



DEPARTMENT OF HEALTH

Wes Moore, Governor · Aruna Miller, Lt. Governor · Laura Herrera Scott, M.D., M.P.H., Secretary

June 30, 2023

The Honorable Guy Guzzone
Chair, Senate Budget and Taxation Committee
Miller Senate Office Building, 3 West
11 Bladen St, Annapolis, MD 21401-1991

The Honorable Ben Barnes
Chair, House Appropriations Committee
Lowe House Office Building, Room 121
6 Bladen St, Annapolis, MD 21401-1991

RE: 2023 Joint Chairmen's Report (p. 118-119) – Report on Community Services utilization data collection and spending forecasts – Quarter 1

Dear Chairs Guzzone and Barnes:

Pursuant to the 2023 Joint Chairmen's Report (p. 118-119), the Maryland Department of Health (MDH) respectfully submits its report on Community Services utilization data collection and spending forecasts. Specifically, this report requests the following information:

1. A timeline for forecasting general fund spending in the Community Services program based on actual utilization and reimbursement billed through the Long Term Services and Supports (LTSS) system following the transition to an FFS model, including a discussion of how the spending will be forecast during the transition period;
2. Utilization by service type, including the number of claims and claims spending in LTSS to support the general fund forecasting;
3. If available, MDH spending forecasts by year;
4. The number of individuals receiving DDA-funded services and providers transitioned to the LTSS system, including the timing of the transition including those transitioned in fiscal 2024 to date;
5. A cost analysis of the rates paid to providers that were transitioned to the LTSS system as part of the LTSS pilot program and how DDA's reimbursements compare to estimated payments that would have been made under the prospective payment model;
6. A breakdown of providers transitioned to LTSS by size of provider; and
7. An updated timeline for transition of individuals and providers to the LTSS system.

With this submission, MDH respectfully requests the release of funds associated with this report. If you have any questions about this report, please contact Megan Peters, Acting Director, Office of Governmental Affairs, at megan.peters@maryland.gov.

Sincerely,

Laura Herrera Scott, M.D., M.P.H.
Secretary

cc: Bernard Simons, Deputy Secretary, Developmental Disabilities Administration
Megan Peters, Acting Director, Office of Governmental Affairs
Sarah Albert, Department of Legislative Services (5 copies)

1. A timeline for forecasting general fund spending in the Community Services program based on actual utilization and reimbursement billed through the Long Term Services and Supports (LTSS) system following the transition to an FFS model, including a discussion of how the spending will be forecast during the transition period.

MDH first provided spending forecasts as of January 1, 2023 (Q3) 2022 pp. 110-111 JCR.¹ The forecast is also provided in this report, in Table 2 “MDH Spending Forecasts” below.

2. Utilization by service type, including the number of claims and claims spending in LTSS to support the general fund forecasting.

Table 1. Monthly Claims by Service Type²

\$ Claims Paid in LTSS	Jan '23	Feb '23	Mar '23	Apr '23
Residential Services	\$35,839,060.24	\$37,774,134.48	\$45,738,634.65	\$50,405,089.15
Meaningful Day Services	\$7,195,470.89	\$9,205,450.27	\$11,128,229.55	\$12,043,229.75
Personal Support Services	\$13,543,596.48	\$13,287,984.93	\$14,710,635.81	\$14,704,426.83
# of Claims in LTSS	Jan '23	Feb '23	Mar '23	Apr '23
Residential Services	91,732	95,338	117,024	131,899
Meaningful Day Services	36,082	46,772	55,132	59,610
Support Services	45,741	45,306	51,073	51,144

Special note for the Q1 2023 report: As Table 1 in the present report is a continuation of the data presented in Table 1 of the Q4 p. 111 JCR of 2022,³ it is important to note that MDH has updated the data analysis for utilization by service type from CY2022 to CY2023. Specifically, the waiver services under the category of “Supported Living,” which in CY2022 data were under the broad category title “Supported and Shared Living,” have shifted to the “Residential Services” broad category title for CY2023. “Supported Living” services enable a participant to live in a home of their choice, located where they want to live, with other participants or individuals of their choosing. As such, “Supported Living” should be categorized along with other residential services. Appendix A includes details regarding the renaming of broad service categories and reorganization of services within those categories, to reflect more accurate category mapping. These categories will be used from the beginning of CY2023 forwards.

¹ [https://dlslibrary.state.md.us/publications/JCR/2022/2022_110-111_2023\(1\).pdf](https://dlslibrary.state.md.us/publications/JCR/2022/2022_110-111_2023(1).pdf)

² Source: MDH Office of Provider Services, from LTSS Claims, retrieved May 30, 2023

³ [https://dlslibrary.state.md.us/publications/JCR/2022/2022_111_2023\(3\).pdf](https://dlslibrary.state.md.us/publications/JCR/2022/2022_111_2023(3).pdf)

3. If available, MDH spending forecasts by year.

Table 2. MDH Spending Forecasts⁴

	FY2023 Appropriation	FY2024	FY2025	FY2026
Total Funds	\$1,737,977,750	\$1,789,117,046	\$1,941,041,540	\$2,018,683,201
Total General Funds - Projected	\$868,988,875	\$930,340,864	\$1,009,341,601	\$1,049,715,265

As presented in the Q3 pp. 110-111 JCR of 2022, spending will continue to be forecasted based on the MDH LTSS Transition Workplan. The Workplan gives an estimate of the number of providers opting to make the transition, the services they will be transitioning, and the number of participants they represent. This allows MDH to approximate the percentage difference between the rates at the individual level based on historical billing in the legacy system (PCIS2), and our updated projections based on utilization of previous provider groups.

4. The number of individuals receiving DDA-funded services and providers transitioned to the LTSS system, including the timing of the transition including those transitioned in fiscal 2024 to date.

Table 3 represents those providers which have transitioned at least one service through the LTSS *Maryland*-DDA Module (LTSS) go-live process.

⁴ Source: DDA HQ Operations, December 13, 2022

Table 3. Pilot Groups and Early Adopters for the LTSS*Maryland*-DDA Module⁵

Group	Transition Date(s)	Number of Providers⁶	Number of Participants⁷
Initial Pilot Group	12/1/2019	10	35
Early Adopter Group	7/1/2021 10/1/2021	5	1,006
Pilot 2A Group	4/1/2022 5/1/2022 6/1/2022	21	2,871
Pilot 2B Group	7/1/2022 8/1/2022 9/1/2022	34	2,057
Main Phase 3A Group	1/1/2023 2/1/2023 3/1/2023 4/1/2023	29	1,980
Totals		89	7,949

5. A cost analysis of the rates paid to providers that were transitioned to the LTSS system as part of the LTSS pilot program and how DDA’s reimbursements compare to estimated payments that would have been made under the prospective payment model

The information below is duplicated from the 2023 JCR (p. 120) - “Report on the transition and cost of providers and participants transitioned to the LTSS system,” as that report addresses the same analytical components as Question 5 of the present JCR.⁸

Table 4 below illustrates the projected rate difference between billing in PCIS2 and billing in LTSS for the Pilot 2A group of providers (n=22) for participants with claims in both systems (n=2,352). Table 4 is intended to expand and improve upon the methodology used in Table 4 of the Q4 pp. 110-111 JCR of 2022,⁹ in order to produce a more accurate estimate. The Pilot 2A group was selected as the population for this analysis because it was the first large group of providers to transition. Selecting this group provided a sufficient sample size, a generalizable

⁵ Source: DDA Quality Monitoring, May 5, 2023

⁶ Note that providers may be authorized to provide multiple services. Therefore, providers may have transitioned to LTSS*Maryland* for some services but not others.

⁷ Note that the count of participants may include duplicates, because participants are counted per-provider, and some participants are served by multiple providers.

⁸ https://dlslibrary.state.md.us/publications/JCR/2023/2023_120.pdf

⁹ [https://dlslibrary.state.md.us/publications/JCR/2022/2022_110-111_2023\(3\).pdf](https://dlslibrary.state.md.us/publications/JCR/2022/2022_110-111_2023(3).pdf)

and representative group of providers/participants, a common date of transition within the sample (\pm 3 months, from April 2022 to June 2022), and the ability to observe LTSS claims for a full year after transition.

The data in Table 4 is representative of actual billings, adjusted for statewide rate changes. The comparison period was April 1, 2021 – March 31, 2022 for PCIS2 claims, and April 1, 2022 – March 31, 2023 for LTSS. Targeted Case Management and Personal Supports are billed exclusively in LTSS, and therefore omitted from Table 4.

Table 4. Pilot 2A Increase in Reimbursements from PCIS2 to LTSS¹⁰

Service	LTSS	PCIS2	%Diff
Residential	\$110,828,678	\$103,610,360	7%
Meaningful Day	\$38,607,008	\$35,434,265	9%

Table 5 below displays estimated payments if all providers were billing fee-for-service in LTSS at the present date. The estimated payments are based on the average billings per-member-per-month by service currently exhibited in LTSS. Table 5 includes billings for both Self-Directed Services and Traditional Services, such as Self Direction, Supported Employment, and Community Learning Services. These are extrapolated to produce hypothetical payments to all DDA individuals/services, including those not yet billing in LTSS, based on the total number of individuals currently in service across both systems. Data for Table 5 were extracted from PCIS2 and LTSS on April 18, 2023. Note that Table 5 does not adjust for utilization and several other factors, and is therefore a general estimate of potential billings, rather than a specific forecast.

Based on the analysis in Table 5, if every provider billed fee-for-service today, their annual reimbursements would total approximately \$1.79 billion. The amount to be spent on reimbursement for FY2024 is expected to be lower than this amount, as providers will transition gradually across the length of the fiscal year, and some will not complete transitioning until FY2025.

Table 5. Estimated Annual Payments under 100% LTSS Billing¹¹

Service	Estimated Payments
Residential	\$1,022,409,946.93
Meaningful Day	\$498,784,291.84
Support Services	\$159,743,713.93
TCM	\$112,353,655.72
Total	\$1,793,291,608.42

¹⁰ Source: DDA HQ Operations, from PCIS2 claims data, April 1, 2021 – March 31, 2022; and from LTSS claims data, April 1, 2022 – March 31, 2023, retrieved April 18, 2023.

¹¹ Source: DDA HQ Operations, from LTSS and PCIS2 per-member-per-month rates and number of individuals in service, April 18, 2023.

6. A breakdown of providers transitioned to LTSS by size of provider

To determine provider size categories, all DDA providers were analyzed according to their February 2023 claims, summing their total claims value from both LTSS and PCIS2. These February values were then annualized (multiplied by 12), rounded to the nearest \$10,000 to protect provider privacy, and separated into quartiles. LTSS transition status was determined as of June 1, 2023. In total, 85 DDA providers were billing fully in LTSS, 125 were billing partially in LTSS (billing for a limited set of services), and 46 were conducting no billing in LTSS. Note that the count of those providers billing all or partial services in LTSS include providers billing for support services, which have not gone through the formal go-live process as support services are billed exclusively in LTSS.

In all quartiles, a majority of providers (>69.3%) were conducting at least partial billing in LTSS. Providers conducting no billing in LTSS were overrepresented in the first quartile (30.8%) and underrepresented in the fourth quartile (6.3%). Providers fully transitioned were relatively similar between the second, third, and fourth quartiles, but underrepresented in the first quartile.

Table 6. Providers by Size (based on annualized claims) and LTSS Transition Status, June 1, 2023¹²

	First 25% (Min - Quartile 1)	Second 25% (Quartile 1 - Median)	Third 25% (Median - Quartile 3)	Fourth 25% (Quartile 3 - Max)
Annualized Claims	<\$780,000.00	<\$3,090,000.00	<\$7,550,000.00	<\$45,980,000.00
# Full LTSS	20	20	23	22
# Partial LTSS	25	31	31	38
# No LTSS	20	13	9	4
% Full LTSS	30.8%	31.3%	36.5%	34.4%
% Partial LTSS	38.5%	48.4%	49.2%	59.4%
% No LTSS	30.8%	20.3%	14.3%	6.3%

7. An updated timeline for transition of individuals and providers to the LTSS system.

Following the lessons from the April 2022 - September 2022 piloting effort, which supported 55 providers to transition their DDA service billing into LTSS *Maryland*, the DDA began its network-wide phased transition of all services and providers into LTSS *Maryland*-DDA Module beginning on January 1, 2023 (see Table 3 above for details). By December 31, 2024, all provider billing transitions will be complete. These transitions will be developed using individualized transition timelines and customized supports from the DDA Regional Offices, Medicaid Provider Services (MPS), and peer providers.

The transition to LTSS is a provider-driven decision, meaning that providers are able to choose when to transition all or some of their services to the system, between the beginning of the project in December 2019 and the completion of all transitions on or before December 31, 2024. This enables enhanced provider flexibility, but causes the rate of transition to fluctuate from

¹² Source: DDA Provider Services and Quality Monitoring teams, from LTSS and PCIS2 claims data for February 2023, retrieved June 1, 2023

month to month. As of May 5, 2023, 89 providers have gone through the transition go-live process for LTSS, representing 7,949 participants.¹³ This value represents 34% of all active DDA providers. The approximate number of providers to be transitioned to LTSS in fiscal 2024 is 136, representing about 8,596 participants. At the end of FY2024, the DDA estimates that over 75% of all providers will be transitioned.

Table 7 shows currently-planned FY2024 transitions by month through June of 2024. Note that the values in Table 7 are current as of May 31, 2023, but are expected to fluctuate, as providers regularly adjust their transition dates in coordination with the DDA’s Regional Offices. As of May 2023, the Southern Maryland Regional Office has scoped some transitions out to April 2024, but most transitions are scoped 5-6 months in advance. Currently, 68 providers and 3,446 participants are scoped to transition during the fiscal year. An adjustment factor of 68 providers and 5,150 participants is added to this total, to account for providers (to be transitioned in the latter half of the fiscal year) which have not yet completed the scoping process. The DDA currently targets the transition of 10 providers and 700 participants each month.

Table 7. Expected FY2024 Transitions by Month¹⁴

Bold = Scoped by Regional Offices to date; *Italicized* = Projected

Go-Live Month	Region	# Providers	# Individuals
07/01/2023	Central Maryland	17	543
07/01/2023	Eastern Shore	4	105
07/01/2023	Southern Maryland	1	1
07/01/2023	Western Maryland	4	97
July 2023 Total		26	746
08/01/2023	Central Maryland	10	245
08/01/2023	Eastern Shore	0	0
08/01/2023	Southern Maryland	5	193
08/01/2023	Western Maryland	0	0
August 2023 Total		15	438
09/01/2023	Central Maryland	2	224
09/01/2023	Eastern Shore	0	0
09/01/2023	Southern Maryland	3	180
09/01/2023	Western Maryland	3	165
<i>09/01/2023</i>	<i>Projected</i>	<i>2</i>	<i>131</i>
September 2023 Total		10	700

¹³ Source: DDA Quality Monitoring team, May 5, 2023. Please note that the count of participants may include some duplicates, because participants are counted per-provider, and some participants are served by multiple providers.

¹⁴ Source: DDA Regional Offices and Quality Monitoring team, retrieved on May 31, 2023. Please note that these figures change regularly, and have been updated since the submission of the 2023 p. 120 JCR, which included a similar table.

10/01/2023	Central Maryland	1	192
10/01/2023	Eastern Shore	0	0
10/01/2023	Southern Maryland	4	920
10/01/2023	Western Maryland	0	0
October 2023 Total		5	1,112
11/1/2023	Central Maryland	0	0
11/1/2023	Eastern Shore	0	0
11/1/2023	Southern Maryland	2	70
11/1/2023	Western Maryland	0	0
<i>11/1/2023</i>	<i>Projected</i>	<i>8</i>	<i>630</i>
November 2023 Total		10	700
12/1/2023	Central Maryland	0	0
12/1/2023	Eastern Shore	0	0
12/1/2023	Southern Maryland	1	38
12/1/2023	Western Maryland	0	0
<i>12/1/2023</i>	<i>Projected</i>	<i>9</i>	<i>662</i>
December 2023 Total		10	700
1/1/2024	Central Maryland	0	0
1/1/2024	Eastern Shore	0	0
1/1/2024	Southern Maryland	5	225
1/1/2024	Western Maryland	0	0
<i>1/1/2024</i>	<i>Projected</i>	<i>5</i>	<i>475</i>
January 2024 Total		10	700
2/1/2024	Central Maryland	0	0
2/1/2024	Eastern Shore	0	0
2/1/2024	Southern Maryland	3	43
2/1/2024	Western Maryland	0	0
<i>2/1/2024</i>	<i>Projected</i>	<i>7</i>	<i>657</i>
February 2024 Total		10	700
3/1/2024	Central Maryland	0	0
3/1/2024	Eastern Shore	0	0
3/1/2024	Southern Maryland	2	50

3/1/2024	Western Maryland	0	0
3/1/2024	<i>Projected</i>	8	650
March 2024 Total		10	700
4/1/2024	Central Maryland	0	0
4/1/2024	Eastern Shore	0	0
4/1/2024	Southern Maryland	0	0
4/1/2024	Western Maryland	0	0
4/1/2024	<i>Projected</i>	10	700
April 2024 Total		10	700
5/1/2024	Central Maryland	0	0
5/1/2024	Eastern Shore	0	0
5/1/2024	Southern Maryland	1	155
5/1/2024	Western Maryland	0	0
5/1/2024	<i>Projected</i>	9	545
May 2024 Total		10	700
6/1/2024	Central Maryland	0	0
6/1/2024	Eastern Shore	0	0
6/1/2024	Southern Maryland	0	0
6/1/2024	Western Maryland	0	0
6/1/2024	<i>Projected</i>	10	700
June 2024 Total		10	700
TOTAL		136	8,596

Appendix A: 2023 LTSS Claims Data Analysis Update

It is important to note that MDH has updated the data analysis for utilization by service type from CY2022 to CY2023. Specifically, the waiver services under the category of “Supported Living,” which in CY2022 data were under the broad category title “Supported and Shared Living,” have shifted to the “Residential Services” broad category title for CY2023. “Supported Living” services enable a participant to live in a home of their choice, located where they want to live, with other participants or individuals of their choosing. As such, “Supported Living” should be categorized along with other residential services. Appendix A includes details regarding the renaming of broad service categories and reorganization of services within those categories, to reflect more accurate category mapping. These categories will be used from the beginning of CY2023 forwards.

Lastly, two columns were renamed to reflect current service category titles. “Supported and Shared Living” is now titled, “Support Services” and “Community Living Group Homes” is now titled, “Residential Services.”

These changes were made in order to more accurately reflect the type and nature of each service, as well as to align with common service category titles used in DDA publications and software tools.

Appendix Table 1. Calendar Year 2022 Category Mapping¹⁵

Existing Category Titles	"Supported and Shared Living" [Should instead be called Support Services]	"Community Living Group Homes" [Should instead be called Residential Services]	"Meaningful Day"
Services at Issue	Supported Living [should move to residential]	Shared Living - Level 1 [stays in this category]	
	Dedicated Hours for Supported Living (1:1) [should move to residential]	Shared Living - Level 2 [stays in this category]	
	Dedicated Hours for Supported Living (2:1) [should move to residential]	Shared Living - Level 3 [stays in this category]	
Other Services	Assistive Technology and Services	Community Living - Enhanced Supports	Career Exploration Services - Facility Based
	BSS - Behavioral Assessment	Community Living - Enhanced Supports Retainer Fee	Career Exploration Services - Small Group
	BSS - Behavioral Consultation	Community Living - Group Home	Community Development Services 1:1 Staffing Ratio
	BSS - Behavioral Plan	Community Living - Group Home Retainer Fee	Community Development Services 2:1 Staffing Ratio
	BSS - Brief Support Implementation	Community Living - Group Home Trial Experience	Community Development Services Group (1-4)
	Environmental Modification	Dedicated Hours Community Living - Enhanced Supports (1:1)	Day Habilitation 1:1 Staffing Ratio
	Family and Peer Mentoring Supports	Dedicated Hours for Community Living - Group Home (1:1)	Day Habilitation 2:1 Staffing Ratio

¹⁵ Source: MDH Office of Provider Services, April 5, 2023

	Housing Support Services	Dedicated Hours for Community Living - Group Home (2:1)	Day Habilitation Large Group (6-10)
	Nursing - Nurse Case Management and Delegation		Day Habilitation Small Group (2-5)
	Nursing Support Services		Employment Services - Discovery Milestone 1
	Personal Supports		Employment Services - Discovery Milestone 2
	Personal Supports - Enhanced		Employment Services - Discovery Milestone 3
	Remote Support Services		Employment Services - Follow Along Supports
	Respite Care Services - Camp		Employment Services - Job Development
	Respite Care Services - Day		Employment Services - On-going Job Supports
	Respite Care Services - Hour		
	Transportation		

Appendix Table 2. Calendar Year 2023 Category Mapping¹⁶

"Support Services"	"Residential Services"	"Meaningful Day Services"
Assistive Technology and Services	Supported Living	Career Exploration Services - Facility Based
BSS - Behavioral Assessment	Dedicated Hours for Supported Living (1:1)	Career Exploration Services - Small Group
BSS - Behavioral Consultation	Dedicated Hours for Supported Living (2:1)	Community Development Services 1:1 Staffing Ratio
BSS - Behavioral Plan	Shared Living - Level 1	Community Development Services 2:1 Staffing Ratio
BSS - Brief Support Implementation	Shared Living - Level 2	Community Development Services Group (1-4)
Environmental Modification	Shared Living - Level 3	Day Habilitation 1:1 Staffing Ratio
Family and Peer Mentoring Supports	Community Living - Enhanced Supports	Day Habilitation 2:1 Staffing Ratio
Housing Support Services	Community Living - Enhanced Supports Retainer Fee	Day Habilitation Large Group (6-10)
Nursing - Nurse Case Management and Delegation	Community Living - Group Home	Day Habilitation Small Group (2-5)
Nursing Support Services	Community Living - Group Home Retainer Fee	Employment Services - Discovery Milestone 1
Personal Supports	Community Living - Group Home Trial Experience	Employment Services - Discovery Milestone 2
Personal Supports - Enhanced	Dedicated Hours Community Living - Enhanced Supports (1:1)	Employment Services - Discovery Milestone 3
Remote Support Services	Dedicated Hours for Community Living - Group Home (1:1)	Employment Services - Follow Along Supports
Respite Care Services - Camp	Dedicated Hours for Community Living - Group Home (2:1)	Employment Services - Job Development
Respite Care Services - Day		Employment Services - On-going Job Supports
Respite Care Services - Hour		
Transportation		

¹⁶ Source: MDH Office of Provider Services, April 5, 2023