Community Services Reimbursement Rate Commission
Mental Hygiene Administration, Catonsville, Maryland
August 27, 2013
MEETING MINUTES

Present

Commissioners: Jillian Aldebron (Chair), Patsy Blackshear, Kia Brown, Rebecca Fuller, Jeff Richardson, Thomas Sizemore, Timothy Wien

DDA: Valerie Roddy

Public: Jennifer Ellick (DLS), Jaclin Warner Wiggins (DBM), Carolyn Ellison (DBM), Brian Frazee (MACS)

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1. Proceedings

The meeting was called to order at 6 p.m. despite the lack of a quorum. Rebecca Fuller called in at 6:15 p.m., creating a quorum. The July 9 minutes were approved. The final commissioner arrived just past 7 p.m.

2. Open Minds

The contract with Open Minds was formally terminated after the company failed to cure considerable performance deficits and for myriad contract violations. We have asked for all material pertinent to the contract and provided to Open Minds to be returned, and for all finished or unfinished work product. One of the biggest impediments to producing the annual report is the sloppy analysis by Open Minds and submission of incomplete data spreadsheets.

The Commission discussed hiring a consultant with some of the funds remaining in the budget to review all spreadsheet data available, exclude outliers or (if possible) resolve anomalies, apply the criteria for inclusion, and perform all the analyses. The consultant would not be expected to validate the data—something that Open Minds clearly did not do. Because this will be a small contract under $25,000, OPASS will be able to expedite it. This is important because of the September 30 deadline for submission of the annual report to the General Assembly and Department.

Decision: Approved

3. 2013 Annual Report

The Chair produced a draft of the annual report which, for lack of corrected data, incorporated the data and calculations submitted by Open Minds. This revealed the extent of analytical flaws in the work performed by Open Minds. Nonetheless, the draft establishes the basic structure,

text, and tables, which will make it possible to insert corrected numbers when they are available and revise conclusions accordingly.

Despite the decision reached at the July 9 meeting, one commissioner insisted on revisiting the basic methodology for financial analysis—creation of an FSI—and the inclusion of "operating margin" as a financial metric. Discussion of the use of "operating margin" centered on whether the prospective payment system creates a disincentive for companies to report a profit. There is a disincentive for S-corporations and LLCs in the mental health service sector to report a profit, but this is for tax reasons. It was explained that while there is a reconciliation at the end of the year for payments made that were not "earned," if a developmental disability service provider can deliver services at a lower cost than the reimbursement rate, this amount is not recouped; therefore, there is no direct connection between the prospective payment system and profits. Discussion also ensued about the metrics selected for the FSI reflecting the cash position of the companies, which may not be the best indicator of a healthy system. Various suggestions were brought up, but nothing concrete.

Decision: The FSI will be retained but "net margin" will replace "operating margin" as a financial metric.

General agreement: Much of the negative comments regarding the lack of cooperation and support from the Department, as well as problems with Open Minds, should be toned down or eliminated. The Commission needs to be mindful that the Executive Summery and Recommendations are the most important sections because most people will only read these. There can be no progress on these sections until the data analysis is conducted.

Action: Commissioners will comment using track changes on the electronic version of the draft and send them to the Chair. Jeff Richardson (for mental health service sector) and Tim Wiens (for developmental disability service sector) volunteered to draft or update the sections on 1) incentives and disincentives in the rate system, and 2) incentives to provide quality of care. They will have these for the Sept. 10 meeting.

4. Weighted Average Cost Structure

The Commission submitted the weighted average cost structures to the Deputy Secretary for Behavioral Health and Disabilities, Brian Hepburn, Patrick Dooley, John Newman, and Rianna Brown on July 23 to use in preparing the MHA and DDA FY 2015 budget proposal. There has been no response or acknowledgement of receipt. Valerie Roddy was unable to shed any light on this issue.

5. SB633 Report and the Future Role of the Commission

There was much discussion over the value of the Commission because administrators appear to regularly disregard its recommendations and have made little effort to collaborate with the Commission, despite the wealth of information we have at our disposal and our willingness to work with MHA and DDA. In terms of annual report recommendations, because the MHA and DDA structures are in so much flux, it makes it difficult to know how to formulate meaningful

recommendations. This is made still more uncertain by the absence of the SB633 report, which the Commission has seen in two drafts but received no opportunity to collaborate on—despite the fact that a key recommendation of the report is to define the future role (if any) of the Commission. Valerie Roddy who apparently was asked to comment on the draft was unable to shed any light at all on the report or its status. The provider representatives present stated that they had no involvement in producing the report, although the bill language expressly required consultation with CBH, MACS and other stakeholders.

There is a sense that it will be critical to demonstrate the Commission's value by producing an annual report that has integrity and provides a comprehensive, reliable picture of the financial performance of the sector. DLS and DBM both find the reports and the financial information collected by the Commission to be extremely useful.

6. National Core Indicators

The Commission again asked DDA about the status of the NCI consumer satisfaction survey. Valerie Roddy was unable to provide any information but promised to get back to the Commission on this.

Meeting adjourned at 8:10 p.m.