

# *Human Services & Medicaid Issues State Comparisons \**



Staff Presentation to the House  
Finance Committee

May 4, 2011 – \*with subsequent data corrections

# *Introduction*

- Committee held hearings in April 2010, November 2010 and this past February on human service agencies
- Also held staff briefings on agencies under the umbrella of Office of Health and Human Services
- Previously in context of stimulus funding and limitations on program and eligibility changes under ARRA

## *Human Services - % of total spending*

	FY 2009	FY 2010	FY 2011	FY 2012
All Funds	37.7%	37.4%	38.3%	40.7%
General Revenues	35.0	35.1	37.2	39.7

## *Human Services - % of total spending*

	FY 2006	FY 2007	FY 2008
All Funds	40.2%	38.2%	39.4%
General Revenues	39.0	36.7	37.0

# *Introduction*

- Committee requested state comparison information from the Executive Office of Health and Human Services
  - ◆ Program and eligibility comparison to Massachusetts and Connecticut

# *Introduction*

- OHHS has submitted comparisons
  - ◆ Includes Medicaid spending in DHS
  - ◆ Mandatory v. Optional Populations spending
    - Potential Impact of Changes
  - ◆ Cash assistance eligibility and expenses
  - ◆ Additional report for eligibility criteria for adults with developmental disabilities

# *Introduction*

- OHHS report generally does not include costs from BHDDH or DCYF
  - ◆ Residential and other services
  - ◆ Medical costs in DHS' budget
- House Fiscal Staff presentation attempts to provide additional information
  - ◆ Notations are included where appropriate

# State Comparisons

	RI	CT	MA
Population (millions)	1.05	3.5	6.6
Median Income Family of 3	\$73,619	\$84,873	\$82,883
Families at or below 100%	8%	7%	7%
Individuals at or below 100%	12%	9%	10%
Shortfall (millions)	\$300.0	\$3,700.0	\$1,800.0
% of SFY 2011	9.1%	18%	5.7%

(information adapted from OHHS report)



# State Comparisons

At or below 100% of poverty	RI	CT	MA
Children to 18	24%	15%	20%
Adults 18 to 65	16	12	14
Over 65 and older	13	9	11

(information adapted from OHHS report)

## *Introduction: Limitations to Data*

- Limitations to interstate comparisons and national comparisons
  - ◆ Does not segregate institutional v. community based care
  - ◆ Higher cost per person in a community base setting
- Differences may show up in when comparing payments made to providers
- Massachusetts has universal health coverage

# *Human Services & Medicaid*

- Programs and services for:
  - ◆ Children and their parents
  - ◆ Children with special health care needs
  - ◆ Adults with disabilities
  - ◆ Elderly
  - ◆ Veterans

## *OHHS Departments – FY 2012 Gov Rec*

FY 2012	General Rev	All Funds
DHS	\$864.1	\$2,240.0
BHDDH	190.5	442.0
DCYF	139.4	210.9
DOH	26.7	151.5
DVA	19.0	28.7
DEA	19.0	27.5
OHHS	9.6	16.8
Total	\$1,258.8	\$3,117.3

## *OHHS Departments – FY 2012 Gov Rec*

- Governor includes \$70.5 million in savings in human service agencies
  - ◆ \$24.6 million in DCYF
  - ◆ \$22.5 million in DHS
    - \$6.1 million rate reduction to nursing homes
  - ◆ \$20.5 million in BHDDH
    - \$12.7 million from shifting costs to federal funds for health home initiative

## *OHHS Departments History – All Funds*

FY	DHS	BHDDH	DCYF	DEA
2011	\$2,222.6	\$455.3	\$230.1	\$32.2
2010	2,030.8	458.9	234.2	25.2
2009	1,834.9	466.6	250.0	32.7
2008	1,847.6	489.4	227.0	34.4
2007	1,574.3	481.5	311.8	37.5
2006	1,683.2	493.6	285.5	46.0

## *OHHS Departments History – All Funds*

FY	DOH	OHHS	Total
2011	\$156.9	\$7.7	\$3,104.8
2010	131.7	5.1	2,885.9
2009	122.2	7.1	2,713.4
2008	126.6	3.8	2,728.8
2007	104.6	0.6	2,510.3
2006	108.2	-	2,616.6

# *OHHS Departments History – General Revenues*

FY	DHS	BHDDH	DCYF	DEA
2011	\$736.6	\$170.9	\$152.9	\$9.6
2010	653.6	160.7	152.8	8.0
2009	661.5	184.1	160.3	14.1
2008	815.8	242.0	151.5	17.0
2007	704.6	238.3	189.4	19.6
2006	718.5	249.9	168.0	23.0



# *OHHS Departments History – General Revenues*

FY	DOH	OHHS	Total
2011	\$28.3	\$3.5	\$1,101.9
2010	25.2	3.3	1,003.6
2009	26.2	3.4	1,049.6
2008	30.0	0.4	1,256.5
2007	31.5	0.3	1,183.6
2006	37.3	-	1,196.7

# *Human Service Programs*

- *Entitlements*
- Mandatory/Optional Populations
- Mandatory/Optional Services
- How RI Compares: Medicaid
- State's Medicaid Program
- Other Entitlements
- Other Programs
- Federal Health Care Reform

# *Entitlements*

- Entitlements: Qualify for the program if eligibility criteria is met
  - ◆ Medicaid
  - ◆ Rhode Island Works
  - ◆ Subsidized Child Care
  - ◆ Supplemental Security Income Program

# Poverty Level

Family Size	100%	150%	175%	250%
1	\$10,830	\$16,245	\$18,953	\$27,075
2	14,570	21,855	25,498	36,425
3	18,310	27,465	32,043	45,775
4	22,050	33,075	38,588	55,125

# *Entitlements – Medicaid*

- Title XIX of Social Security Act
- Citizen or 5 yrs of legal permanent residency
- Federal/State Partnership
  - ◆ Mandatory populations & services that states must provide
  - ◆ Optional populations & services that states chose to provide

# *Entitlements – Medicaid*

- Federal government shares in cost
  - ◆ Medicaid (FMAP) match rate
  - ◆ Based on 3-yr avg. of each states' per capita income
- Children's Health Insurance Program
  - ◆ States receive a higher Medicaid match to cover additional populations
  - ◆ RI – children above 133% to 250% of poverty level
    - ◆ FY 2011 CHIP match rate – 67.02%
    - ◆ FY 2012 CHIP match rate – 66.65 %

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# *Medicaid - Populations*

- **Mandatory:**
  - ◆ Low Income Medicare Beneficiaries
  - ◆ Individuals who would qualify under 1996 AFDC eligibility standards (50% of poverty)
  - ◆ SSI or SSDI recipients



# *Medicaid - Populations*

- **Mandatory:**
  - ◆ Children under 6 and pregnant women at or below 133% of poverty
  - ◆ Children 6 to 19 at or below 100% of poverty
  - ◆ Children in adoption assistance or who live in foster care under a federal Title IV-E program
  - ◆ Infants born to Medicaid-enrolled pregnant women

# *Medicaid - Populations*

- Optional:
  - ◆ Low income elderly or adults with disabilities
  - ◆ Individuals eligible for home & community based waiver services
    - Delay nursing home placement
  - ◆ Children and parents above federal limits

# *Medicaid - Populations*

- Optional:

- ◆ Individuals who are medically needy
  - Not eligible for Medicaid except for large medical bills
- ◆ Children under 18 who would otherwise need institutional care (Katie Beckett)
- ◆ Women eligible for breast and cervical cancer program - screened through Dept of Health

# *Human Service Programs*

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# *Medicaid – Mandatory Acute Care Benefits*

- Physician Services
- Lab & X-ray
- In/Outpatient Hospital
- EPSDT
- Family Planning Services & Supplies
- Federally Qualified Health Centers
- Rural Health Clinic Services
- Nurse Midwife Services as state law permits
- Certified Pediatric & family nurse practitioner services

# *Medicaid – Optional Acute Care Benefits*

- Prescription Drugs
- Rehabilitation & Other therapies
- Clinic Services
- Dental, dentures
- Prosthetic devices, eyeglasses
- Case management
- Durable medical equipment
- TB – related services
- Medical/ remedial care provided by other licensed professionals

# Medicaid - Long Term Care Benefits

Mandatory	Optional
<b><i>Institutional</i></b>	
<ul style="list-style-type: none"><li>▪ Nursing facility services for those 21 or older needing that level of care</li></ul>	<ul style="list-style-type: none"><li>▪ Intermediate Care Facility</li><li>▪ 65 + at inst of mental disease</li><li>▪ Inpatient psych hospital services for under 21</li></ul>
<b><i>Home and Community Services</i></b>	
<ul style="list-style-type: none"><li>▪ Home health care services for those entitled to nursing home care</li></ul>	<ul style="list-style-type: none"><li>▪ Home &amp; comm based</li><li>▪ Targeted case mgt</li><li>▪ Hospice- personal care</li><li>▪ PACE program</li></ul>

# *Medicaid - Long Term Care Benefits*

Residential & Community Based Care	Mandatory/Opt
Nursing Home	Mandatory
Intermediate Care Facility	Optional
Community Based Care	Optional
State Operated Hospital	Optional



# *Medicaid - Long Term Care Benefits*

- Nursing Home Care:
  - ◆ Meet 3 deficiencies in activities of daily living
- Intermediate Care Facility:
  - ◆ Need of active health and rehabilitative services
- Hospital Care:
  - ◆ Intensive medical needs
- Community Based Services:
  - ◆ Require Nursing Home or ICF level of care

# *Medicaid - Long Term Care Benefits*

- Hospital
  - ◆ Intensive medical needs
- Community Based Services:
  - ◆ Require Nursing Home or ICF level of care
  - ◆ Elderly
  - ◆ Adults with developmental disabilities

# *Human Service Programs*

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- Other Programs
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# *State vs. US Medicaid Spending*

- Four Categories
  - ◆ Children: Rite Care
  - ◆ Adults: Rite Care
  - ◆ Blind/Disabled: Includes disabled children
  - ◆ Elderly

# *State vs. US Medicaid Spending*

- RI: 76% of expenses for 33% of population
  - ◆ Elderly, blind and disabled categories

## *Medicaid Share of Enrollment*

	US	RI	CT	MA
Children	18.6%	18.3%	16.6%	18.9%
Adults	11.9	8.5	7.4	12.5
Disabled	40.9	46.6	38.2	41.8
Aged	24.3	26.3	37.1	26.3
Total	100.0%	100.0%	100.0%	100.0%

*\*Based on 2007 data*

## *Medicaid Per Enrollee Cost*

	US	RI	CT	MA
Children	\$2,135	\$3,542	\$2,527	\$4,064
Adults	2,541	3,869	2,615	3,506
Disabled	14,481	20,220	21,650	10,641
Aged	12,499	17,171	21,507	18,069
Total	\$5,163	\$8,796	\$7,357	\$7,490

*\*Based on 2007 data*

## *How RI Compares*

- As a percent of the total population receiving Medicaid funded services, Rhode Island's enrollment includes more disabled
- Costs for each group exceeds the US average



## *RIPEC: How RI Compares*

Per capita	Cash Payments	Rank	Provider Payments	Rank
US	\$68		\$1,003	
RI	53	25	1,785	1
MA	56	22	1,667	2
CT	58	21	1,087	17

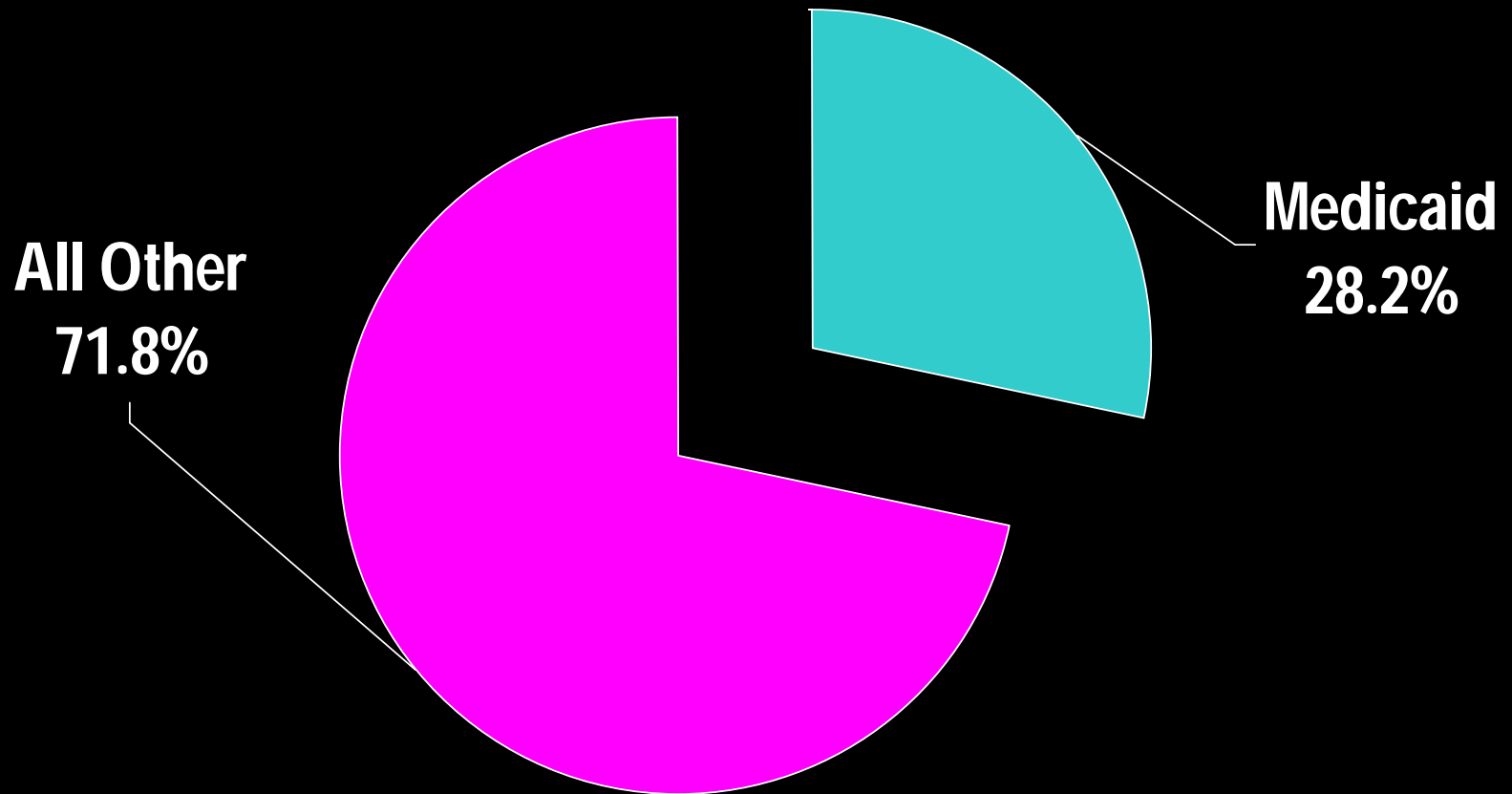
## *RIPEC: How RI Compares*

Per capita	Other Public Welfare	Rank	Total	Rank
US	\$271		\$1,341	
RI	198	34	2,036	3
MA	197	35	1,920	6
CT	336	10	1,480	11

# *Human Service Programs*

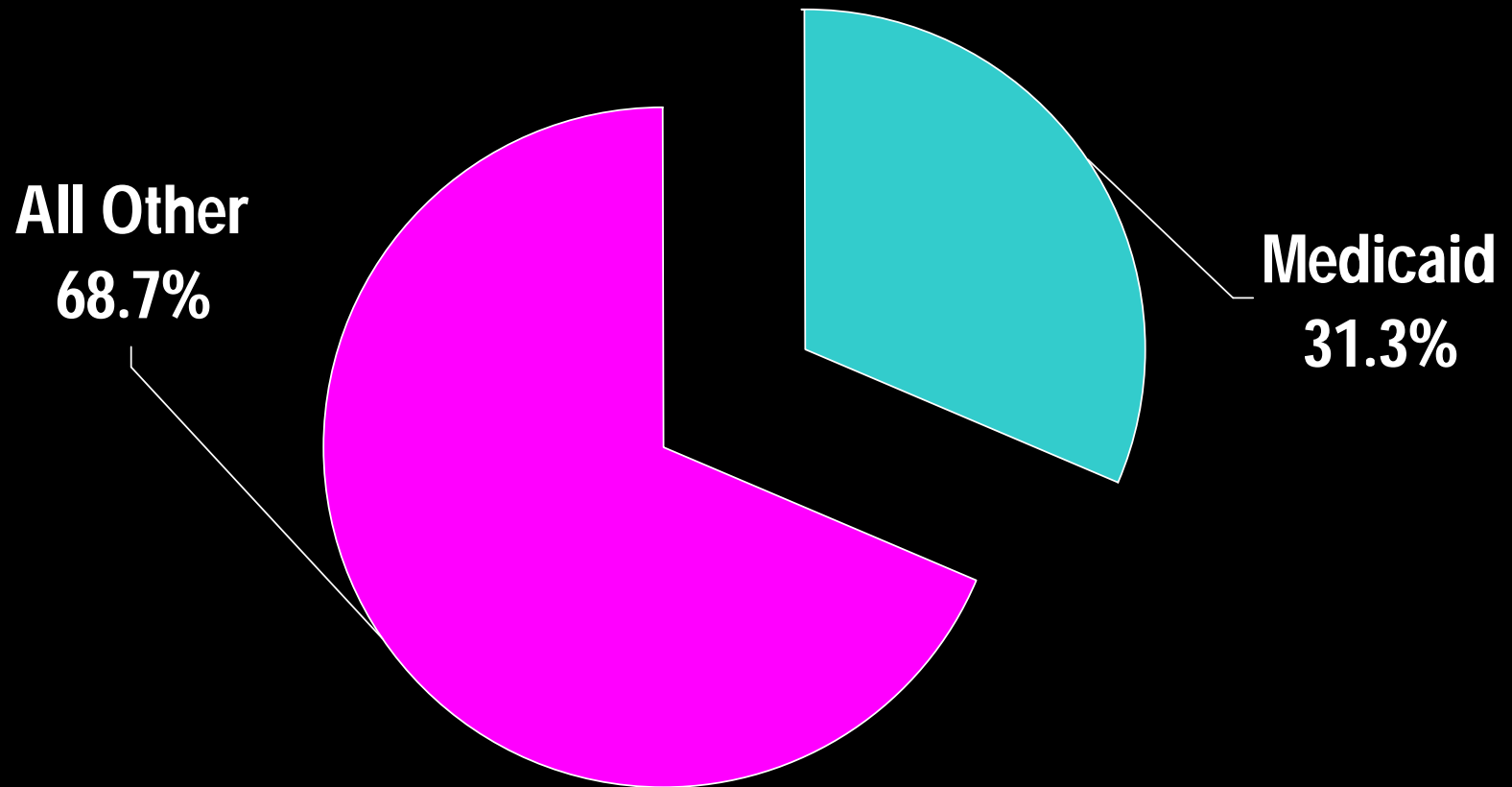
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*Medicaid - % of State Budget – FY 2012*  
*Governor - All Funds*



# *Medicaid - % of State Budget – FY 2012*

## *Governor - General Revenues*



# Children & Parents

	Federal	RI	CT*	MA
Children	Under 6 to 133%			
	6 – 19 at/below 100%	to 250%	to 300%	to 300%
Parents	AFDC	to 175%	to 185%* (prev. noted 150% in error)	to 133%

## *Children and Parents: RI Coverage*

	#Clients	Cost*
Parents - 175% to 150%	3,415	\$10.7
Parents - below 150% to 100%	11,338	35.8
Children – 250% to 200%	2,837	8.9

(\*in millions using an annual cost of \$3,145)

## Children and Parents: RI Coverage

	#Clients	Cost*
Children – 200% to 185%	1,424	\$4.4
Children – 185% to 150%	5,663	17.8
Children – 150% to 100%	31,808	100.0
(* in millions)		

(Note: client information from DHS testimony at May CEC  
Cost estimate from fiscal staff)



# Children & Parents Comparison

	= CT Coverage <sup>1</sup>	= MA Coverage
Children	\$8.9*	\$8.9*
Parents	4.7**	(26.8)***

(\*HFS assumes 2,800 children added to program)

(\*\*HFS assumes 1,500 parents added to the program)

(\*\*HFS assumes 5,000 parents in the 150 to 133 category)

<sup>1</sup>Earlier version showed savings in CT Coverage column for parents

# *Elderly*

- Admittance into nursing facility: need nursing home level of care
  - ◆ 3 deficiencies in activities of daily living
    - Mobility, bathing, dressing, meal preparation
  - ◆ Meet income eligibility
- Home and community based services
  - ◆ Deficiency in activities of daily living

## *Elderly – Services*

Residential	RI	CT	MA	Type
Nursing Home	X	X	X	Mandatory
Assisted Living	X	X	X	Optional

## *Elderly – Services*

	RI	CT	MA	Type
Adult Day	X	?	?	Optional
Home Care	X	?	?	Optional

# Elderly

	RI	CT	MA
% of population 65 and older	14.3%	13.9%	13.6%
% below poverty	13%	11%	9%
# of Nursing Homes	85	241	428

# *Federal Disability Programs*

- Social Security Insurance Disability Income
  - ◆ Federal payment
  - ◆ Individual has a work history
- Supplemental Security Income Program
  - ◆ Monthly payment supplemented by state
  - ◆ Considered public assistance
  - ◆ Individual may be eligible for SSI/SSDI

## *Disabled Population – Adults*

- Meet the federal Social Security Administration's definition of a disability:
  - ◆ *“Inability to engage in any substantial gainful activity because of a physical or mental impairment which can be expected to result in death or has lasted or can be expected to last for a continuous period-not less than 12 months”*
- Meet income guidelines

# *SSI Beneficiaries*

	RI	CT	MA
% of total population	2.7%	1.4%	2.1%
% of state Medicaid population	19.0%	17.4%	17.0%
State Supplemental to Federal Payment	X	X	X
Medical Benefits	X	X	X



## *State Supplemental to Federal Payment*

	RI	CT	MA
Own Household (Ind/Couple)	\$40/\$79	\$168/\$274	\$114 - \$128 180 - 636
Another Household	\$52/\$97	-	\$88 - \$374 194 - 215
Medicaid Facility	\$20	\$39/\$78	\$43/\$86
Assisted Living	\$538	Based on Cost	\$454/\$681

## *State Supplemental to Federal Payment*

	RI	CT	MA
Licensed Rest Home	-	-	\$149 - \$293 636 - 923
Shared Living	-	-	\$30 - \$150 180 - 363
Total Average Beneficiaries	32,050	10,240	187,359

## *Disabled Population – Adults*

- Individuals with developmental disabilities
  - ◆ State has option to use one or both federal eligibility thresholds. RI statute references both:
    - ◆ First if a person's IQ is 70 or below, they are eligible for services

## *Disabled Population – Adults, con't.*

- Individuals with developmental disabilities
  - ◆ 2nd: person w/ severe, chronic disability that:
  - ◆ *“Results in substantial functional limitation in 3 or more areas of a major life activity: self care, receptive and expressive language, learning, mobility, self-direction, capacity for independent living and economic self-sufficiency”*
  - ◆ Further defined by the Department

## *Disabled Population – Adults, con't.*

- Individuals with developmental disabilities
  - ◆ 2nd: person w/ severe, chronic disability that is:
    - ◆ *“Attributable to a mental or physical impairment or a combination of both;*
    - ◆ *Manifested before the person turned 22 and is likely to continue”*

## *Disabled Population – Adults*

- OHHS also provides memo from Burns and Associates as part of this exercise
  - ◆ Compares state definitions for eligibility for developmental disability services
    - RI did not respond to the survey
  - ◆ 31 using mixed definition or federal definition
    - Of those 8 use expanded federal definition
  - ◆ 16 used IQ/related conditions definition

## *Disabled Population – Adults*

- Memo concludes that RI definition is perhaps more “liberal” than those used by other New England states
  - ◆ “Definitely so compared to MA and CT”
  - ◆ “Generally in line with the rest of the nation”
- RI commits greater fiscal effort to developmental disability services
- Funding has been reduced

## *Disabled Population – Adults*

- Burns and Associates: Options
  - ◆ Capping the number of individuals that can participate in program
    - Waiver currently capped at 4,292
  - ◆ Only permit future entrants into the program that are members of a targeted subgroup
    - Limited to certain diagnosis



## *Disabled Population – Adults*

- Burns and Associates: Options
  - ◆ Establish cost limits on the amount of resources devoted to support an individual
  - ◆ Limit amount, duration or scope of services
  - ◆ Limit or reduce rate
- Another option: Waiting lists

## *Adults with Developmental Disabilities*

	RI	CT	MA
Eligibility	IQ or Federal Definition	IQ/Related	IQ
Autism Waiver	No/not needed	Pilot program (50 adults)	No adults (Child to 9 <sup>th</sup> birthday)

# *Adults with Developmental Disabilities*

Benefit	RI	CT	MA	Type
Nursing Homes	X	X	X	Mandatory
ICF	X	X	X	Optional
Community Based Waiver Services	X	X	X	Optional

# *Adults with Developmental Disabilities*

Waiver Services	RI	CT	MA
Residential	X	X	X
Day & Supported Employment	X	X	X
Respite	X	X	X
Family Supports	X	X	X

# *Adults with Developmental Disabilities*

Program	FY 2011 Rev	FY 2012 Gov
State Run RICLAS	\$35.8	\$31.2
Community Based Waiver Services	201.8	\$192.4
Total (All Funds)	\$237.6	\$233.5

# *Medicaid Services – Rehab Option*

Rehab Option	FY 2012 Gov Rec
Mental Health	\$63.8
Substance Abuse	6.7
Developmental Disabilities	1.5

# *Disabled Population – Children*

- Katie Beckett Provision
  - ◆ TEFRA option
  - ◆ 24 states (plus D.C.) provide services
  - ◆ Disability requires institutional level of care
  - ◆ States can provide services through waiver or state plan amendment
  - ◆ Can limit enrollment
  - ◆ Receive home based services

# Children with Special Health Care Needs

TEFRA option	RI (Katie Beckett)	CT (Katie Beckett)	MA (Kaileigh Mulligan)
Clinical	SSI disability criteria & inst. level of care		
Child's Income	Up to \$2,269 a month	Up to \$60 a month	Up to \$2,022 a month
Current Enrollment	1,200	187	250
Waiting list	No	Yes	No
FY 2010	\$31.5 M		



# Medicaid Coverage

	RI	CT	MA
Pregnant Women	250%	250%	300%
Children – Legal Permanent Residents	250%	300%	300%
Non-disabled Adults under 64	No Coverage	Limited Benefit Package	

## *Other Residential Services*

	RI	CT	MA
State Hospital	X	?	X
Inpatient Psychiatric Hospitalization Children	X	?	?
Veterans Home	X	X	X

# *CNOM Programs*

All Funds	FY 2012 Gov Rec
BHDDH Mental Health Treatment	\$6.9
BHDDH Substance Abuse Services	4.3
BHDDH Developmental Dis. Programs	1.8

# *CNOM Programs*

All Funds	FY 2012 Gov Rec
DCYF Residential Diversion	\$6.5
DEA Home and Community Care	4.8
DOH HIV Services	4.1

# State Only Programs

DCYF	FY 2012 Gov
Purchased Placements	\$11.7
Foster Care	11.7
18 to 21 yr. olds	10.1
Residential Care	6.7

## *State Only and Other Programs*

	RI
BHDDH Substance Abuse	\$4.4
BHDDH DD Services	3.6
BHDDH Mental Health	0.6
DHS Hardship	0.4
EITC Refundable at:	Partially at 25%*
(*MA at 15%/No EITC in CT)	

## *Annual Cost – Medical*

Population	Annual Cost
Rlte Care – Child/Parents	\$3,400
Rlte Care – Special Needs Child	9,220

## *Annual Cost - Medical*

Population	FY 2011
Rhody Health – DD	\$9,564
Rhody Health – Severely, Persistently Mentally ill	16,620
Rhody Health – Disabled over 44	15,619
Rhody Health – Disabled age 21 to 44	11,398



# *Annual Cost - Residential and Other Services*

Population	Cost
DD – Residential and Other Services	\$61,856
DHS - Nursing Homes	60,000
DCYF – Foster Care (non-relative)	39,785

# Medicaid Expenses\*

Mandatory Population		
	Gen Rev	All Funds
Mandatory Services	\$247.4	\$634.7
Optional Services	115.1	295.4
Optional Population		
Mandatory Services	\$233.2	\$578.6
Optional Services	86.2	221.3
Total Expenses	681.9	1,730.0

\* OHHS Annual Medicaid Report FY 2009 p. 30

# *Optional Services*

DHS	All Funds
Pharmacy	\$81.1
Elderly Home and Community Care	68.4
CEDARR Services	32.0
Dental	11.3

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## *Other Entitlements*

- Temporary Assistance to Needy Families Funding
  - ◆ RI – Rhode Island Works
- Subsidized Child Care

## *Temporary Assistance to Needy Families*

	RI	CT	MA
Time Limit	48 mths	60 mths	none
Eligibility Disregard	\$170/50% of remainder	\$90	\$90
Eligibility Benefit		100% until exceed poverty	\$120/50% of remainder

# Temporary Assistance to Needy Families

	RI	CT	MA
Mthly Payment Family of 3	\$554	\$423-674*	\$618
Birth of another child while on assistance	Added Payment	No change in payment	½ average increase
Full Family Sanction (non-compliance w/work plan)	After 3 months	After 1 <sup>st</sup> non compliance	After 3rd offense
State Only	No	Yes	Yes

(\*varies by region)

## Subsidized Child Care

	RI	CT	MA
TANF Recipients	Child care services without cost sharing requirement		
Low Income Families	At or below 180% of poverty	50% of median (about 245%)	
Payments	Statute	State Rules and Regs	
Cost Sharing	Up to 8% of income	100% of state rate	Up to 10% of income



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# *Federal Health Care Reform: Patient Protection & Affordable Health Care Act*

- Maintenance of Effort
  - ◆ Eligibility – same as ARRA
  - ◆ Unless state can prove a deficit
  - ◆ Changes can still be made
- Extends benefits to childless adults at or below 133% of poverty
- Extends benefits to former foster care children who were in state custody at 18
- State impact still under review

# *Human Services & Medicaid Issues*



Staff Presentation to the House  
Finance Committee

May 4, 2011