



Fiscal Year 2026 OPERATING BUDGET
SOCIAL SERVICES ADMINISTRATION - N00B

Response to Department of Legislative Services Analysis

Senate Budget and Taxation Committee
Health and Human Services
Senator Cory McCray
February 14, 2025

House Appropriations Committee
Health and Social Services
Delegate Emily Shetty
February 17, 2025

Honorable Chair and Members of the Subcommittee, my name is Carnitra White and I serve as the Principal Deputy Secretary of the Maryland Department of Human Services (DHS). On behalf of DHS, I thank Governor Moore, Lieutenant Governor Miller, the Department of Budget and Management (DBM), and the Budget Committees for their support. We are also grateful to the Department of Legislative Services Analyst Suveksha Bhujel for her assistance leading up to today's hearing. Joining me at the table is Dr. Alger Studstill, Jr., Executive Director of the Social Services Administration, and Acting Chief Financial Officer Jessica Smith. We have senior members of our leadership team, including leaders from the Social Services Administration (SSA), and directors of our local departments of social services present in the audience as well.

DHS envisions a Maryland where all children are safe from abuse and neglect, children have permanent homes, and families are able to thrive. SSA programs include child welfare services such as child protective services (investigations of abuse and neglect) and out-of-home care (foster care); support services for parents whose children are at risk for placement in foster care; reunification services for parents whose children have been placed in foster care; a kinship care program to facilitate placement of children with kin whenever possible; adoption services; respite care services; adult protective services; and in-home aide services.

Maryland's 24 local departments of social services employ strategies to prevent child abuse and neglect, protect children, and preserve and strengthen families by collaborating with state and community partners. Maryland is building a system that improves family and child safety and well-being with family-centered, child-focused, community-based services.

We are pleased to provide an update on our four focus items from last year:

1. Prioritizing kinship care;
2. Increasing our share of federal funds;
3. Implementing rate reform so children have the care they need; and
4. Reducing hospital overstays and hotel stays.

Prioritizing Kinship Placements

In state fiscal year 2024, fewer than ¼ of young people in Maryland's out-of-home care lived with kin. We are determined to increase the number of children placed with kin. We will offer new resources and training that empowers kin caregivers to meet the needs of the young people they love.

In December 2024, we launched Family Matters, a bold new approach to strengthening family connections, including for youth experiencing out-of-home care. Family Matters relies on [House Bill 1499 / Senate Bill 708 \(2024\)](#). Family Matters is grounded in research that highlights the importance of familial bonds to child development and well-being. Family Matters reflects our belief that every child deserves a safe, loving, and stable home with people they know and trust. Key features of Family Matters include a kin-first philosophy and support that meets the needs of kinship families. Family Matters shifts our culture and practices across the agency to strengthen and support familial relationships.

Increasing our Federal Fund Drawdown

As promised, we conducted a review and clean-up of our Title IV-E eligibility backlog. As a result, in the first quarter of calendar year 2024, Maryland claimed an additional \$5.1 million in federal funds over federal claims in prior quarters.

As promised, we began implementing foster care prevention services. During calendar year 2024, Maryland claimed \$6.2 million in federal foster care prevention services administrative costs through the Family First Prevention Services Act (FFPSA).

Implementing Rate Reform

Thanks to the support of the budget committees and the Governor's office, rate reform for services provided to youth in out-of-home placements by Residential Child Care providers went into effect on October 1, 2024. Our \$27 million dollar investment created a class-based rate structure that is improving providers' ability to meet the needs of Maryland children and families.

Our new way of compensating out-of-home care providers is already improving the breadth of services. A wider range of services reduces out-of-state placements,

hospital admissions, hospital overstays, and hotel stays. With the new rates came clear expectations aligned with the Moore-Miller Administration Values, rooted in being responsive, moving urgently, data-driven, heart-led, and challenging the status quo. Our provider partners are held accountable for timely response to our referrals, accepting Maryland youth to prevent out-of-state placements, and innovative and evidence-based services Maryland youth need.

Hospital Over-Stays and Unlicensed Stays

Advocates often testify about what DHS has not done to reduce the number of youth in hospital overstays and hotels. Since January 2023, we've taken major steps forward to limit the number of youth who experience a hotel or hospital overstay. We are building on and continuing our work in 2025.

We have lowered the number of youth experiencing hospital overstays by increasing communication and closing systemic gaps in our system. A hospital overstay is currently defined in DHS as 48 hours or more beyond medical necessity. As of February 6, 2025, there are 16 DHS youth in hospital overstay status and 28 DHS youth in hotels. For comparison, last year at this time there were 21 youth experiencing a hospital overstay (2/19/2024) and 54 youth living in hotels (2/16/2024).

Let me be clear, no child should stay in the hospital longer than medically necessary. We continue our work to eliminate hospital overstays. We lowered the number of youth experiencing hospital overstays and reduced the need for hotel stays by increasing the continuum of services available using our new incentivized compensation rate structure.

We initiated a new protocol of weekly staff meetings between SSA and the local departments to review individual cases, address placement and treatment needs, and identify potential placements before discharge.

We hired a hospital liaison whose sole purpose is coordinating efforts and communicating with all of the hospitals serving our youth. There are weekly staffings between the DHS case team and the hospital to ensure effective communication and to enhance responsiveness.

We closed systemic gaps in our continuum of care by implementing rate reform, hiring a hospital liaison, increasing communication, and intensifying oversight. Of the 16 youth currently experiencing a hospital overstay, we identified appropriate placements for 6 youth. The remaining 10 youth have unique needs that are not easily met with systemic reforms. We are using our new category based rate structure to incentivize our residential care providers to develop innovative programming when a youth has idiosyncratic needs not well met by our current system of care.

DHS has been and remains committed to working with our partners to meet the needs of our youth with timely and appropriate services and placement options.

Data Integrity and Transparency

We continue to discover where data was routinely released without any validation or reconciliation in the child welfare data reporting processes we inherited. Prior to our administration, data on child fatalities, family preservation services, hotel stays, and hospital stays were either not tracked or were tracked manually.

We prioritized improving the data integrity and validation practices we inherited. As a result, [we developed a Data Office](#) using existing budgetary allocations. The Data Office is designed to modernize the agency's data collection and public reporting across our programs and divisions. One of the current priorities for the Data Office is publishing an interactive digital dashboard showcasing key statistics about SSA's work with children and families. The dashboard will include data points around placements, lengths of stay, and other child welfare indicators (published in ways that protect privacy and confidentiality). The dashboard will increase DHS transparency while also enhancing efficiency through reduced manual reporting.

2025 Goals

In 2025, we are building on our 2024 successes to deliver the excellent governance and service Marylanders deserve.

Strengthening Family Relationships

While Maryland safely maintains a low entry rate into foster care, the data shows that once a youth is in Maryland's care they do not leave. As of February 5, 2025, of the 3,699 youth in out of home care, 45.6% (1,688) have been in care for more than two years. This is simply egregious and unacceptable.

We launched Family Matters Case Reviews; our deep-dive into learning why youth are in foster care in Maryland for more than two years. We will continue to prioritize kinship care and facilitate lifelong connections for youth in out-of-home care by procuring a technology solution that automates family finding.

Hospital Overstays and Unlicensed Stays

We are implementing a new policy starting March 1, 2025 ensuring that the Social Services Administration and the Office of the Secretary are notified within twenty-four hours of a youth entering an unlicensed setting. The policy requires weekly visits by local departments with a youth in a hospital stay or hotel stay, and clearly outlines educational and wellbeing expectations.

As part of our planned MD THINK enhancements, we will transition to an electronic health passport for safely communicating and tracking the healthcare of children and youth experiencing out-of-home care. When compared with the current paper-based health passport, electronic health passports will be a significant improvement in protecting medical privacy and planning for the healthcare services children and youth need.

We will issue a statement of need (SON) to further expand our continuum of care by developing additional Residential Child Care (RCC) services. The SON will meet the growing demand for appropriate placement resources for youth in Maryland with complex behavioral health needs. Youth with complex and unique behavioral health needs more often experience hospital overstays or temporary stays in hotels because the residential services they need are full or are not available in Maryland. The programs sought through the SON will align with the newly implemented rate reform classes. Preference will be given to providers that meet federal standards for Qualified Residential Treatment Programs (QRTP), and that offer clinical, behavioral health, allied, and/or expressive therapies or interventions as part of their services. The federal government reimburses some state expenditures when residential programs meet QRTP standards.

DHS Responses to DLS Analysis:

DHS should comment on efforts that it will take to improve the reporting of measures of child safety, child placements, and adult safety measures. The Department of Legislative Services (DLS) recommends adding budget bill language restricting funds pending submission of data on measures of child safety, child placements, and adult safety measures (pg. 7, DLS Analysis)

DHS Response: As we have discussed at the DHS Overview, and Administration budget hearings, over the last year, we renewed our focus on ensuring that any public-facing data is consistent, validated, and comprehensive. In our data review spanning our approaches to individual case records, fiscal and statistical data, and our systems, we found that we had inherited antiquated and manual data collection or reporting processes that we did not have confidence in.

We will work with DBM to revise our MFR indicators based on our modernized approach and to ensure that our measures align with our priorities. We will include reporting on measures of child safety, child placements, and adult safety in our MFR submissions.

DHS should comment on when the Medicaid claims are anticipated to begin for residential interventions for children in out-of-home placements and why the anticipation of these funds was not accounted for in the fiscal 2026 allowance. DLS recommends adopting committee narrative requesting an update on the second phase of the rate reform, which will implement a new foster care provider rate system for purchased homes, and an update on the number of youths served by the new foster care provider rate structure by class type and cost by class type in fiscal 2025. (pg. 16, DLS Analysis)

DHS Response: Funding is not allocated in the proposed FY2026 budget for using Medicaid for residential services for children experiencing out-of-home placement. We continue in our partnership with the Maryland Department of Health (MDH) on this component of rate reform. When cost estimates are more refined, we can also discuss the necessary appropriation with the Department of Budget & Management.

DLS finds that the nearly 20% increase in rates for institutional providers in fiscal 2025 under the new rate setting methodology is not affordable given the State's budget outlook. DLS recommends a 5% reduction to the rates for fiscal 2026, which will save the State \$8.5 million (\$7.6 million in general funds). DHS may allocate the reduction among the rate classes as it deems appropriate. DLS also recommends a provision be added to the Budget Reconciliation and Financing Act of 2025 to prohibit IRC from providing rate increases for fiscal 2026. (pg. 21, DLS Analysis)

DHS Response: We do not concur. Decreasing funding for rate reform risks losing the cost savings and progress we are making by preventing hospital overstays and hotel stays. Decreasing funding for residential services means we risk not having sufficient funding to contract for the services youth need.

We intend to use the current rate methodology to implement residential provider compensation within the given FY25 budget and FY26 allowance. We know that when the services youth need are not available in Maryland, the cost of meeting youth's healthcare needs increases. Costs increase when it takes longer to identify appropriate placements resulting in waits in hospitals and hotels. Costs also go up when more youth receive residential services in other states, which will result in greater overall increases.

DLS recommends adopting committee narrative requesting reports containing monthly out-of-home placement data. (pg. 25, DLS Analysis)

DHS Response: We do not concur with this reporting recommendation because we are already taking an alternative approach via a public-facing dashboard with live data.

DHS should comment if the updated five-year Title IV-E Prevention Plan has been submitted. (pg. 29, DLS Analysis)

DHS Response: In consultation with our federal partners, we are extending our 2020-2024 Title IV-E Prevention Plan. We need more time to refine our eligibility criteria for prevention services and align plans for expansion based on the FY 2026 budget under review by this General Assembly. We plan to submit our amended Prevention Plan to the Children's Bureau no later than June 1, 2025, which will enable us to ensure accurate data for prevention services are captured and reported.

DHS should comment on the status of the approval of the revised CAP and the cause of the delays in approval. (pg. 29, DLS Analysis)

DHS Response: The Maryland Department of Human Services Cost Allocation Plan Amendment, which was transmitted by letter dated December 23, 2019, and subsequently revised on February 20, 2020, was approved on September 30, 2024. This amendment, which was submitted in accordance with 45 CFR 95, Subpart E, is effective January 1, 2020.

DHS should comment on planned future efforts by the QRTP designation workgroup to solicit applications for additional QRTP providers. DHS had previously reported that they were working on establishing appropriate processes to claim for federal Title IV-E reimbursement for funding of nonfamily-based placements; DHS should comment on the status of the processes. (pg. 32, DLS Analysis)

DHS Response: DHS in collaboration with other state placing agencies has revised the process for providers obtaining a QRTP designation. There is an open application process for all providers to obtain the designation. In FY25, two additional providers have received the designation; as of today, there are eight (8) designated QRTPs. We have proactively worked with providers to ensure that they meet all of the requirements established for QRTPs. The Department anticipates that additional providers will receive the designation in FY26.

With respect to the Title IV-E reimbursement process for funding of non-family-based improvements, we are making the necessary enhancements to CJAMS and changes to our policies to streamline data collection and automate reporting. Some of our changes are taking time because they are part of our larger MD THINK plan for implementing software updates in FY25-26.

DHS should comment on the estimated completion timeline of the child welfare workload assessment.

DLS determined that the information provided [through this Report on Caseload Data and Filled Positions, Jan. 2, 2025] complies with the language restricting the general funds, and DLS therefore recommends the release of \$250,000 in withheld general funds and will process a letter to this effect if no objections are raised during the budget hearings. DLS also recommends adding language restricting funds in fiscal 2026 pending submission of the report [by November 1, 2025] with data as of September 1, 2025. (pg. 37, DLS Analysis)

DHS Response: We are in the process of developing a child welfare workload assessment procurement and hope to have it out in calendar year 2025. For more information, please see our [2024 report, submitted on January 2, 2025](#).

We concur with the report request for FY2026, but request a report due date of December 1, 2025 in order to complete data processing.

DLS recommends adding language in the fiscal 2025 withholding funds until a report containing this [hospital stays] data through September 2025 is submitted. (pg. 36, DLS Analysis)

DHS Response: We concur.

DLS recommends adopting committee narrative requesting DHS provide child fatalities data by jurisdiction. (pg. 37, DLS Analysis)

DHS Response: We agree to provide child fatality data by jurisdiction for calendar years 2023, 2024, and 2025 by January 7, 2026 (the original proposed date by DLS was January 10, 2025).

The Department disagrees with the recommendation to provide the jurisdictional data broken down secondarily by age category. The Department is concerned with issues of confidentiality in providing a granular level of identifying data.

DHS Response to DLS Recommended Actions (starting pg. 38, DLS Analysis):

- 1. Add the following language to the general fund appropriation: Further provided that \$250,000 of this appropriation made for the purpose of administrative expenses may not be expended until the Department of Human Services (DHS) submits a [report](#) to the budget committees on the number of child welfare services cases and positions required based on the caseload to meet the Child Welfare League of America (CWLA) caseload standards, by jurisdiction, for the following caseload types, as of September 1, 2025:**

- (1) intake screening;**
- (2) child protective investigation;**
- (3) consolidated in-home services;**
- (4) interagency family preservation services;**
- (5) services to families with children – intake;**
- (6) foster care;**
- (7) kinship care;**
- (8) family foster care;**
- (9) family foster homes – recruitment and new applications;**
- (10) family foster homes – ongoing and licensing;**
- (11) adoption;**
- (12) interstate compact for the placement of children; and**
- (13) caseworker supervision.**

The report shall also include a discussion of specific actions taken by the department and local departments of social services to reallocate positions, including the number of positions reallocated by type (caseworker or supervisor) between jurisdictions and identifying the jurisdictions that these positions were transferred from and to, in order to ensure that all jurisdictions can meet the standards for both caseworkers and supervisors.

The report shall also include an update on the status of work done by CWLA to develop new workload standards for child welfare staffing, the completion by DHS of its child welfare workforce analysis, and broader efforts by DHS to improve recruitment and retention of caseworkers. The report shall be submitted by November 1, 2025, and the budget committees shall have 45 days to review and comment. Funds restricted pending the receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted.

DHS Response: We concur.

2. Add the following language to the general fund appropriation:

Further provided that \$250,000 of this appropriation made for the purpose of administrative expenses may not be expended until the Department of Human Services (DHS) submits a [report](#) to the budget committees that provides data on hospital stays by children and youth in out-of-home placements for each month of the period October 2023 through September 2025. The report should include:

(1) the number of youth in out-of-home placement served in emergency rooms for psychiatric evaluation or crisis and the average length of stay (ALOS) by month;

(2) the number of youth in out-of-home placement served separately by medical hospitals and inpatient psychiatric hospitals and ALOS by month;

(3) the number of days that youth in out-of-home placements served in hospitals were in the hospital longer than was deemed medically necessary by either the hospital or a judicial finding separately by type of hospital; and

(4) the placement type after discharge separately by type of hospital, including identifying the number of youths placed out-of-state after discharge for fiscal 2024 and fiscal 2025.

The report shall be submitted by November 1, 2025, and the budget committees shall have 45 days to review and comment. Funds restricted pending the receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted.

DHS Response: We concur, but request that the due date be moved to December 1, 2025 in order to process the data.

3. Add the following language to the general fund appropriation:

, provided that \$250,000 of the general fund appropriation made for the purposes of administrative expenses may not be expended until the Department of Legislative Services submits a report that provides data for each month of the period October 2024 through September 2025 to the budget committees by November 1, 2025, on the number of unique and total youths in out-of-home placement placed in hotels by jurisdiction, the average length of stay by month, as well as summary information on the youth placed in hotel by age category.

The report shall be submitted by November 1, 2025, and the budget committees shall have 45 days to review and comment. Funds restricted pending the receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted.

DHS Response: We concur; however, we recommend that this report be merged into the above requested report for one report and for a combined due date of December 1, 2025. The Department also asks DLS to recognize reporting on the costs requires a new budget code for implementation in SFY26, and therefore reporting on costs will not be available for the full reporting period.

4. *Add the following language to the general fund appropriation:*

Further provided that \$100,000 of this appropriation made for the purpose of administrative expenses may not be expended until the Department of Human Services submits data for fiscal 2024 and 2025 including:

(1) the percentage of children with no recurrence of maltreatment within 12 months of a first occurrence;

(2) the rate of victimization per 100,000 days of foster care during a 12-month period;

(3) rate of placement moves per 1,000 days of foster care;

(4) exit to permanency within 12 months of entry into care;

(5) the number of reports of adult abuse;

(6) number of indicated or confirmed cases of adult abuse;

(7) rate of removal into foster care;

(8) rates of reentry into foster care for children within 12 months following exiting care to reunify with the child's family of origin; and

(9) rates of reentry into foster care for children within 12 months following exiting care to guardianship.

The fiscal 2024 data shall be submitted by July 1, 2025, and fiscal 2025 data shall be submitted with the Managing for Results submission during the fiscal 2027 budget process. The budget committees shall have 45 days to review and comment. Funds restricted pending the receipt of a report

may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted.

DHS Response: We concur.

5. ***Adopt the following narrative:***

Implementation of Provisions of the Family First Prevention Services Act (FFPSA): The committees are interested in continuing to receive updates on the implementation of evidence-based prevention practices and other services under provisions of the federal FFPSA and the outcomes of those programs and services for families and children served. The committees request that the Department of Human Services (DHS) submit a report including:

- a list of all evidence-based practices being implemented through fiscal 2025, including data on jurisdiction and the number of families and children served during the fiscal year;
- any new evidence-based practices being implemented during fiscal 2026;
- the status of the updated five-year Title IV-E prevention services plan;
- data on the effectiveness of implemented evidence-based practices at preventing occurrences of subsequent maltreatment and out-of-home placements from occurring as well as an evaluation of any other outcomes related to parent and child well-being;
- the current number of providers in the State that have received designation as a Qualified Residential Treatment Program (QRTP) to allow for federal reimbursement under the FFPSA, including if any additional providers received this designation during fiscal 2025 and if future solicitations of applications for QRTP designation are planned; and
- the status of the approval of the State's revised cost allocation plan, including a discussion of the current ability of DHS to seek federal reimbursement for evidence-based prevention practices.

DHS Response: We concur.

6. ***Adopt the following narrative:***

Child Fatalities Where Abuse or Neglect Are Determined to Be a Contributing Factor: The committees are interested in receiving updates on the number of child fatalities that involved child abuse and/or neglect. The committees request that the Department of Human Services (DHS)

submit a report that provides data for calendar 2023, 2024 and 2025 separately by age category and jurisdiction [by January 10, 2025].

DHS Response: We do not concur. We already provide this information to the State Child Fatality Review (CFR) team, [CFR's website here](#); their [most recent data here](#). We will work with the CFR to update their information.

Should this duplicative report be required, we request that the report be due January 7, 2026, instead of the original proposed date of January 10, 2025. In addition, we request that the jurisdictional data not be broken down by age category as it brings in concerns about confidentiality and the confidentiality of personal information for small data sets.

7. *Add the following language to the general fund appropriation:*

Further provided that these funds [N00G00.01 - Foster Care Maintenance Payments Program] are to be used only for the purposes herein appropriated, and there shall be no budgetary transfer to any other program or purpose. Funds not expended shall revert to the General Fund.

DHS Response: We concur.

8. *Reduce general [by -\$7,648,718] and federal [by -\$849,857] funds within Foster Care Maintenance Payments program. This reduction is associated with 5% rate reduction for institutional providers. The Department of Human Services may allocate the reduction among the rate classes as it deems appropriate.*

DHS Response: We do not concur, for the reasons discussed above in the earlier discussion item on rate reform.

9. *Adopt the following narrative:*

Monthly Data on Out-of-home Placement of Children and Youth: The committees are interested in receiving updates on Child Welfare Services data. The committees request that the Department of Human Services (DHS) submit monthly reports that provide data for each month of fiscal 2025 separately by jurisdiction on:

- **child maltreatment for children and youth in out-of-home placements and type of response exercised (investigative and alternative);**
- **findings for completed investigations;**
- **children in out-of-home placements through DHS; and**
- **in-home family preservation services provided by DHS.**

In addition to the report submission, data should be provided in an electronic format subject to concurrence of the Department of Legislative Services.

DHS Response: We do not concur with this reporting recommendation because we are already taking an alternative approach via a public-facing dashboard with live data.

10. *Adopt the following narrative:*

Implementation of the Foster Care Provider Rate Reform: The committees are interested in receiving an update on steps taken to implement the second phase of the new foster care provider rate reform. The committees request that the Department of Human Services (DHS) submit a report [by November 1, 2025] discussing the status of the second phase of the rate reform including steps taken in fiscal 2025 and year to date in fiscal 2026, as well as planned steps in fiscal 2027. DHS is also requested to provide information on the revised rates to be implemented as well as a comparison with costs under the current rate structure for those impacted by the second phase of rate reform. Additionally, the committees request DHS provide data on the number of children served within each class of the new rate structure as well as costs associated with each class for the first phase of rate reform implemented in fiscal 2025. This data should be provided separately for fiscal 2025 actual data and year to date in fiscal 2026.

DHS Response: We concur with the report request; we respectfully request that the General Assembly maintain the rate reform process by rejecting the earlier DLS reduction proposal.

11. *Adopt the following narrative:*

Costs Associated with Youths in Out-of-home Placements Placed in Hotels: The committees are interested in receiving data on the costs associated with placing youths in out-of-home placements in hotels. The committees request that the Department of Human Services (DHS) include in the fiscal 2027 budget subprogram detail for fiscal 2025 actual, fiscal 2026 working, and fiscal 2027 allowance that separately identifies payments and anticipated payments for youth in out-of-home placements placed in hotels paid through the Foster Care Maintenance Payments program.

DHS Response: We concur.

12. ***Add the following language to the general fund appropriation:***

, provided that these funds are to be used only for the purposes herein appropriated, and there shall be no budgetary transfer to any other program or purpose except that funds may be transferred to program N00G00.01 Foster Care Maintenance Payments. Funds not expended or transferred shall revert to the General Fund.

DHS Response: We concur.

13. ***Add the following language to the general fund appropriation:***

, provided that these funds [N00G00.01] are to be used only for the purposes herein appropriated, and there shall be no budgetary transfer to any other program or purpose. Funds not expended or transferred shall revert to the General Fund.

DHS Response: We concur.

DHS Response to DLS Recommended Budget Reconciliation and Financing Act Recommended Actions (pg. 45, DLS Analysis):

- 1. Add a provision that for fiscal year 2026, payments to providers with rates set by the Interagency Rates Committee under Section 8-417 of the Education Article may not increase over the rates in effect on January 1, 2025.***

DHS Response: We do not concur, for the reasons stated above in the rate reform discussion.