Community Services Rate Reimbursement Commission
Maryland Association of Community Services, Columbia, Maryland
June 12, 2012

MINUTES

Present: Commissioners – Jillian Aldebron (chair), Patsy Baker Blackshear, Rebecca L.M. Fuller, Tom Sizemore, and Timothy Wiens (vice-chair). Consultants – Charles Betley, Jamie John, Michael Nolin

Absent: Kia Brown, Jeffrey Richardson

Proceedings

The meeting was called to order at 6:00 p.m. The meeting agenda and the April 24, 2012 minutes were approved. In response to a request from Hilltop, the Chair agreed to discuss administrative matters, including the process for producing minutes, at a later date outside the meeting forum.

Discussion and Approval of the Annual Report Outline

Commissioners reviewed a draft outline for the annual report (see attached for final approved version).

The Commission approved the following modifications/clarifications to the original draft:

- III (f) – changed to eliminate comparison with hospitals and nursing homes.
- IV (a) – will include technical errors and overlap between the CSRRC statute and Ch. 497/498 of the 2010 Laws of Maryland, which also require DHMH to conduct a study in consultation with stakeholders that will recommend a rate-setting methodology and the future role of the CSRRC; the draft of this study is due December 1, 2012.

Hilltop agreed to review the 2009 CSRRC annual report for still unresolved issues raised at that time and to provide advice on how to address them. The Commission agreed to include in the annual report a Board of Nursing decision regarding training for certified medical technicians (CMTs). Many CMTs are employed as direct support workers in the developmental disabilities sector. Hilltop was asked to look for similar decisions that should be included in the annual report and to check the progress of the aforementioned Ch 497/498 study. Frank Kirkland will provide the FY 2013 DDA rate letter for review.

Subsections of the annual report to be drafted by Tim Wiens and Jeff Richardson will be sent to Hilltop for incorporation into the full document. Hilltop will provide the Chair with a first draft of the annual report by July 27, 2012. Commissioners agreed to allow the TAGs to review the data and analyses used for the annual report, but not the draft of the actual document. An additional CSRRC meeting may be scheduled for further review of the annual report before finalization.

Developmental Disabilities TAG

The report of the DD TAG meeting held on May 7, 2012 was presented and discussed. It reported that the average hourly wage rate of direct support workers decreased from $11.90 in FY 2010 to

$11.37 in FY 2011. Some Commissioners raised the question of whether the DDA wage data accurately depicted the hourly wage earned by direct support workers. They argued that since the DDA wage data represents employer expenditures rather than employee earnings, combines different job positions, and includes overtime, shift differential, etc., it cannot be translated into an hourly wage rate. Others countered that in the DD industry, there are no defined occupations and adding up employee wages and dividing the sum by the number of hours worked provides an hourly wage rate on average. A motion was made and approved as follows: "The DDA wage survey shows the amount of money that employers pay out in salaries, but this cannot be converted into an hourly wage rate for a given employee. Therefore, the annual report should indicate that we do not have data at this time that can support a trend analysis of direct support workers' wages or compare wages with those of public sector employees." The vote was 4 to 2 in favor of the motion, with all nonaffiliated commissioners approving; the Chair exercised a proxy vote on behalf of Kia Brown, who was absent.

As a result of the motion, the annual report will discuss the need for a new data collection methodology to calculate the hourly wage rate offered by DDA providers and determine comparability with equivalent state employee positions. The annual report will still report the DDA data trends, but will do so as employer expenditures rather than as wages.

The Commission briefly discussed Hilltop's preliminary analysis of DDA providers' financial data. Hilltop explained how out-of-state providers were excluded from the analysis, but removing these providers will not have a strong effect on the average calculations.

Mental Health TAG

The report of the MH TAG meeting held on May 15, 2012 was presented and discussed. The MH TAG recommended including in the analysis only those MH providers who 1) offer direct services, 2) are Maryland based, 3) derive at least 50 percent of revenues from mental health services, and 4) are not a university or a county health department. The purpose of such inclusion criteria is to account for cross subsidization of mental health services from other business lines and other out-of-state subsidiaries. It also recommended stratification based on type of service provided (OMHC/PRP/both) and size of revenues. Hilltop agreed to add the number of providers included in each stratum (for both MH and DD service providers). Hilltop said that if an affiliate is operating as an independent entity with its own records and financial statements, it should be included in the analysis.

Weighted Average Cost Structure

Hilltop distributed a memorandum proposing a weighted average cost structure of providers as the basis for the MHA and DDA FY 2014 proposed rate updates. Hilltop compared the FY12 and FY13 weighted average cost structures prepared by MHA and DDA against DBM cost categories rather than embarking on a new approach. It concluded that the MHA and DDA methodology mostly (but not entirely) used categories recognized by DBM and was sufficiently accurate for our purposes given the data we have on the relevant entities. Hilltop will use DDA cost report data, and financial statement data received from MHA providers that meet the inclusion criteria. Hilltop's memorandum recommended proceeding with this methodology. The Commission will take the memorandum under advisement.

Closed Session

The Commission went into a closed session to discuss personnel matters pursuant to the provisions of Md. Code Ann. State Government Article §10-508.