

(3) The ability of providers to operate on a solvent basis in the delivery of effective and efficient services that are in the public interest;

(4) The incentives and disincentives:

(i) Incorporated in the rate setting methodologies utilized and proposed by the Mental Hygiene Administration and the Developmental Disabilities Administration; and

(ii) In alternative methodologies;

(5) Measures of quality and how incentives to provide quality care can be built into a rate setting methodology;

(6) The impact of consumer safety costs and whether the rates have been adjusted to provide for consumer safety costs; and

(7) Other rate system issues determined by the Commission to be appropriate.

(b) The Commission shall:

(1) Develop methodologies for calculating rate update factors for rates paid by the Developmental Disabilities Administration and the Mental Hygiene Administration and recommend annual rate update factors that use the methodologies that are developed;

(2) **[Review] WITH RESPECT TO THE DEVELOPMENTAL DISABILITIES ADMINISTRATION:**

(I) REVIEW the data reported in the Developmental Disabilities Administration annual cost reports and use the data to develop relative performance measures of providers; AND

(II) STUDY THE VARIATION IN TRANSPORTATION COSTS AMONG PROVIDERS OF SERVICES TO INDIVIDUALS WITH DEVELOPMENTAL DISABILITIES, AND RECOMMEND WHETHER THE RATES SHOULD INCLUDE AN ADJUSTMENT FOR SUCH COSTS;

(3) **[Work] WITH RESPECT TO THE MENTAL HYGIENE ADMINISTRATION:**

(I) WORK with the Mental Hygiene Administration to expand the use of any billing data collected by a third party administrator for the public mental health system in order to evaluate performance; AND

(II) REVIEW THE CHANGES IN THE PAYMENTS FOR AND UTILIZATION OF PSYCHIATRIC REHABILITATION SERVICES ASSOCIATED WITH THE SHIFT TO PAYING FOR THESE SERVICES BY MEANS OF CASE RATES; and

(4) Evaluate proposed regulatory changes by the Department, the Developmental Disabilities Administration, and the Mental Hygiene Administration that affect the rates paid or the rate structure.