Senate Finance Committee

Senator Pamela Beidle, Chair
Senator Antonio Hayes, Vice-Chair

Thursday, January 16, 2025

Agenda

1:00 p.m.

Briefing by the Maryland Department of Health

I. DDA Self–Directed Services

Laura Herrera Scott, MD, MPH, Secretary of Health
Marlana Hutchinson, Deputy Secretary, Developmental Disabilities

II. Medicaid Update

Laura Herrera Scott, MD, MPH, Secretary of Health
Ryan Moran, DrPH, Deputy Secretary, Health Care Financing & Medicaid Director

III. Office of Health Care Qualify Update

Laura Herrera Scott, MD, MPH, Secretary of Health
Nilesh Kalyanaraman, MD, Deputy Secretary, Public Health Services
Tia Witherspoon-Udocox, Executive Director, Office of Health Care Quality

IV. Maryland Department of Health Staffing and Vacancy Rate

Laura Herrera Scott, MD, MPH, Secretary of Health

V. Licensure of Substance Use Disorder Programs

Laura Herrera Scott, MD, MPH, Secretary of Health
Alyssa Lord, Deputy Secretary, Behavioral Health

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Finance Committee

January 16, 2025

Briefing by the Maryland Department of Health

Topics

1. DDA: Self-Directed Services Updates
2. Medicaid: Redeterminations & MCO Updates
3. Office of Health Care Quality
4. MDH Overall Staffing & Vacancy Rate
5. Behavioral Health Administration: Licensure of Substance Use Disorder Programs

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Overview: Self-Directed Services Updates

Marlana R. Hutchinson, MBA

Deputy Secretary, Developmental Disabilities Administration

Introduction to the DDA-Operated Medicaid Waiver Programs

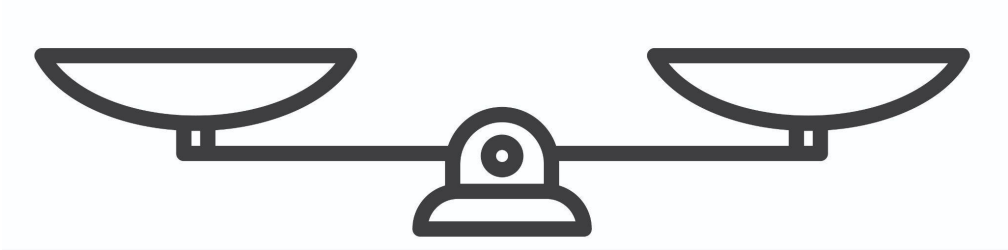
- DDA operates three 1915(c) Medicaid waiver programs, which serve individuals with intellectual and developmental disabilities.
- Medicaid waiver programs allow states to waive certain Medicaid rules (e.g., income, target populations) so that individuals who would otherwise live in institutional settings are able to receive services in their homes and communities.
- Participants must meet financial, medical, and technical eligibility.

Introduction to the DDA-Operated Medicaid Waiver Programs: Cost-Neutrality

- Medicaid waiver programs must demonstrate cost neutrality when compared to the cost of institutional services.

- **Community Pathways Waiver**
- **Community Supports Waiver**
- **Family Supports Waiver**

Intermediate Care Facilities for Individuals with Intellectual Disabilities



Introduction to the DDA-Operated Medicaid Waiver Programs: Service Delivery Models

- DDA's programs provide two service delivery models: Traditional (provided by DDA provider agencies) and Self-Directed (provided by individuals who are employed by the participant).
- Both models ensure the participant is in control of their own person-centered plan.

Self-Directed Services Model

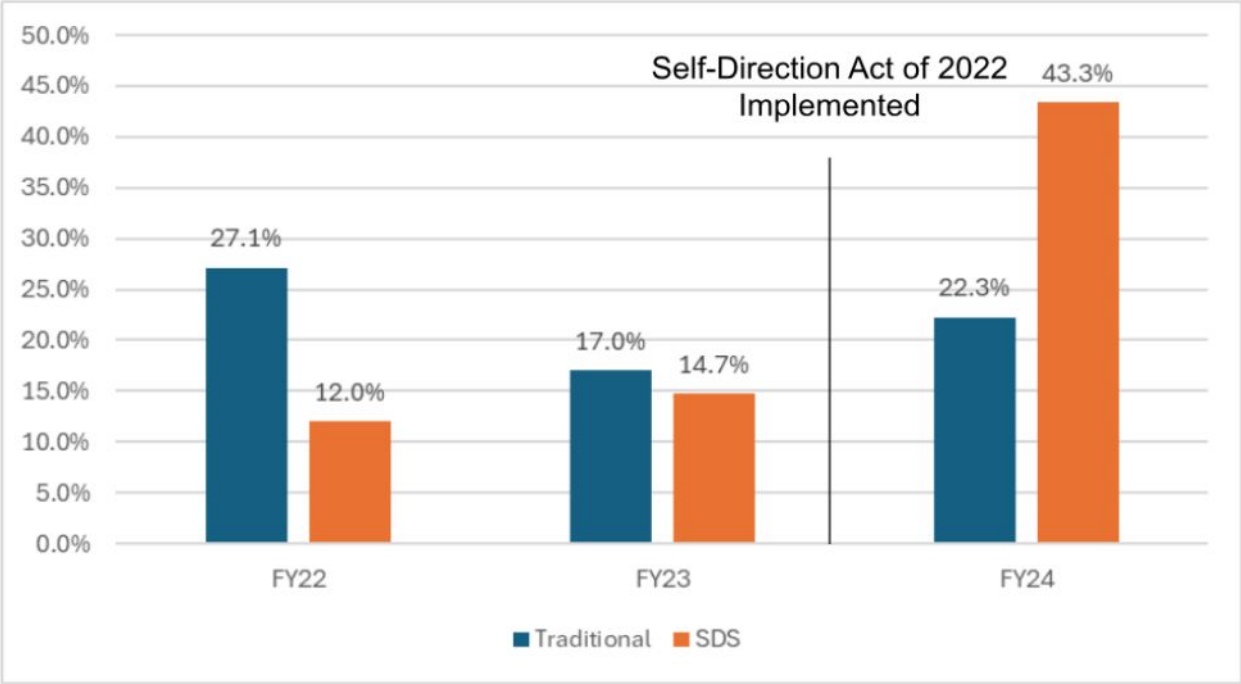
- Promotes personal choice and control over the delivery of services and budget
- Participant or their designated representative assumes employer and budget authority responsibilities as the "employer of record"

Traditional Model

- Services provided by DDA-certified or licensed community providers
- The provider assumes all responsibilities as the "employer of record"
- All site-based providers are licensed by the Office of Health Care Quality (OHCQ), enrolled in the Medicaid program, beholden to conditions specified in COMAR and the Medicaid Provider Agreement

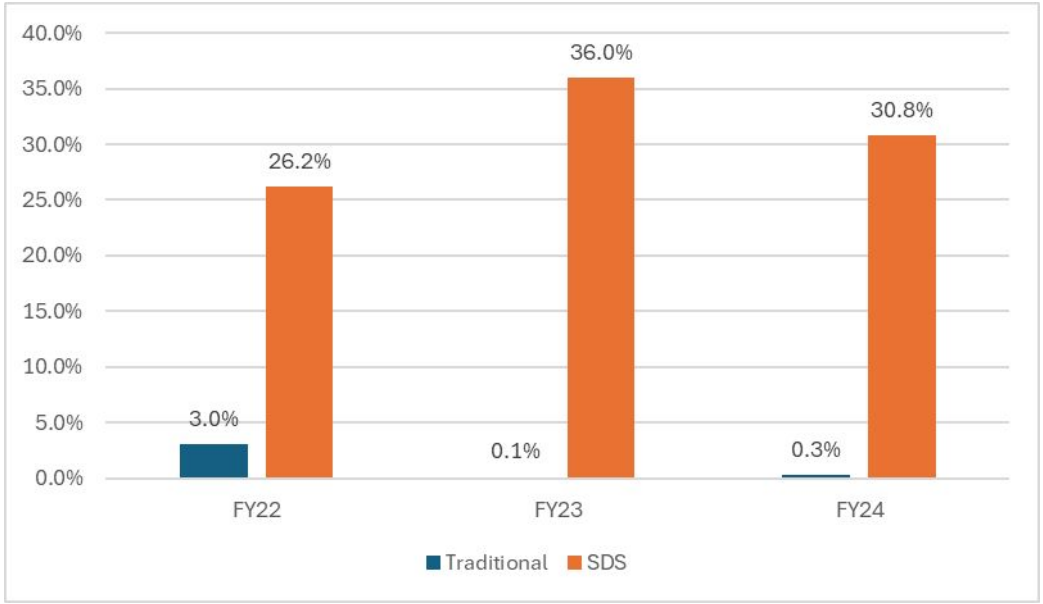
Self-Directed Services Spending

Annual Per-Capita Spending Growth Rate by Service Model



Self-Directed Services Enrollment

Annual Enrollment Growth Rate by Service Model



Total Enrollment by Service Model

Fiscal Year	# of people
Self-Directed	
FY 2021	1,618
FY 2022	2,042
FY 2023	2,777
FY 2024	3,632
Traditional	
FY 2021	16,259
FY 2022	16,754
FY 2023	16,776
FY 2024	16,827

Fall 2024 Updates to Self-Directed Services (1 of 2)

- These updates align with federal law and guidance, the CMS-approved waiver authorities, and the Department's policies, as well as the Self-Direction Act of 2022.

- There are no changes to the service array available to participants, but documentation is needed certain actions can be taken, such as:
  - Paying staff more than the established maximum,
  - Allowing family members to work overtime, or
  - Accessing optional goods and services through the Individual and Family Directed Goods and Services waiver service.

- Updates to invoices/timesheets are required to meet CMS standards.

Fall 2024 Updates to Self-Directed Services (2 of 2)

- Increased documentation means clearer approval and denial for participants. Prior forms required merely a check box and did not provide required evidence of need.

- With more information, the Department will reduce extended back and forth with applicants and participants, reducing waiting times for various approvals.

- Documentation is a critical source of program integrity, assists the Department with assuring that participants' health and welfare needs are being met, and addresses concerns raised by audits and investigations.

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Maryland Medicaid Update

Budget Overview and
Kaiser Permanente Managed Care Organization (MCO) Update

Ryan B. Moran, DrPH, MHSA
Deputy Secretary, Health Care Financing and Medicaid Director

Unprecedented Year for Maryland Medicaid

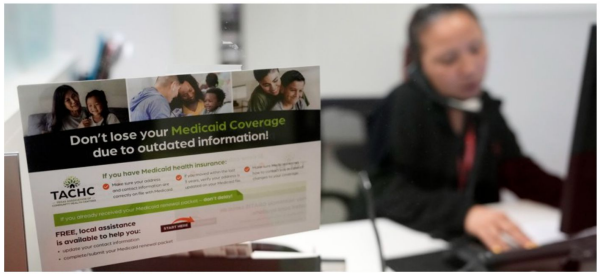
Following the end of the COVID-19 public health emergency, Maryland joined all state Medicaid programs in resuming regular Medicaid redeterminations, known as "unwinding." Maryland's unwinding redeterminations ended in April 2024.

- **End of Enhanced Federal Match:** Throughout COVID-19, Maryland – like all other states – received increased federal match to support increased enrollment during the public health emergency (PHE). With end of PHE, the enhanced match ended during FY 2024. Maryland received $1.7B in enhanced federal match from FY 2020 through FY 2023.
- **Redeterminations:** MDH began redetermination processing in May 2023 and spread out the unwinding redeterminations across 12 months, ending in April 2024.
- **National Leader in Coverage Retention:** MDH adopted 15 federal flexibilities during unwinding, which bolstered enrollment retention for eligible people significantly and resulted in costs exceeding original budget projections.
- **Federal Mandates:** MDH implemented mandatory continuous 12-month eligibility for children in August 2023, coverage for obesity drugs for certain clinical conditions, justice-involved youth.
- **Strong Utilization and Cost of Service Trends:** Continued increased clinical acuity following national trends post-pandemic.

HHS urges governors to use all Medicaid redetermination flexibilities

Jun 13, 2023 - 03:01 PM

State Medicaid costs poised to surge from pandemic lows



Importance of Medicaid Program

Medicaid is an anti-poverty program:

- Researchers found **health insurance benefits accounted for almost one-third of the poverty reduction** from public benefits for individuals in households without a disability recipient
- These effects were even **larger on reducing childhood poverty, and reducing poverty for people of color**
- More than half of adults in Medicaid and **more than two-thirds of children in Medicaid/CHIP are people of color**

Maryland Medicaid covers nearly 25 percent of the state's population:

- **1,554,511 individuals as of Dec 2024** (10 percent increase from Feb 2020 enrollment of 1,415,631 individuals)
- **40 percent of all of the state's births**
- Over 700,000 children (**nearly three in eight**)

Medicaid funding supports:

- 96% of Medicaid's budget is **attributed to care and services for enrolled participants**
- **117,000 enrolled Medicaid providers**, which has doubled in the last decade

Following a historic year of uncertainty for the program, MDH has conducted a deep dive on enrollment and expenditure trends to refine projections for FY 2025 and FY 2026 in partnership with DBM and DLS as part of a Consensus Budgeting Process.

Source: Georgetown University Center for Children and Families

Kaiser Permanente MCO

- Historically, Kaiser Permanente has been a high-cost outlier when compared with other Medicaid managed care organizations. In fall 2023, Kaiser signed contract amendment for CY2022, 2023, and 2024 outlining expectations to submit financial data to MDH in order to be evaluated along with other MCOs for rate setting purposes.

- MDH has worked with KP over the last year, as well as actuarial firm Myers and Stauffer, and have come to an agreement on what is need in CY25 and moving forward.

- CY25 contract includes enhanced accountability requirements and continued expectations regarding financial reporting.

New MCO Accountability Expectations

MDH is dedicated to a Medicaid managed care system that prioritizes health equity and improves health outcomes for all Marylanders enrolled in our programs.

Changes to the CY 2025 contract include:

- All MCOs must attain the National Committee for Quality Assurance (NCQA) Health Equity Accreditation.
- Targeted staff requirements, requiring plans to have key positions to ensure quality and regulatory oversight of their MCOs.
- Maryland Medicaid will begin covering pre-release services for justice-involved youth. MCOs will be responsible for working in coordination with the Behavioral Health ASO and providing case management services to youth exiting incarceration post-release. This will ensure that youth are connected to necessary and critical services of health care.
- MDH has identified a standard screening for Medicaid participants for social needs, including food, housing, transportation, and employment. MCOs will partner with MDH and CRISP in collecting this data to find community resources for participants to meet their social needs.
- To close gaps in maternal health disparities, MCOs will also be required to participate in a grant opportunity with MDH to conduct risk assessments among pregnant individuals to identify opportunities to reduce maternal morbidity and mortality.
- Increasing expectations related to quality and ensuring all levers are used with MCOs to drive performance and population health improvement.

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Office of Health Care Quality

Nilesh Kalyanaraman, MD, Deputy Secretary, Public Health Services

Tia Witherspoon-Udocox, MBA, OHCQ Executive Director

OHCQ's Oversight of Providers in FY24

- As of July 1, 2024, OHCQ oversaw 22,395 providers in 47 industries
  - This is a 5.5% increase in number of providers overseen by OHCQ, between FY23 and FY24
- For the 2nd year in a row, growth was primarily in:
  - Residential Service Agencies
  - Health Care Staffing Agencies
  - Sites serving individuals with developmental disabilities
  - Clinical laboratories
- OHCQ experienced a 18% growth rate in total number of licensed providers over the past 3 years

LTC Unit's Priority: Address the NH Inspection Backlog

- The Long Term Care Unit's highest priority is addressing the nursing home inspection backlog

- Trending in the right direction:
  - From FY22- FY24, there was a 48% increase in completed nursing home inspections
  - From FY 24 through the first 5 months of FY25 (prorated), the rate of Annual Full Survey completion increased by 160% (approx)
  - Current backlog of Annual Full Surveys = 127
  - Annual Full Surveys up to date = 95
  - Highest backlog of Annual Full Surveys Dec. 31, 2023 = 172
  - Since July 1, 2024, 51 Annual Full Surveys have been completed

LTC Unit's Highest Priority: Addressing Pending "Intakes"

- **"Intakes"** include all complaints and all facility-reported incidents (FRIs). The investigation time averages 8-10 hours per intake

- Trending in right direction:
  - From FY22-FY24, there was a 45% increase in completed investigations for intakes
  - From FY 24 through the first 5 months of FY25 (prorated), the rate of completed investigations for intakes increased by 72%.
  - Current pending Intakes is 5,938, which is substantially lower when compared to July 1, 2023 with an all time high of 9,573
  - 2,876 complaints investigated FY24
  - 2,070 complaints investigated since July 1, 2024

OHCQ FY25 Priorities: Plan to Address the Backlog

Secure the base for certified nurse surveyors (merit positions)

- In FY24, OHCQ filled five Health Facilities Nurse Surveyor positions
- In FY25, OHCQ received 13 new merit positions allocated to the LTC unit
  - Twelve positions for Nurse Surveyors and one position for a Long Term Care unit coordinator
  - All thirteen positions have been filled
- Currently 62 Health Facilities Nurse Surveyors with 17 in training
  - 2 positions awaiting start dates (1/22/25 and 2/19/25)
  - 2 vacancies
- Contractual PIN Conversions (10)
- RN Salaries - received two grade increases

OHCQ FY25 Priorities: Plan to Address the Backlog

- **Training**
  - Since July 1, 2023 we have hired 33 new LTC surveyors
  - Currently there are 17 surveyors in training and an additional 3 with start dates

- **Improve efficiencies**
  - OHCQ has developed and implemented training for survey efficiency

OHCQ FY25 Priorities: Plan to Address the Backlog

- **CMS nurse surveyors and subcontractors**
  - CMS provided contracted certified nurse surveyors
  - CMS is assisting with the most overdue annual surveys in Maryland (and other states) for a limited time and funding stream
  - CMS surveyors have completed 16 annual surveys, plus one in progress
  - CMS surveyors has committed to completing another 8

- **MDH subcontract with certified nurse surveyors**
  - OHCQ secured a $3.9 million contract with 2 external agencies to provide Surveyor Minimum Qualifications Test (SMQT) certified Health Facilities Surveyor Nurses
  - The contract has resulted in an additional 9 surveyors now surveying 7 days a week (can increase up to 18 surveyors, as available)

Estimated Time to “Catch Up”

- **OHCQ estimation: 2-3 years**
- Completion rate impacted by:
  - Long lead time (6-12 mos) for nurse surveyors to get certified (training)
  - Severity of investigation findings will result in revists, extending survey completion time
  - CMS loaner surveyors: limited by CMS funds
  - A&M and Certiserv surveyors: limited by number of contractors produced
  - Merit position surveyors: limited by retirements & resignations
  - OHCQ working on LTC staffing plan for FY25 and beyond

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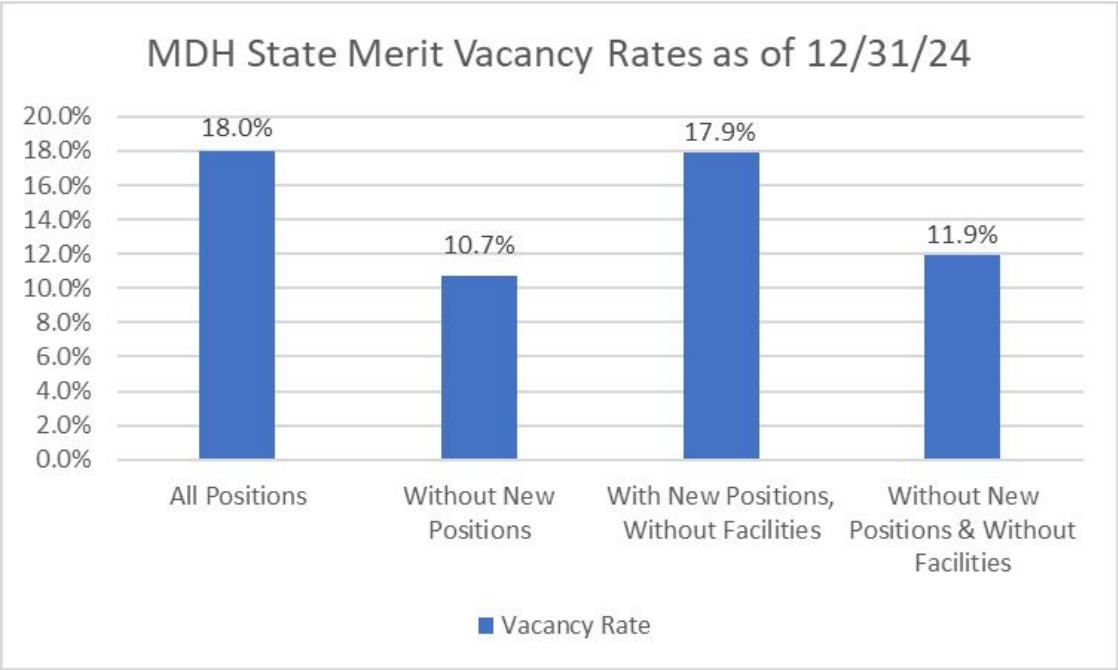
MDH Vacancy Rate & Retention Efforts

Laura Herrera Scott, MD, MPH

Secretary

Vacancy Rates



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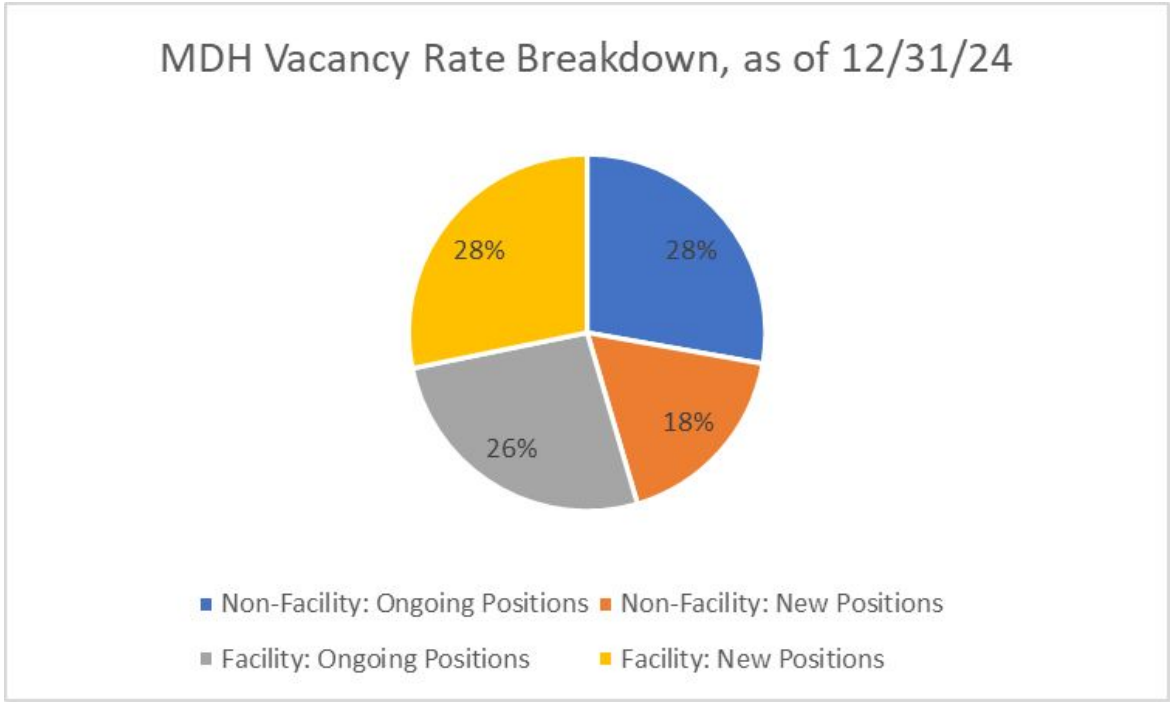
New positions include positions authorized for creation in FY25 budget bill and contractual conversion

Vacancy Rate Breakdown



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Employee Retention Data & Metrics

	Total Employees as of 1/1/2024	Terminations - (Voluntary & involuntary)	Retention % (1/1/2024-1/10/2025)
Total	**8307**	**562**	**93%**
Headquarters	5166	205	96%
Facilities	3141	367	88%

**Data listed does not include hires during this timeframe. Chart only reflects retention rates for current employees as of 1/1/2024.

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Employee Retention Resources

Professional Development Resources

- MDH Supervisory Leadership/Development Program
- MDH Work Study Program
- Workday Learning Courses
- Percipio Supplemental Training Courses

Statewide Financial Incentives

- Annual Pay enhancements
  - COLAs, Within grade increases (increments)
- FY 2024 & FY 2025 Longevity Increases (additional step)
- Annual Salary Review (ASR) process

Physician and Mental Health Assistance

- Employee Assistance Program (EAP)
- 988 Suicide & Crisis Lifeline
- MyMDCares

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Behavioral Health Administration:

Licensure of Residential Substance Use Disorder Providers

Alyssa Lord, M.Sc.
Deputy Secretary, Behavioral Health Administration

BHA Licensing Overview

- BHA issues licenses under COMAR 10.63, which includes both accreditation and non-accreditation-based licenses
- COMAR 10.63 licenses are issued for a specific date range and must be renewed in accordance with their governing regulations
- BHA currently licenses 1,049 community-based behavioral health organizations across 5,525 sites. This is inclusive of new applications, service additions, renewals, relocations, and mergers and acquisitions.

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BHA Licensing Overview

BHA licenses the following Community Based Mental Health Providers:

- Outpatient Mental Health Centers
- Psychiatric Rehabilitation Programs
- Mobile Treatment Services
- Psychiatric Day Treatment
- Integrated Behavioral Health Programs
- Supported Employment Programs
- Residential Rehabilitation Programs
- Residential Crisis Program

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SUD Residential Treatment

BHA licenses four levels of residential treatment programs under COMAR 10.63:

- Level 3.1 – Clinically Managed Low-Intensity (10.63.03.11)
- Level 3.3 – Clinically Managed High Intensity (10.63.03.12)
- Level 3.5 – Clinically Managed Residential (10.63.03.13)
- Level 3.7 – Medically Managed Inpatient (10.63.03.14)

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Improving Provider Quality: BHA SUD Compliance Office

The SUD Compliance Office is responsible for various monitoring and compliance activities including:

- Conducting regularly scheduled compliance reviews (quality of care and regulatory compliance)
- Performing audits of local jurisdictions' grantees that provide PBHS services
- Responding to inquiries regarding the interpretation of COMAR, Federal regulations, BHA policies, program staffing and other concerns
- Providing technical assistance on compliance related issues
- Receive, triage, and refer complaints to the local jurisdiction as appropriate
- Conducting complaint-initiated investigations of SUD programs, services, and staff
- Referring complaints needing further investigation to the Office of Attorney General, Office of Inspector General, and state licensing boards

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Recovery Residence Definition

Statute: Health-General Article 7.5-101

Regulation: COMAR 10.63.01.02 (Community-Based Behavioral Health Programs and Services, Chapter 1, Requirements for All Licensed Programs)

"Recovery Residence" means a service that provides alcohol-free and illicit drug-free housing to individuals with substance-related disorders or addictive disorders or co-occurring mental health and substance-related disorders or addictive disorders.

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Recovery Residence Certification Requirements

Certification is required for any recovery residence that:

- Receives State funds;
- Operates as a certified recovery residence;
- Is advertised by any individual, partnership, corporation, or other entity as being a certified recovery residence;
- Is represented by any individual, partnership, corporation, or other entity as being a certified recovery residence, or
- Has implied to the public to be a certified recovery residence.

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Improving Provider Quality: Pause on New Enrollment

July 2024 / Extended through June 30, 2025: MDH issued a pause on new enrollments into the Maryland Medicaid Program of the following program types, which are licensed under Maryland Code of Maryland Regulations (COMAR) 10.63 and 10.09:

1. Psychiatric Rehabilitation Programs (PRP)
2. Psychiatric Rehabilitation Programs, Health Home
3. Level 2.5 Partial Hospital Programs (PHP), and
4. Level 2.1 Intensive Outpatient Treatment Programs (IOP)

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Improving Provider Quality: What's Next for BHA

- Hiring additional licensing staff
- Updating internal processes to streamline review, including application automation
- Revising COMAR 10.63 regulations
- Monthly LBHA trainings on provider quality & compliance
- Increasing provider audits and site visits

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