cost of, and responsibility for, transportation in rates
- Understand attendance policies like no-show and cancellation
- Explore relationship between wages and staff turnover
- Review daily staff hour assumptions in residential services
- Compare expected revenue and expenses for each Group Home (GH) size

Rate Construct

- Validate whether rates sufficiently consider non-billable staff time
- Compare policy of group sizes for day services to operational needs
- Discuss fixed and variable cost allocation
- Review if rates appropriately address varying needs among members
- Consider difficulties in transitioning to a new system
- Discuss details of Employment services rate development

FY 2023 Rate Priorities and Data Sources

Example:

Day Habilitation Small Group (2-5) Standard Rate

Component	Source	% / Factor	Dollars
BLS 21-1093: Social and Human Service Assistants		*75.0%*	*$ 20.48*
Inflation	2018 to 2022	9.5%	$ 22.41
ERE	Total	30.5%	$ 6.84
Facility	Day	23.0%	$ 5.15
Program Support	Day	34.9%	$ 7.82
Training	DSP I	8.0%	$ 1.80
Transportation	Policy Decision - Day @ 125%	28.7%	$ 6.42
Subtotal			*$ 50.44*
G&A	Policy Decision	12.0%	$ 6.88
Service Adjustment	Closures (Partial)	3.6%	$ 2.07
"Fully Loaded Rate"			*$ 59.39*
Billable Unit	15 min		
Hours/Unit		0.25	
Staff/Unit		0.33	
Billable Rate			*$ 4.95*
Funding Level Adjustment		90.0%	
Funded Rate			*$ 4.45*

Key Points: This table shows a build-up of the day habilitation small group services as an example priority topic for review. Refer to the overview of rate development

slides for individual component development details.

Priority Review Example

Example:
Day Habilitation Small Group (2-5)

Topic	Potential Data Requests	Potential Analysis
Transportation	Review Existing Assumptions	
	Request updated hours billed vs driving, by service	Compare against current, by service
	Request updated transportation equipment/maintenance costs and wages	Compare against current, by service

Lever:
Component assumptions review

Provider	Date	Start Time to Dropoff (in Minutes)	Billable Time (Mins)	Pickup to End (Mins)	Total Emp. Travel (Mins)

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Key Points: This is only an example of the process that we could take to review a component of day hab and address the concerns. Listed are some potential data

requests and various analyses that may give us more insight into what our levers are.

Priority Review Example

Example:
Day Habilitation Small Group (2-5)

Lever:
Staffing ratio for group sizes

Service	Number of Individuals	Assumed	Mock Experience
Small Group	1	20%	20%
Small Group	2	20%	40%
Small Group	3	20%	20%
Small Group	4	20%	10%
Small Group	5	20%	10%
Average		3.00	2.50
Ratio		0.33	0.40
Mock Increase			20.0%

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Key Points: Another lever we could use to address concerns about day hab is to impact the group staffing ratio, by collecting information on typical group sizes and reviewing the aggregated distribution. If the staffing ratio is different than originally projected, the difference could inform a rate change.

Priority Review Example

Example:
Day Habilitation Small Group (2-5)

Lever:
Discrete service splits

Service	Number of Individuals	Mock Costs			
		Fixed	Variable	Total - Discrete	Avg Rate*
Small Group	1	$ 2.00	$ 1.00	$ 3.00	$ 5.00
Small Group	2	$ 2.00	$ 2.00	$ 4.00	$ 5.00
Small Group	3	$ 2.00	$ 3.00	$ 5.00	$ 5.00
Small Group	4	$ 2.00	$ 4.00	$ 6.00	$ 5.00
Small Group	5	$ 2.00	$ 5.00	$ 7.00	$ 5.00

*Average rate column is calculated based on a staffing ratio of 1 to 3

Key Points: Could look at discrete services for each group size to address comments around fixed and variable costs. However, we've heard from providers that this could be administratively burdensome, especially with 15 minute units and changing group sizes.

FY 2023 Rate Priorities and Data Sources

Discussion:

- What are some other types of data that could help inform state policy around Day Hab rates?
- Are there other priorities for FY 23?
    - How impactful would changes in this priority be?
    - What data would we need to review the priority and how would we collect it?
    - What various analyses could be helpful?
    - What would the timeline for review be?

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Key Points: Some questions to think about when we are deciding on priorities, discussion what we can address in FY23 vs. FY24.

FY 2024 Rate Priorities

Rate Components
- Clarify cost of, and responsibility for, transportation in rates
- Understand attendance policies like no-show and cancellation
- Explore relationship between wages and staff turnover
- Review daily staff hour assumptions in residential services
- Compare expected revenue and expenses for each Group Home (GH) size

Rate Construct
- Validate whether rates sufficiently consider non-billable staff time
- Compare policy of group sizes for day services to operational needs
- Discuss fixed and variable cost allocation
- Review if rates appropriately address varying needs among members
- Consider difficulties in transitioning to a new system
- Discuss details of Employment services rate development

Key Points: Review of the priorities, thinking about ones we want to start addressing for FY24.

Next Steps and Adjournment

- Meetings occur monthly until September 2022 and will be posted on the DDA's Training Calendar

Developmental Disabilities Administration
Calendar of Events
April 2022

< previous   next >

SUN	MON	TUE	WED	THU	FRI	SAT
27	28	29 Virtual HRST Advanced Rater Training on March 29, 2022	30 Virtual HRST Clinical Reviewer Training on March 30, 2022	31 Virtual CCS HRST Training on March 31, 2022	1	2
3	4	5	6	7	8	9
10	11	12 DDA Statewide Nurses Meetings - Aging, Dementia, & Alzheimer's	13 Provider Revalidation and Enrollment Portal (ePREP)	14 CMRO Provider Meeting	15 Maryland Department of Health DDA Rate Review Advisory Group	16
17	18	19 Support Broker Certification Training SMRO: Virtual Choking & Dysphagia Diets, Train-The-Trainer on April 19, 2022	20	21	22	23
24	25	26	27	28	29 The Deputy Secretary's Webinar Series of Monthly Updates	30

Meeting Dates

- Friday, April 15 from 12:30 p.m. to 2:30 p.m.

- Friday, May 20 from 12:30 p.m. to 2:30 p.m.

- Friday, June 17 from 12:30 p.m. to 2:30 p.m.

- Friday, July 15 from 12:30 p.m. to 2:30 p.m.

- Friday, August 19 from 12:30 p.m. to 2:30 p.m.

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Rate Review Advisory Group Materials

https://health.maryland.gov/dda/Pages/RATE-REVIEW-ADVISORY-GROUP.aspx

Thank You!

See you April 15th from 12:30 pm to 2:30 pm

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