



MINUTES
Rate Work Group Meeting
Friday, June 21, 2024 / 10:00AM - 12:00PM
Held via: Microsoft Teams Meeting

Rate Work Group Member Attendance: Laurie Vachon, DLTSS; Jessica Gorton, BDS; Jessica Kennedy, BDS; Melissa Morin, BDS; Lindsey Magee, BDS; Abby Conger, BDS; Christy Roy, DHHS; Susan Ryan, DHHS; Allysa Voisine, BDS; Peggy Greenwood, BDS; Aida Ramirez, DHHS; Kerri Zanchi, A&M; Montrel Tennessee, A&M; Krista Stephani, MSLC; Lesley Beerends, MSLC; Martin McNamara, MSLC, Erin Hall, Kim Shottes, Matthew Cordaro, Shelley Kelleher, Sudip Adhikari, Susan Silsby, Cynthia Maher, Will Walker, Denise (Captioner)

Note: Members of the public who joined as attendees in listen-only mode are not included in this list.

Please reference the corresponding slide presentation for the detailed agenda, including topics and themes covered in the meeting and corresponding takeaways and applicable action items.

Topic	Key Takeaways & Action Items
Exceptions Request Review	<p><u>Exceptions Request Review Process</u></p> <ul style="list-style-type: none"> • An overall summary of the exceptions request process was reviewed to touch base on the dates items were discussed, along with presenting feedback received from the Rate Work Group after the May 17 meeting. • There was one comment received related to the exception review timeline. <p><u>Discussion During Rate Work Group Meeting</u></p> <ul style="list-style-type: none"> • BDS appreciated the work and comments received for the exception review process. The information will be used to support the next steps in developing an exceptions process that reflects the valued feedback. Over the next few months, the Department will work on drafting the process and bring it back to this group for review and engagement.
Annual Cost Report	<p><u>Annual Cost Report Discussion</u></p> <ul style="list-style-type: none"> • Myers and Stauffer presented an overview of the cost report development process that occurred in 2022. The initial cost

report developed during that time was to be used to collect cost and various service provision data points in order to develop a rate methodology and calculate rates for select services provided through the Developmental Disabilities (DD) Waiver, Acquired Brain Disorder (ABD) Waiver, and In-Home Supports for Children (IHS) Waiver. The Rate Work Group was engaged in the development from March 2022 - July 2022 and the process allowed for a testing period to collect feedback for the final version.

- The annual cost report is under development and is in very draft form. This cost report will be used by the Department to collect historical cost related to services and administrative activities associated with the waivers previously mentioned. The cost report will not be used to collect future costs.
- The anticipated timeline is to issue the cost report in September 2024, with a due date in January 2025. Stakeholder feedback will be sought in the July Rate Work Group Meeting and during BDS/provider meetings in July/August.

Discussion During Rate Work Group Meeting

- Comment: For our organizations to obtain loans, we need to show the banks a minimum of 2% cash flow for lines of credit. If we do not show that profit, we cannot meet our loans.
 - Myers and Stauffer: Would you be using the cost report to apply for the loans or your own financial information?
 - Comment: I just want to make sure that when rates are set, they are not set at a level where we will shoot ourselves in the foot. If we set them so low, there could be an exodus of providers, similar to what happened in Vermont.
 - Myers and Stauffer: We think this would be good to revisit when we start to discuss rates. Currently, that is anticipated to occur later this summer or early fall.
- Myers and Stauffer: Presented the cost report used in 2022 to remind the rate work group of the format and information collected. It was reiterated that the updated cost report being previewed today is an extremely rough draft, as we are in the starting phase of making updates. We wanted to collect some

feedback from this meeting before many more changes were made.

The staffing tabs from the previous cost report were presented. For the annual cost report, the level of detail to show wages by position, education levels, and required experience will not be necessary. All of the wage information will be collected on the “Expenses” tab of the workbook. An “Hours” tab has been added to collect paid hours associated with wages paid.

Another change is the workbook will not have the macros that were included in the original cost report to control what columns and worksheets were visible. This change is being made so there are no compatibility issues when the cost reports are submitted to the Department.

The current plan is to eliminate the service specific tabs. Instead, tabs would be grouped by information being requested. For example, staffing ratios for all services would be reported on a single tab versus being collected on separate service specific tabs.

- Comment: With all of the transitions that have taken place over the past year, will we be reporting only the last six months’ data or the full year?
 - Response: We will be collecting all of the expenses and service information incurred over your most recent fiscal year end.
- Myers and Stauffer: Today’s discussion will focus on the worksheets with the most changes. In lieu of the three staffing worksheets, wages are built into the expenses tab and uses similar job categories for the related positions. We would like feedback on what lines should be included for wages, such as supervisors, coordinators, etc., that align with each cost category. All of the informational icons will be updated to include as many position examples as possible, as well as updated instructions.

For each section, there will be an “Other” line for items not covered in the given lines of a section. The “Other” line will have a hyperlink to an “Other” worksheet for more detail to be provided for the “Other” expenses reported. This allows the information reported as “Other” to be reported in a more consistent manner than the previous cost report.

The previous version of the cost report had a lot of default allocations built into the “Expenses” worksheet. These default allocations have been removed so providers will need to identify expenses related to each service. The expenses will be entered for each service and will need to sum to the total from the accounting records. This will hopefully provide greater insight to understanding expenses related to each service.

Program related and administrative expense categories have been modified, as some types of expenses were previously included in both the Program Related and Administrative and General sections of the cost report. We are requesting feedback on the reporting of these expenses to allow for consistency in reporting.

- Comment from Chat: What impact does the cost report have on the work associated with rate setting?
 - Response: There will be no impact on rate setting. Proposed rates will use the information from the previously submitted cost reports. Proposed rates also use updated Bureau of Labor Statistics (BLS) data from May 2023 and updated inflation factors.
- Comment from Chat: How are you allocating Coordinators/Supervisors/ Manager/Director etc. staff who do direct care as well? Also some of the titles in the report i.e., administrative that do some program related work?
 - Response: That will be part of discussion/area for feedback. The next time the state does a rebase, we want to ensure information is available through cost report.

	<ul style="list-style-type: none">• Comment from Chat: How do changes in things such as insurance cost increase, the 7/24 FSLA exempt salary threshold change, other inflation impact how rates are being set?<ul style="list-style-type: none">○ Response: The current rate methodology uses updated BLS wages and inflation factors.• Comment from Chat: Are you breaking out the transportation expenses to the new non-medical transportation service vs. some of the other services such as CPS?<ul style="list-style-type: none">○ Response: Answer is no. Some services have transportation included in the rate; it is a component within the rate. No changes to how transportation is delivered through services.• Comment: We work as a trading partner for other companies, now they will be onboarding that service back to themselves. We were providing the service below the cost that they will recognize. How will that be captured in this report?<ul style="list-style-type: none">○ Response: For your cost report, expenses you incurred will go into the other programs column that ties to your financials. For the other providers, their incurred expenses would be included as service costs.○ Comment: We deliberately offered a low rate for trading partners for smaller providers so they could make it through the transition. Goes back to my question of are we emphasizing the last quarter or doing the entire year?○ Response: The survey we did for the rate methodology is completely different from this annual cost report. The annual cost report should show incurred expenses for the last fiscal year of your organization that ties to your financial statements or trial balance.○ Comment: Explained monthly reporting using example of using One Sky as a monthly fee under CPS. Report to show what expenses actually were instead of projecting.○ Response: We want to make sure monthly fees get recognized. We provided this support at a low rate and so as they transition to doing their own billing, they will have increased expenses (onboarding FTEs).
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	<ul style="list-style-type: none">○ Response: Emphasized that actual historical reporting of what happened over the previous year is what the annual cost report is made to capture.● Comment: Is this cost report for reporting fiscal years ended in 2023?<ul style="list-style-type: none">○ Response: FY ending 2023 or 2024. We are aiming to roll out the program in September and then you should be reporting the costs over your last fiscal year end. If you have a fiscal period ended in June 2024, then you would report that fiscal period.● Comment: My question is that you are specifically looking for these programs, not other ones that we use an entity to provide? Our bottom line budget is going to look different on our 1099 than for these specific programs.<ul style="list-style-type: none">○ Response: We do have an “other programs” column to capture expenses for other books of business in order to tie to your financials. We are still discussing with BDS what service specific columns will be included on the annual cost report. Now that this is an annual cost report no longer tied to rate methodology, do we want to create other service columns so there is less going into that “other services column”? We also now have a revenue worksheet (rough draft). It will also include entire book of business, not just waiver revenue services.○ Response: We do a lot of different book of business, might need to have a discussion with you on how that would look. We have a lot of different revenue sources coming in.○ Response: We will also have other operating revenue and non-operating revenue sections on that tab so you’re not having to provide great detail into those other books of business. We’d like feedback on if there are lines we can add that are general enough so you don’t have to break out all these non-waiver services in detail. Some detail we want, but some we can make easier on you.○ Response: The goal is we need it to tie to your financials so there are buckets for other revenues and other expenses. You need to have the ability to show
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	<p>where the revenue is coming from. Our goal is to make the cost report as user friendly as possible.</p> <ul style="list-style-type: none">• Comment: What is the reporting to look like for family members (i.e., PDMS)? Is it going to become more complex and fine-grained?<ul style="list-style-type: none">○ Response: The provider on record is the Area Agency who bills for PDMS services, so they would be recording revenue and any Area Agency incurred expenses. Area Agencies would be doing this portion of cost reporting.○ Response: Will they be interfacing with the area managers or PDMS? Will there be added complexity to families?○ Response: There should be no added complexity for families. Area Agencies will have any data needed for cost reporting. Another commenter confirmed this is accurate and families do not need to collect or report that data.• Will you be providing the draft cost report after this meeting so we can share with our business departments?<ul style="list-style-type: none">○ Response: Not yet, as this is still a rough draft we are in the process of updating with BDS. But we will send out a draft long before September.○ Response: We will also be including cost report discussion in provider meetings over the next few months to engage in multiple ways. At the next Rate Workgroup meeting in July, providers are encouraged to have staff attend who you feel would benefit from seeing the draft cost report and asking questions. We will also schedule time at the biweekly provider meetings to talk about the draft.○ Comment: Speaking for my region, when we had issues filling out cost reports we were well supported by Krista and her team, we filled it out wrong at first but were able to dial it in closely. They also took feedback on areas that were confusing or needed to be asked differently.• Clarification: I want to clarify that families will not be completing a cost report, only enrolled providers billing Medicaid for services.
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	<ul style="list-style-type: none">• Comment: If anyone who is directly billing Medicaid will be expected to submit a cost report, I am thinking about behavioral folks and how they will need support.<ul style="list-style-type: none">○ Response: Our Area Agency will be providing assistance to those smaller behavioral providers we are trading partners with.• Myers and Stauffer: We have a goal to have an updated draft before the July meeting to share the major changes. • Myers and Stauffer: As we removed the staffing tabs, we still want to understand paid hours associated with wages paid. The “Hours” tab is only related to the wages and salary sections of the “Expenses” tab. Whatever categories we land on for the expenses tab will be the same as used for the hours tab. We will want hours entered by service and there will be an “other programs” column similar to expenses.• Comment: Do not want to detail all expenses (specifically for other programs) when it is not needed for the cost report?<ul style="list-style-type: none">○ Response: The annual cost report will have category descriptions we feel are related to waiver services. Providers may enter expenses related to their other books of business on the “Other” lines of each section, and then put all of those expenses in the “Other Programs” column. That way they do not need to spend time break those expenses down in individual lines.○ Response: We are still requesting providers enter paid hours and expenses incurred for each “Other” line. The totals will then transfer to the “Expenses” and “Hours” tabs. It is not built yet but that is the direction we are heading. Providers will aggregate hours and wages into the line categories, and will need to be as clear as possible, but you will not have to enter by position or employee or calculate allocation percentages. We are planning a separate summary tab to provide check figures.○ Response: The summary tab will be a self-assessment. There are resources like this video or the Rate Workgroup meeting in July where we will gather feedback on those changes and additions.○ Response: There is information included in the previous cost report like training, turnover, and management
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	<p>information that will still be included on the annual cost report as it could be useful in a state rebase down the road.</p> <ul style="list-style-type: none"> • Comment: As you are going through this, it is not set in stone. If you have issues, they will work with you, they worked with the area agencies. Ellen’s group has also helped us. I was very apprehensive and then it wasn’t as bad at all as I thought it was going to be. <ul style="list-style-type: none"> ○ Response: The report allows for reflection on what happened throughout the year. The cost report shown today is a rough draft to start getting feedback and we will start getting those changes made.
<p>Next Steps</p>	<ul style="list-style-type: none"> • The July meeting will continue review of the cost report. If you want other people from your team there, make sure they come. • The August meeting we plan on sharing some of the DD waiver rates and will start to review them. • We want to make sure we get good data back so our timeline to release the annual cost report is sometime in September.
<p>Questions</p>	<ul style="list-style-type: none"> • No additional questions.