Quality Service Reform Initiative (QSRI)Update

IRC Provider Meeting

November 2023

Tennille Thomas, Hilary Laskey,
Deborah Harburger & Jeremy Thomas

THE INSTITUTE FOR
INNOVATION & IMPLEMENTATION
Integrating Systems • Improving Outcomes

Providers, public agencies, families, and other stakeholders have said problems with the current system include:

Inconsistent referral and acceptance practices

Long lengths of stay and hospital overstays

Unknown outcomes data

Not leveraging federal funds for reimbursement.

Rates for services do not always align with service delivery expectations.

What are we doing with the Quality Service Reform Initiative (QSRI)?

- Developing **interventions** with **defined medical necessity criteria**, consistent and transparent access and **referral pathways**, and a **CQI** overlay.
- Leveraging **Medicaid and Title IV-E** funds to support new rates that are based on classes of direct care and clinical services.
- Developing **clear expectations and accountability** for populations of children served, rates paid, and outcomes achieved.
- **Shortening lengths of stay** and ensuring children are in the **least restrictive** setting to reduce bottlenecking and improve outcomes.

What are the opportunities to do things differently? What are Maryland's Interruption Points?

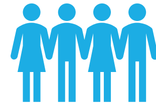
- Referral & Services Pathways
- Communication between Agencies and Providers
- Using Data to Inform Decision-Making
- Changing Payment Structures to Support Consistency and Transparency
- Focusing on the Clinical and Behavioral Needs of the Child

QSRI Structures

QSRI Workgroup

Meets every other week, 2nd and 4th Wednesday, 2-3PM

Members are State Agencies, UMB, UConn, PCG, & provider representatives

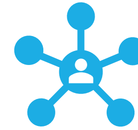


CQI Workgroup

Meets as needed

Members are UConn and provider representatives

(RCC Workgroup & CPA Workgroup)



QRTP Workgroup

Meets weekly

Members are DHS/SSA, DJS, UMB, UConn, & Chapin Hall

Interagency Rates Committee (IRC)

Meets monthly or more frequently as needed

Members are State Agencies

Not formally part of the QSRI structure

DHS-Contracted Partners:	The Institute for Innovation & Implementation, University of Maryland School of Social Work Innovations Institute, UConn School of Social Work Public Consulting Group (PCG)

Proposed New Rate Methodology

- Uses the **framework of the existing IRC process** as a foundation for the cost components but it **moves AWAY from individual rates** based on individual costs
- Establishes **direct care rates and clinical care rates**
  - Direct Care Rate: A bundled or comprehensive rate to cover operating and other costs related to the daily direct care of the children, including food, clothing, transportation, utilities, rent/mortgages, socialization activities, and general supervision.
  - Clinical Care Rate (TFC) : A bundled or comprehensive rate for the rehabilitative services provided to the child, based on documented need, according to clinical and therapeutic service specifications and provider qualifications. Each clinical care rate class will include a certain volume of individual, family, and group clinical or behavioral interventions during the day or week.
- **Establishes bundled rates**: Groups or tiers of programs based on similar costs or characteristics. The costs are bundled. Each program will have assigned Rates. Rates will be reviewed and a new base rate will be established as appropriate. Frequency of inflationary rates has not been determined.

CPA Pro Forma Modeling

- A pro forma modeling approach allows decision makers to **use cost data to develop anticipated costs and recommended payment rates** for new or revised comprehensive services when sufficient historical cost data are unavailable. In this case, **the task is to identify the costs associated with the Clinical and Direct Care classes** that will ensure the effective service delivery for the wide array of services needed to serve the youth of Maryland.

- All costs are developed in proportion to each youth per year, which can be divided into a monthly or per diem rate.

- PCG is planning on using service standards, model budgets (FY24), and national and state benchmarks (BLS, CWLA, other state figures etc.) to ensure accurate cost assumptions, which will be reviewed by stakeholders, including providers.

CPA Position Evaluation

1. Compile position from all MD CPA Model Budgets.
2. Assess provider position titles and personnel structure
3. Create classifications based on role, responsibility, and salary bands.
4. Evaluate outlier positions to ensure model fit.

(Not Completed) Share position classifications to each provider for quality assurance.

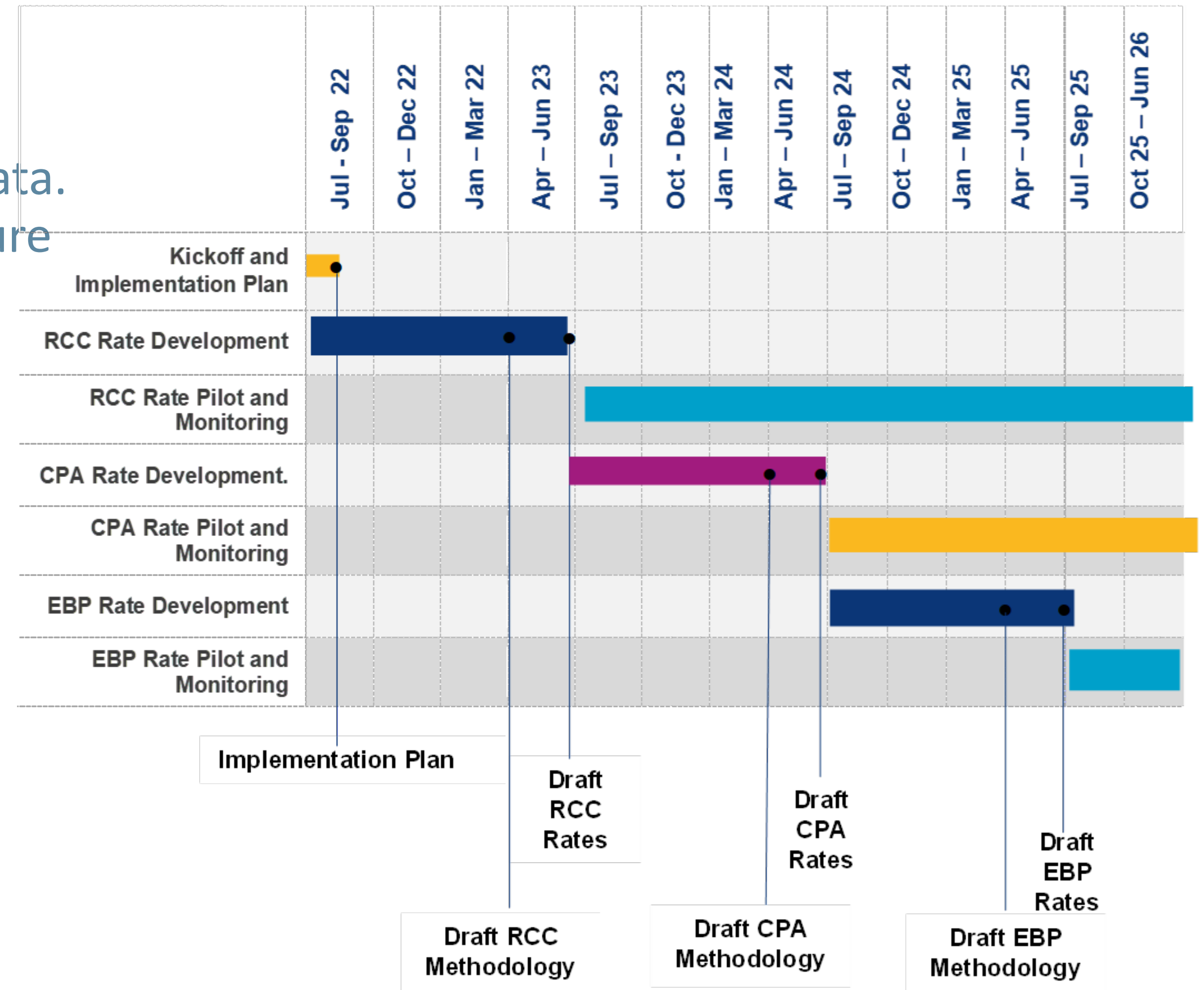
CPA Wage Analysis

1. Compile Wage data by position from all CPA Model Budgets.
2. Crosswalk positions from Model Budgets to Bureau of Labor Statistics (BLS).
3. Evaluate and compare equivalent BLS position to reported Model Budget salary to identify outliers.
4. Update classification for outliers to appropriate position.
5. Calculate BLS weighted average wage for each position category.
6. Calculate weighted average of reported wage for each position category.
7. Compare values from steps 5 and 6 and use highest of the two.

CPA Rate Setting Project Overview

Year 2 CPA Rates

- Phase 1 (Jul-Oct 2023)
  - Obtaining program specifications and data.
  - Review service utilization and expenditure data.
  - Document and outline rate models.
- Phase 2 (Nov-Dec 2023)
  - Finalize model ratios.
  - Determine cost elements.
  - Conduct provider meetings.
- Phase 3 (Jan-Jun 2023)
  - Finalize cost elements.
  - Conduct actuarial testing.
  - Finalize rate models.
  - Coordinate model approval.



QSRI Timeline (as of 11/2023)

- November 2023: Rates for RCC providers are shared. Child Placement Agency rate revision work begins. Full training of RCCs on new rate structure.
- January 2024: Additional statutory and regulatory changes are made, if needed. Rate simulations and projections run to assess impact on RCC providers.
- February 2024: State Plan Amendment submitted to CMS (Pending State Agency agreement), Initial Programming occurs in the Medicaid Management Information System (pending approval by CMS).
- **July 2024: New rates are implemented for residential childcare providers**, with a 1-2 year period of monitoring and ensuring that providers are made whole financially. New performance monitoring begins, with monthly data reporting and quarterly reconciliation.
- January 2025: Rates for CPA providers are shared. Modifications made to Medicaid State Plan, if needed, for CPAs.
- **July 2025: New rates are implemented for child placement agencies**, with a 1–2-year period of monitoring and ensuring that providers are made whole financially. New performance monitoring begins, with monthly data reporting and quarterly reconciliation. Medicaid claiming anticipated.

Simultaneous Work:
-Logic Model & Performance Metric Development
-Medical Necessity Criteria (all Res. Intervention Levels)
-Provider Criteria
-Staffing Qualifications
-Service Description
-Youth enrollment pathways
-Statue & regulation review & updates
-Medicaid State Plan Amendment Development
-Stakeholder Feedback & Engagement Ongoing!

Questions? Suggestions?

Tennille Thomas, DHS
(Tennille.Thomas2@maryland.gov)

Hilary Laskey, DHS
(hilary.laskey@maryland.gov)

Deborah Harburger, Innovations
(deborah.harburger@uconn.edu)

Jeremy Thomas, PCG
(jepayne@pcgus.com)