STATE OF MARYLAND
DHMH
Maryland Department of Health and Mental Hygiene
201 W. Preston Street • Baltimore, Maryland 21201
Martin O'Malley, Governor – Anthony G. Brown, Lt. Governor – Joshua M. Sharfstein, M.D., Secretary

May 6, 2014

The Honorable Edward J. Kasemeyer
Chair
Senate Budget and Taxation Committee
3 West Miller Senate Building
Annapolis, MD 21401-1991

The Honorable Norman H. Conway
Chair
House Appropriations Committee
121 House Office Building
Annapolis, MD 21401-1991

The Honorable Thomas M. Middleton
Chair
Senate Finance Committee
3 East Miller Senate Building
Annapolis, MD21401-1991

The Honorable Peter Hammen
Chair
House Health and Government
Operations Committee
Annapolis, MD21401-1991

RE: 2013 JCR Pg. 72-73 – DDA – Collection of Contribution to Care Report

Dear Chairmen Kasemeyer, Middleton, Conway and Hammen:

Pursuant to the 2013 Joint Chairmen's Report (Pg. 72-73), the Department of Health and Mental Hygiene (Department) respectfully submits this report regarding the Developmental Disabilities Administration's (DDA) collection of Contribution to Care (CTC).The budget committees requested that the Department provide a report with the following information:

1. The process to be implemented by the Department to address instances in which the contribution to care is not paid to providers by individuals receiving services or their representatives.

2. The Department's role in addressing nonpayment of contribution to care costs and any requirements to be imposed on licensed developmental disabilities community providers to address nonpayment of contribution to care.

Please be advised that $250,000 is being withheld pending submission of this report.

Background

The DDA delivers and pays for long-term care services in home and community settings for individuals with developmental disabilities under the Medicaid Program, through its 1915(c) Home

and Community Based Services (HCBS) Waivers: the Community Pathways and New Directions Medicaid Waivers. The DDA operates under the federal guidelines regarding HCBS waiver regulations. As part of receiving services through one of Medicaid's HCBS waivers, individuals are required by the Centers for Medicare and Medicaid Services to contribute a portion of their income toward the cost of their care.

Earlier this fiscal year (FY14), the United State Department of Health and Human Services (DHHS) Office of Inspector General (OIG) and the Maryland Department of Legislative Service's Office of Legislative Audits (OLA) issued audit reports highlighting issues with how the DDA calculated CTC and how the collection of CTC impacted both payments to providers and Medicaid claims. It was determined that the DDA claimed unallowable costs for residential habilitation services under its waiver program, and the DHHS OIG has required the DDA to refund $20.6 million to the federal government.

As a result of these audits, the DDA began an in-depth review of the CTC calculation. This internal review highlighted additional issues that the DDA has worked to address through further revisions to the CTC calculation and process. The DDA is working collaboratively with providers and the Department's Eligibility Determination Division to implement these changes.

Responses to the JCR Questions

1. The process to be implemented by the Department to address instances in which the contribution to care is not paid to providers by individuals receiving services or their representatives.

In situations where a provider is unable to collect contribution to care and/or room and board payments from an individual, the DDA will reimburse providers using state-only funds through the year-end reconciliation process. As part of this process, providers will be required to demonstrate actions taken to collect funds from the individual.

2. The Department's role in addressing nonpayment of contribution to care costs and any requirements to be imposed on licensed developmental disabilities community providers to address nonpayment of contribution to care.

As part of this process, providers are expected to complete the following actions to pursue the collection of contribution to care and room and board costs:

- Send invoices detailing required payments to the individual or his/her representative payee;
- Report the individual to the Social Security Administration for lack of payment (for individuals receiving Social Security Income or Social Security Disability Income payments); and
- Pursue becoming the individual's representative payee.

If the provider can demonstrate that these actions have been taken, uncollectable contribution to care and room and board costs may be reimbursed by the state as part of the year-end reconciliation process.

If you have any questions, please contact Bernard Simons, Executive Director of DDA, at (410) 767-5216.

Sincerely,

Joshua M. Sharfstein, M.D.
Secretary

cc: Dr. Gayle Jordan-Randolph, Deputy Secretary, DHMH
Bernard Simons, Executive Director, DDA
Patrick Dooley, Chief of Staff, DHMH
Allison Taylor, Director, Office of Governmental Affairs, DHMH
Jennifer Ellick, Department of Legislative Services