

Rate Setting Reform Stakeholder Workgroup

Department Human Resources

311 W. Saratoga St.

Baltimore, MD 21201

Conference Room 508

April 7, 2014, 2014

Meeting Minutes

Participants:

WORKGROUP MEMBERSHIP			
LAST NAME	FIRST NAME	AGENCY	4/7/2014
Arriaza	Patricia E.	GOC	yes
Ayer	David	DHR/SSA	yes
Blackwell	Nancy	MSDE	no
Blake	Angela	Vision Quest/Morning Star Youth Academy	no
Cabellon	Angela	DHR/OPP	yes
Crowder	Shanda	DHR/SSA	yes
DiLorenzo	Paul	CASEY	no
Ehirim	Godwin	DHR	no
Feller	Dan	GOC	no
Goodman	Laura	DHMH/Medicaid	yes
Groves	Barbara	The way home- Mountain Manor	yes
Ham	Darlene	DHR/OLM	yes
Howe	Steve	The Children's Guild	yes
Irvine	John	DJS	yes
Jones	Caroline	DHMH/MHA	no
Keegan	Kevin	Catholic Charities	yes
Kibret	Netsanet	DHR/OGA	no
Kinion	Jeannette	DJS	yes
Leshko	Joe	Arrow	yes
Lyons	Danielle	DHMH/DDA	yes
McEwen	Erwin	CASEY	yes
McLendon	Audrey	DHR/SSA	yes
McLeod	Kevin	Silver Oak Academy	no
Scott	Mark	GOC	yes
Sexton	Nadia	CASEY	yes
Song	Linda	DHMH/Medicaid	yes
Spencer	Shane	DBM	yes
Sterling-Garrett	Ertha	DJS	yes

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Stokes-Kearney	Paula	DHMH/OHCQ	yes
Thomas	Tennille	DHR/SSA	yes
Tucker	Susan	DHMH/Medicaid	no
White	Carnitra	DHR/SSA	yes
Wilkins	Anita	DHR/SSA	yes
Wisner	Lynn	DHR/OLM	yes
Zachik	Albert	DHMH/MHA	yes
GUESTS			
LAST NAME	FIRST NAME	AGENCY	4/7/2014
Brylske	Paul	Kennedy Krieger	yes
Knebel	Carrie	CONCERN	yes
Tinney	Shelley	MARFY	yes

I. Welcome & Introductions

- Carnitra White welcomed everyone and introductions were made.
- Carnitra White asked if anyone had changes to the meeting minutes. The meeting minutes were approved as written and will be posted on the Governor's Office for Children (GOC) website.

II. Statute Review: Do we need to make changes?

- The Education Article §8-417 states that there needs to be an Interagency Rates Committee that has a methodology for developing rates.
- The state agencies have each internally reviewed the statute and concur that the statute is appropriate and flexible enough to make revisions to the rate structure without requiring any changes.
- The Interagency Rates Committee will continue to be housed in the Maryland State Department of Education (MSDE). It is a neutral State Agency.

III. Element 1: Model Development Report Out

- The Element 1 workgroup is tasked with reviewing best practices in rate setting systems in order to develop recommendations for a rate-setting model.

Maryland: General Discussion

- The current structure/overall process is good and should be kept.
- The original 1997 process included a methodology to fully fund programs but never materialized

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- The 1997 process includes a negotiated rate system so providers could negotiate child by child but veered away from that process
- 2006 JCR report began the discussion on an Implementation of an outcome component of the rates but was not implemented
- Daily Rate vs. Package Rate vs. Funding
- Currently have a Bundle Services Rate. Level of Intensity used more to categorize whether a provider was preferred or not.
 - If we keep the bundled rate maybe some services should be unbundled. Some services will be the same for all providers, but having rates for different/extra services would allow more flexibility. That would allow negotiating on a child by child basis. Standardize a cost for various levels?
 - Unbundling the rates may also allow for more opportunity to maximize funds. We must look at programs vs. services vs. geographical location.
- Occupancy rates vs or utilization rates
- The following elements have to be aligned: **Rates...contracts...funding**
- Remove the Preferred/Non-preferred Status
- Levels of Intensity should be used to determine the level of services a provider has in order to make appropriate recommendations for placement by placement agencies. Standardized LOI's and Standardized Youth Assessments (CANS/MCASP) should be utilized together to determine placements. LOIs can also be used to justify provider costs for services/staffing.
- Budgets should be approved for 2-3 year period or whatever timeline would be aligned with placement contracts. The IRC should review documents that should be submitted annually (cost reports/audits) and there should be a mechanism for cost of living increases.
- Budget submissions need to more in line with the State's budget calendar. Better timing would mean better forecasting.

Other State Models

- Philadelphia: Explore the possibility of using a lead entity design. A capitated rate is provided to a provider who acts as the care manager for the youth in their care. The provider has the flexibility to use the \$\$ to meet the needs of the youth in their care. The bottom line goal is to meet the youths expected outcomes.
- Lead Entity Approach using capitated rates by region. Example: Philadelphia: "community umbrella". State would do the Case Management
- Texas: Has clear performance based outcomes that providers have to meet in order to remain in business. Providers are provided with the flexibility to do that. Incentives

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are built in and linked to performance based contracts. There is a predetermined \$\$ a provider will earn for meeting specific outcome measures.

- California: Has a flat rates process that uses a Rate Classification Levels system that assigns a specific rate to each of the different service intensity levels

Next Steps Recommendations

- Long Range Plan for shift from the current system to a performance based outcomes model
- Short Term Plan for revisions to the current system that will allow for more flexibility and alignment with current practices.

IV. Workplan Framework Next Steps

- The work periods have been revised to make sure there is ample time for working teams to develop recommendations and for stakeholders to review and provide feedback
- The decision was also made to have the public forums in July.

V. Next Meeting: Monday May 13, 2014, 11:00-12:30 pm. DHR, 311 W. Saratoga St., Baltimore, MD 21201, 5th Floor Conference Room

VI. Meeting Adjourned