

Office of Health and Human Services

Staff Presentation to the House Finance Committee
FY 2014 Revised and FY 2015 Budgets
March 12, 2014

OHHS

- Principal agency to manage the 4 health and human service agencies
 - Department of Behavioral Healthcare, Developmental Disabilities and Hospitals
 - Department of Children, Youth and Families
 - Department of Human Services
 - Division of Elderly Affairs
 - Department of Health

OHHS

- Governor appoints the directors of the 4 agencies under the OHHS umbrella
- OHHS is responsible for managing and providing strategic leadership and direction to the 4 departments
- Directors retain statutory authority

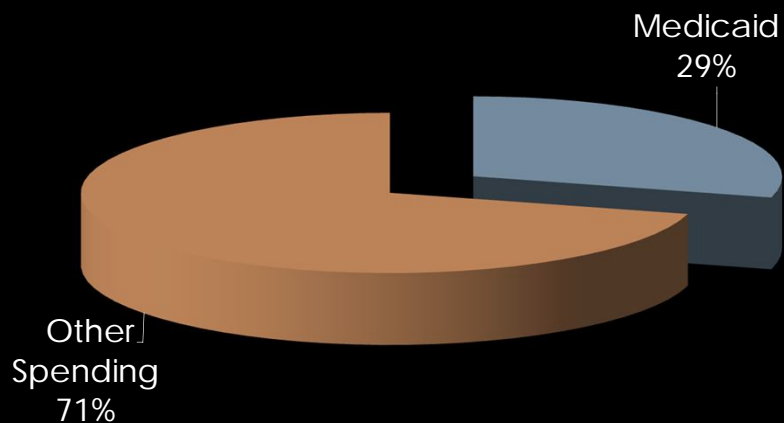
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OHHS

- Improve the efficiency coordination of health and human services policy, planning budgeting and financing functions
 - Centralized financial management & legal
- State Medicaid Agency
 - Medicaid expenses appear in 4 agencies
 - Other Medicaid programs - BHDDH & DCYF

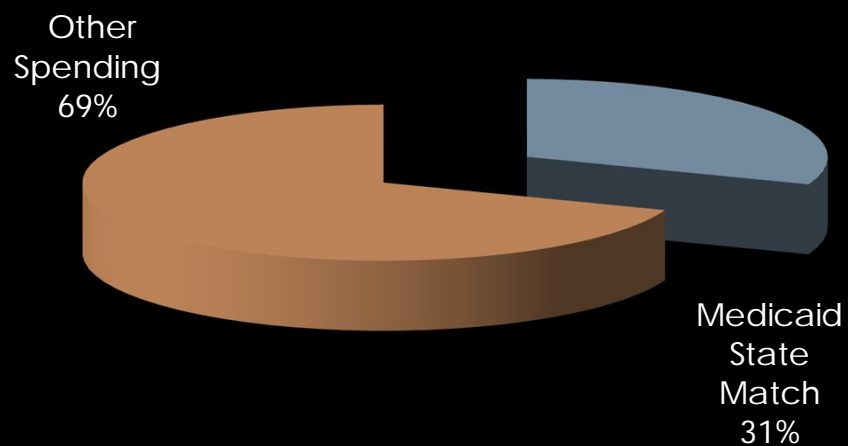
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Medicaid % of Budget – All Funds



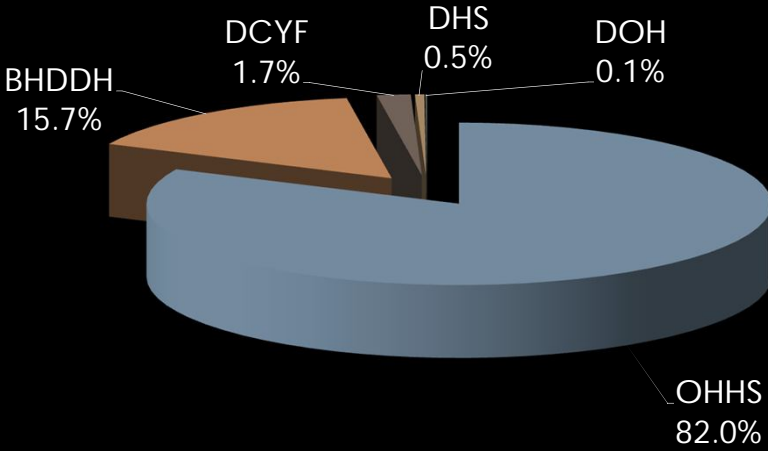
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Medicaid % of Budget - General Revenue Spending



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Medicaid Spending by Department



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Medicaid Beneficiaries

	OHHS	BHDDH
Elderly & Disabled		
Acute Care	X	
Mental Health Treatment	X	X
Substance Abuse Treatment	X	X
Long Term Care	X	
Other Community Supports		X
Other Residential	X	X

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Medicaid Beneficiaries

Children & Parents	OHHS	DCYF
Medical Benefits	X	
Mental Health Treatment	X	X
Substance Abuse Treatment	X	
Other Community Supports		X
Other Residential	X	X

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OHHS Summary

(Millions)	Enacted	FY 2014 Gov. Rev.	Chg.	FY 2015 Gov. Rec.	Chg.
General Revenues	\$843.2	\$842.0	(\$1.2)	\$847.6	\$4.4
Federal Funds	1,014.7	1,022.4	7.7	1,231.4	216.7
Restricted Receipts	10.0	10.0	-	13.8	3.8
Total	\$1,867.9	\$1,874.4	\$6.5	\$2,092.8	\$224.9
FTEs	184.0	184.0	-	184.0	-

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OHHS by Program

(millions)	Enacted	FY 2014 Gov. Rev.	Chg.	FY 2015 Gov. Rec.	Chg.
Medical Assistance	\$1,750.7	\$1,747.3	(\$3.4)	\$1,966.0	\$215.4
Central Mgt.	117.3	127.1	9.9	126.8	9.6
Total	\$1,867.9	\$1,874.4	\$6.5	\$2,092.8	\$224.9
FTEs	184.0	184.0	-	184.0	-

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OHHS by Category

(millions)	Enacted	FY 2014 Gov.	Chg.	FY 2015 Gov.	Chg.
Salaries/Ben	\$22.6	\$21.8	(\$0.8)	\$22.9	\$0.3
Contracted Services	49.8	64.2	14.4	67.1	17.3
Operating	5.8	5.1	(0.7)	4.7	(1.1)
Grants	1,782.5	1,779.0	(3.4)	1,994.9	212.4
Capital	7.3	4.3	(3.0)	3.3	(4.0)
Total	\$1,867.9	\$1,874.4	\$6.5	\$2,092.8	\$224.9

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Target Budget

- Budget Office provided a target of \$823.8 million
- Current service adjustments of \$42.6 million
 - Entitlements - \$50.0 million
 - Non-recurring & other expenses – \$7.5 million reduction
 - Statewide Adjustments - \$0.1 million
- 7% reduction of \$62.0 million
- Request is \$1,512 above the target

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Target Budget: Current Service Adjustments

- Entitlements - \$50 million
- \$5.7 million - updated Medicaid rate that increases the state's share of costs
 - \$27.0 million - managed care
 - \$11.4 million - nursing and home & community care services
 - \$2.1 million – hospitals
 - \$3.9 million – all other services (including pharmacy)

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Medical Assistance

Caseload Estimating Conference

- House Fiscal, Senate Fiscal and State Budget Office staff estimate expenditures for medical benefits and cash assistance programs in OHHS & DHS
- Convenes twice a year, November and May
- Estimates based on current law only

Medical Assistance: Programs

- Managed Care
- Rhody Health Options (new program)
- Long Term Care: Nursing Facilities & Home and Community Care
- Rhody Health Partners
- Hospitals
- Pharmacy: Drugs & Clawback
- Other Medical Services

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Rhody Health Options

- Integrated care system for “dual eligibles”
 - Eligible for Medicare and Medicaid
- November 2013 state entered into a contract with Neighborhood Health
 - Phase I – Provide acute care and long term care benefits through managed care option

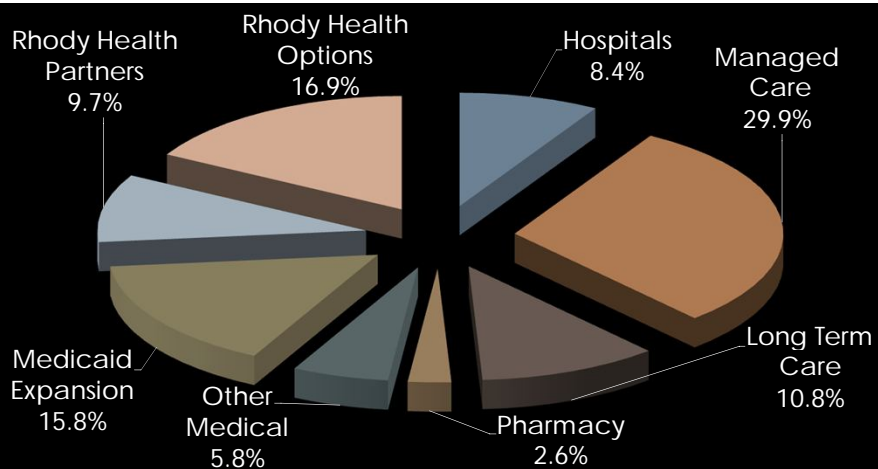
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Rhody Health Options

- 75 nursing homes signed contracts
 - Approximately 2,600 nursing home residents
- 11 other states pursuing similar agreements
 - Including Massachusetts, Michigan, New York, California, Ohio, Washington and Illinois

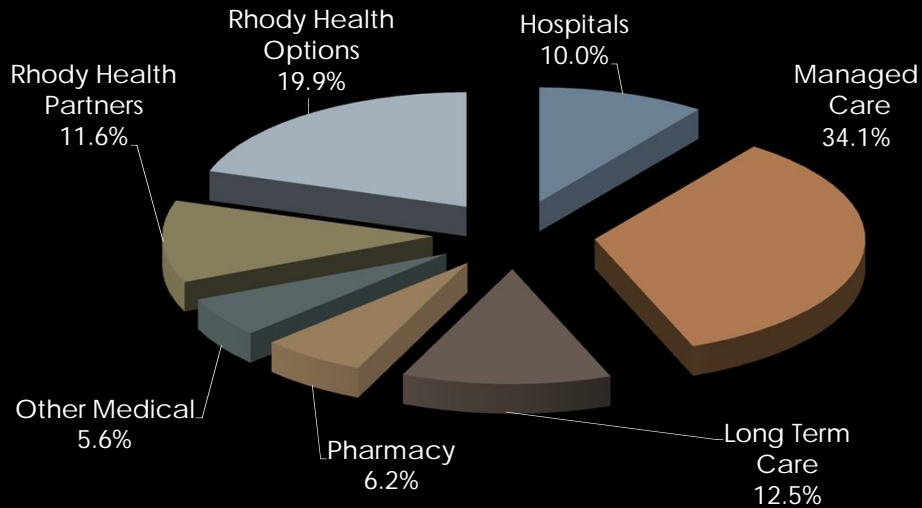
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Governor's FY 2015 Recommendation: All Funds



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Governor's FY 2015 Recommendation: General Revenues



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Medical Assistance

Program (millions)	FY 2012 Spent	FY 2013 Spent	FY 2014 Gov. Rev.	FY 2015 Nov. CEC	FY 2015 Gov. Rec.
Managed Care	\$558.5	\$549.3	\$591.0	\$621.6	\$582.0
Rhody Health Options	-	-	126.3	330.0	330.0
Nursing & Hospice	347.4	352.9	285.8	175.5	167.5
Home & Comm Care	73.1	80.2	78.2	43.5	43.5

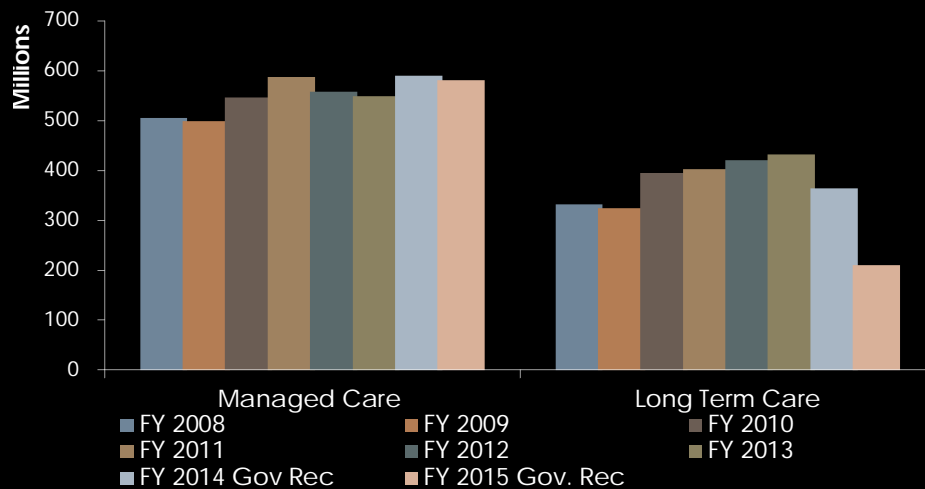
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Medical Assistance

Program (cont.) (millions)	FY 2012 Spent	FY 2013 Spent	FY 2014 Gov. Rec.	FY 2015 Nov. CEC	FY 2015 Gov. Rec.
Rhody Health Partners	\$175.6	\$185.0	\$198.0	\$206.0	\$188.7
Hospitals	219.0	211.3	199.1	177.4	164.5
Pharmacy	45.1	49.6	51.6	50.6	50.6
Other Medical	115.8	117.0	198.3	420.7	420.2
Total	\$1,534.5	\$1,545.3	\$1,728.3	\$2,025.3	\$1,947.0

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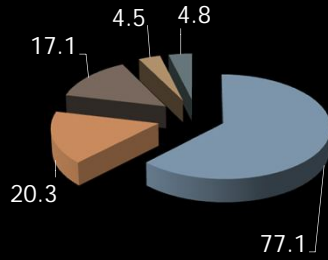
Medical Assistance



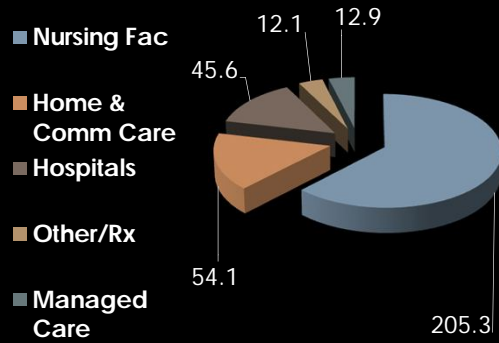
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Rhody Health Options

FY 2014 Gov. Rev.

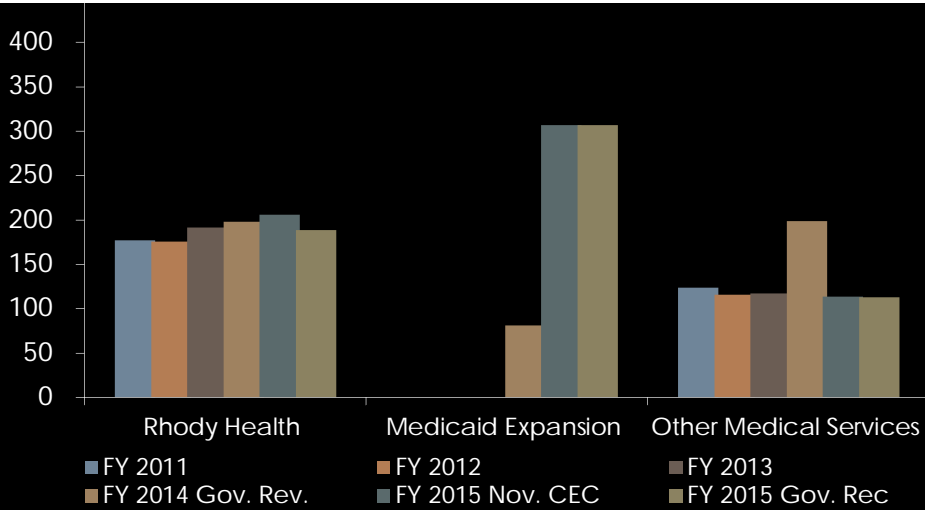


FY 2015 Gov. Rec.



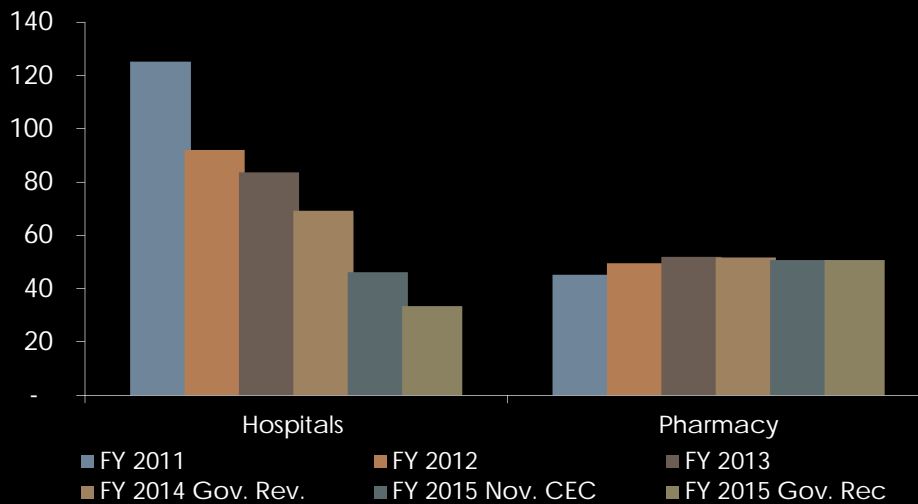
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Medical Assistance



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Medical Assistance



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Medical Assistance FY 2014 revised

Program (millions)	Enacted	CEC	Gov.	CEC to Enacted	Gov to Enacted
Managed Care	\$593.2	\$591.0	\$591.0	(\$2.2)	(\$2.2)
Rhody Health Options	-	126.3	126.3	126.3	126.3
Nursing & Hospice	361.4	285.8	285.8	(75.6)	(75.6)
Home & Comm Care	98.1	78.2	78.2	(19.9)	(19.9)

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Medical Assistance FY 2014 Revised

Program (millions)	Enacted	CEC	Gov.	CEC to FY 2014	Gov to FY 2014
Rhody Health Partners	202.3	198.0	198.0	(4.3)	(4.3)
Hospitals	218.9	199.1	199.1	(19.8)	(19.8)
Pharmacy	52.0	51.5	51.6	(0.4)	(0.5)
Other	205.7	200.3	198.3	(5.4)	(7.4)
Total	\$1,731.7	\$1,730.3	\$1,728.3	(\$1.4)	(\$3.4)

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FY 2014 Medical Assistance Change to Enacted

Item (millions)	General Revenues	All Funds
Caseload Conference	(\$0.2)	(\$1.4)
Governor's Changes - ACA Transition Fund	(1.0)	(2.0)
Total	(\$1.2)	(\$3.4)

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Medical Assistance FY 2015 Summary

(millions)	Enacted	Nov CEC	Gov. Rec.	Gov/ CEC	Gov/ Enacted
Managed Care	\$ 593.2	\$ 621.6	\$ 582.0	(\$39.6)	(\$11.2)
Rhody Health Options	-	330.0	330.0	-	330.0
Nursing & Hospice	361.4	175.5	167.5	(8.0)	(193.9)
Home & Comm Care	98.1	43.5	43.5	-	(54.7)

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Medical Assistance FY 2015 Summary

(millions)	Enacted	Nov CEC	Gov. Rec.	Gov/ CEC	Gov/ Enacted
Rhody Health Partners	\$202.3	\$206.0	\$188.7	\$(17.3)	\$(13.6)
Hospitals	218.9	177.4	164.5	(12.9)	(54.4)
Pharmacy	52.0	50.6	50.6	-	(1.3)
Other Medical	205.7	420.7	420.2	(0.5)	214.5
Total	\$1,731.7	\$2,025.3	\$1,947.0	(\$78.3)	\$215.3

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FY 2015 Medical Assistance Change to Enacted

Item (millions)	General Revenues	All Funds
Caseload Conference	\$45.8	\$293.6
Governor's Savings Initiatives	(42.7)	(78.3)
Total	\$3.1	\$215.3

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Medical Assistance: Programs

- **Managed Care**
- Rhody Health Options
- Long Term Care: Nursing Facilities & Home and Community Care
- Rhody Health Partners
- Hospitals
- Pharmacy: Drugs & Clawback
- Other Medical Services

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Managed Care Plans

- Rite Care: Benefits through either Neighborhood Health or UnitedHealth
 - Payments made to hospitals, community health centers, physicians and other providers
- Fee-for-Service
 - Also receive “wrap around” services through the Medicaid fee for service system
- Rite Share: Participants have access to employer sponsored benefits
 - State pays monthly cost sharing and deductibles

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Rite Care Eligibility

- Child at or below 250% of federal poverty level
 - Under ACA must retain until 9/30/2019
- Parents at or below 133% as of 1/1/2014
 - Lowered from 175%
 - Transitioned to the exchange with cost offset by the premium assistance program
- Foster Care or Adoptive Assistance
- Child with Special Health Care Needs

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Managed Care Cost Sharing

Income Threshold	Rlte Share *	Rlte Care as of 1/1/2014
Up to 150%	No requirement	Requirement eliminated by the 2013 Assembly
150% up to 185%	\$61	
185% to 200%	\$77	
200% to 250%	\$92	

*one payment regardless of family size for those enrolled

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FY 2014 Federal Poverty Level

Family	133%	175%	180%	225%	250%
1	\$15,521	\$20,423	\$21,006	\$26,258	\$29,175
2	20,921	27,528	28,314	35,393	39,325
3	26,321	34,633	35,622	44,528	49,475
4	31,721	41,738	42,930	53,663	59,625
5	37,120	48,843	50,238	62,798	69,775
6	42,520	55,948	57,546	71,933	79,925
7	47,920	63,053	64,854	81,068	90,075
8	53,320	70,158	72,162	90,028	100,225

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Managed Care FY 2015

(millions)	Enacted	Nov CEC	Gov. Rec.	Chge to CEC	Chge to Enacted
Rlte Care	\$ 485.9	\$484.2	\$444.6	(\$39.6)	(\$41.3)
Rlte Share	14.2	14.2	14.2	-	-
Fee for Service	93.2	123.2	123.2	-	30.0
Total	\$593.2	\$ 621.6	\$582.0	(\$39.6)	(\$11.2)

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Managed Care

Item (millions)	General Revenues	All Funds
FY 2014 Enacted	\$281.7	\$593.2
Caseload Conference	16.9	28.4
Governor's Initiatives	(19.8)	(39.6)
Change to Enacted	(\$2.8)	(\$11.2)
FY 2015 Governor's Rec	\$278.9	\$582.0

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Managed Care: FY 2015 Initiatives

Proposal (millions)	General Revenues	All Funds	Gov Rec
Capitated Rate Freeze	(\$7.5)	(\$15.1)	Yes
Freeze Hospital Rates	(\$2.0)	(\$4.1)	Yes
Utilization	(\$5.5)	(\$11.1)	Yes
Pharmacy Benefit Mgt	(\$1.4)	(\$2.7)	Yes

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Managed Care: FY 2015 Initiatives

Proposal (millions)	General Revenues	All Funds	Gov Rec
Durable Medical Equipment	(\$0.7)	(\$1.4)	Yes
Imaging Services	(\$0.7)	(\$1.4)	Yes
Extended Family Planning	\$0.2	\$0.4	Yes

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Managed Care: FY 2015 Initiatives

Proposal (millions)	General Revenues	All Funds	Gov Rec
Katie Beckett Co- Pay	(\$1.5)	(\$2.9)	Yes
Pregnant & Post Partum Women	(\$0.6)	(\$1.2)	Yes
Eligibility - Out of State	(\$0.05)	(\$0.1)	Yes

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Katie Beckett Option

- Governor included legislation to allow OHHS to set a monthly co-pay through its rules and regulations
- OHHS testified that change would not impact the child's eligibility
 - Still receive services
- An offset to the cost of the program
 - \$27.5 million; \$13.8 million from general revenues in FY 2013

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Managed Care

FY	Total	%Chg	Persons	%Chg	Annual	%Chg
2013	\$549.5	(1.6%)	147,593	1.4%	\$3,723	(2.9%)
2012	\$558.5	(2.7%)	145,599	1.7%	\$3,836	(4.4%)
2011	\$574.2	5.1%	143,108	3.5%	\$4,012	1.5%
2010	\$546.5	9.4%	138,237	5.6%	\$3,953	3.6%
2009	\$499.7	(7.6%)	130,968	(3.3%)	\$3,816	2.2%
2008	\$540.9	22.1%	135,431	(2.6%)	\$3,735	17.1%
2007	\$443.1	4.9%	138,994	(1.2%)	\$3,190	7.4%

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HealthSource RI

- FY 2014 enacted budget includes savings from transitioning individuals who will obtain coverage through the exchange
- Parents above 133% to 175% of poverty who received Rite Care benefits
 - 2013 Assembly included \$1.4 million to assist parents transitioning to the exchange with monthly premiums, deductibles and cost sharing requirements
 - Can be matched by Medicaid

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HealthSource RI

Other program savings from individuals obtaining coverage through Medicaid expansion & the exchange:

- OHHS – HIV program
- BHDDH – mental health and substance abuse treatment services
- DHS – GMED and community health center funding

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Outreach Activities

Month	Action
November	Letters sent & opportunity to fill out redetermination forms
December	NHP sent letter for auto-enrollment and the opt-out option
	RI Health Coverage Project sent a letter for auto-enrollment & opt-out option
Early January	HSRI/NHPRI and Economic Progress Institute conducted enrollment assistance events
	NHP started outreaching by phone

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Outreach Activities

Month	Action
Early January	NHP mailed a flyer for enrollment sessions
	RI Health Coverage Project sent reminder for deadline to enroll for February coverage
Mid January	NHP continued outreach with community health centers
Late January	RI Health Coverage Project sent a 2 nd letter for the February coverage deadline

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Enrollment Issues

Month	Action
Early January	Discovered that user names and passwords were incorrect
January 17, 2014	Parents provided with correct user names and passwords
Mid January	State paid January payment for parents to enroll in NHP. Using premium assistance program funds included by the 2013 Assembly

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As of March 11, 2014

Coverage	# of persons
Medicaid Eligible	1,306
Medicaid Eligible pending documentation	73
QHP Enrolled & Paid	610
QHP Eligible/Waiting Enrollment	725
Partial Application	4
No Response	1,478
Opted out/ineligible or cancelled	115
Total	4,311

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Other Issues

Transitional Medical Assistance

- Current law allows the transitional medical assistance program to continue as long as federal funds are available - reauthorized through March 2014
- Program provides for Rlte Care benefits for families who because of employment are no longer eligible to receive cash assistance benefits – up to 12 months or until employer sponsored insurance is available

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Other Issues

DCYF – Medically fragile adolescents

- Governor includes \$1.0 million in general revenues savings in DCYF's budget from shifting costs to Medicaid through OHHS
- Funding is not included in OHHS
 - Would be matched by Medicaid
 - \$1.0 million; \$0.5 million from general revenues
- Six adolescents in out-of-state placements

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Medical Assistance: Programs

- Managed Care
- **Rhody Health Options**
- Long Term Care: Nursing Facilities & Home and Community Care
- Rhody Health Partners
- Hospitals
- Pharmacy: Drug Expenses & Clawback
- Other Medical Services

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Integration of Medicare & Medicaid

- Office was directed to enter into a contract to manage the benefits of Medicaid eligible individuals & those eligible for both Medicare & Medicaid (duals)
- Services include nursing care, hospitals and physicians
 - Excluded from community based services through BHDDH in the initial phase of the plan

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Nursing and Hospice Care

- Both for profit and not-for-profit nursing facilities
- Payment methodology in statute
- FY 2011 Medicaid expenses - elders were 9% of population with 26% of expenses*
- Hospitals and nursing homes were 48% of costs*

*As reported in the two request for proposals for Integration of Medicare and Medicaid initiative

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Integration of Medicare & Medicaid

- Rhody Health Options Program
 - Managed Care program
- Connect Care Choice Community Partners Program
 - Fee-for service – other medical services program
 - Primary care/nurse case management teams
 - Access to primary, preventive, behavioral health and specialty care to allow person to remain in community

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Rhody Health Options

- Phase I – services to dual eligibles paid through Medicaid
 - Contract with Neighborhood Health Plan of RI
- Governor includes \$126.3 million in FY 2014 and \$330.0 million in FY 2015
 - Shifts costs from nursing homes, home & community care, hospitals and other services
- Phase II – Integration of Medicare funding

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Medical Assistance: Programs

- Managed Care
- Rhody Health Options
- **Long Term Care: Nursing Facilities & Home and Community Care**
- Rhody Health Partners
- Hospitals
- Pharmacy: Drugs & Clawback
- Other Medical Services

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Long Term Care

- Nursing Facilities and Hospice Care
 - Care for approximately 7,000 nursing home residents
- Home and Community Care
 - Care for approximately 4,000 individuals

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Long Term Care

Item (millions)	General Revenues	All Funds
FY 2014 Enacted	\$227.9	\$459.5
Caseload Conference	(118.5)	(240.5)
Governor's Initiatives	(7.0)	(7.5)
Change to Enacted	(\$125.5)	(\$248.5)
FY 2015 Governor's Rec	\$102.4	\$211.0

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Long Term Care: FY 2015 Initiatives

Proposal (millions)	General Revenues	All Funds	Gov Rec
Eliminate October 1, 2014 rate increase	(\$3.7)	(\$7.5)	Yes
Community First Choice	(\$3.0)	-	Yes
Financial Review	(\$0.3)	(\$0.5)	Yes
Electronic Visit Verify	(\$2.0)	(\$4.0)	No
PARIS match	(\$0.2)	(\$0.4)	No

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Nursing and Hospice Care

FY	Total (millions)	% Change	Persons	Cost per Person/yr
2013	\$354.2	2.0%	6,852	\$51,694
2012	\$347.4	3.7%	6,842	\$50,699
2011	\$334.9	0.1%	6,946	\$48,064
2010	\$334.7	8.9%	7,487	\$44,549
2009	\$307.2	(8.9%)	7,519	\$40,705

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Home & Community Care Programs

FY	Total (millions)	% Change	Persons	Cost per Person/yr
2014	\$78.2	4.3%	3,914	\$20,286
2013	\$76.1	4.1%	3,675	\$20,707
2012	\$73.1	6.6%	3,442	\$21,139
2011	\$68.6	13.7%	3,239	\$21,172
2010	\$60.3	59.2%	2,934	\$20,555

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Medical Assistance: Programs

- Managed Care
- Rhody Health Options
- Long Term Care: Nursing Facilities & Home and Community Care
- **Rhody Health Partners**
- Hospitals
- Pharmacy: Drugs & Clawback
- Other Medical Services

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Rhody Health Partners

- 21 years or older w/only Medicaid coverage
- Receive benefits through managed care plans
- Access to:
 - Primary care physician
 - Specialty providers & behavioral health providers
 - Care coordination & management

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Rhody Health Partners

Item (millions)	General Revenues	All Funds
FY 2014 Enacted	\$100.7	\$202.3
Caseload Conference	2.8	3.7
Governor's Initiatives	(8.7)	(17.3)
Change to Enacted	(\$5.9)	(\$13.6)
FY 2015 Governor's Rec	\$94.8	\$188.7

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Rhody Health Partners: FY 2015 Initiatives

Item (millions)	General Rev	All Funds	Gov. Rec.
Capitated Rate Freeze	(\$3.3)	(\$6.6)	Yes
Freeze Hospital Rates	(\$1.0)	(\$2.0)	Yes
Utilization	(\$2.6)	(\$5.2)	Yes

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Medical Assistance: Programs

- Managed Care
- Rhody Health Options
- Long Term Care: Nursing Facilities & Home and Community Care
- Rhody Health Partners
- **Hospitals**
- Pharmacy: Drugs & Clawback
- Other Medical Services

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Hospitals

Item (millions)	General Revenues	All Funds
FY 2014 Enacted	\$107.5	\$218.9
Caseload Conference	(19.0)	(41.6)
Governor's Initiatives	(6.4)	(12.9)
Change to Enacted	(\$25.4)	(\$54.5)
FY 2015 Governor's Rec	\$82.1	\$164.5

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Hospitals: FY 2015 Initiatives

Proposal (millions)	General Revenues	All Funds	Gov. Rec.
Eliminate Outpatient Upper Payment Limit Reimbursement	(\$5.5)	(\$11.1)	Yes
Freeze Rates*	(\$0.9)	(\$1.8)	Yes
Reduce DSH Payment	(\$6.4)	(\$12.8)	No

* Initiative totals \$7.9 million – savings included in managed care/Rhody Health & other medical services

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Hospitals: FY 2015 Governor's Recommendation

Item (millions)	Gen Rev	All Funds
Hospital Payments*	\$16.6	\$33.3
Uncompensated Care	65.4	131.2
Total (in millions)	\$82.1	\$164.5

**fee for service payments for those not enrolled in managed care, also receive payments through managed care plans*

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Hospital License Fee

- Governor includes Article 23 for a 5.246% fee in FY 2015
 - Applied to \$2.7 billion in FY 2012 revenue for community hospitals
- Assumes the two-tiered fee in enacted budget
 - South County and Westerly Hospital pay a lower fee of 3.3%

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Medical Assistance: Programs

- Managed Care
- Rhody Health Options
- Long Term Care: Nursing Facilities & Home and Community Care
- Rhody Health Partners
- Hospitals
- **Pharmacy: Drugs & Clawback**
- Other Medical Services

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Pharmacy Expenditures

- Two categories of pharmacy expenses
 - Medicare Part D payment – Governor includes estimate of \$50.4 million from general revenues in FY 2015
 - Governor includes \$0.2 million for pharmacy expenses for elderly & disabled individuals not enrolled in Rhody Health in FY 2015

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Medical Assistance: Programs

- Managed Care
- Rhody Health Options
- Long Term Care: Nursing Facilities & Home and Community Care
- Rhody Health Partners
- Hospitals
- Pharmacy: Drugs & Clawback
- **Other Medical Services**

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Other Medical Services

- Governor recommends \$420.2 million; \$46.0 million general revenues
 - Medicaid Expansion - \$307.1 million
 - Medicare Part B Payments
 - Durable Medical Equipment
 - Physician Services/Rehabilitation Services
 - Payments to Tavares Pediatric Center

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Other Medical Services

Item (millions)	General Revenues	All Funds
FY 2014 Enacted	\$46.0	\$205.7
Caseload Conference	0.8	215.0
Governor's Initiatives	(0.8)	(0.5)
Change to Enacted	(-)	\$214.5
FY 2015 Governor's Rec	\$46.0	\$420.2

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Other Medical Services: FY 2015 Initiatives

Item (millions)	General Rev	All Funds	Gov. Rec.
Long Term Care Review	(\$0.3)	(\$0.5)	Yes
Health Home – Connect Care	(\$0.5)	-	Yes
Adult Dental	(\$4.4)	(\$8.8)	No
Preventive Services	(\$1.0)	-	No

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Medicaid Expansion

- Governor includes \$307.1 million from federal funds for newly eligible population under Medicaid expansion
- 09/2013 enrollment projected at 37,484
- Updated enrollment at 60,326
- 32,061 found eligible
- As of 3/1/2014 – 26,983 enrolled in a plan
 - 13,392 – males; 13,591 – females
- Others in fee for services; not yet chosen a plan

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Expansion - Population

Age	# enrolled in a plan	Share of total
19 - 24	5,168	19%
25 - 29	3,397	13%
30 - 39	3,943	15%
40 - 49	4,982	18%
50 - 64	9,493	35%
Total	26,983	100%

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Example - Medicaid Expansion

45 year old non-disabled male at 135% of poverty

Benefits	Prior to 1/1/2014	As of 1/1/2014
Acute Care	No	OHHS
Mental Health	BHDDH - CNOM	OHHS
Methadone Maintenance	BHDDH - CNOM	OHHS
Short Term Residential	BHDDH - CNOM	OHHS

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FY 2015 OHHS - Other Proposals

Item	General Rev	All Funds	Gov. Rec.
2 % rate reduction – nursing homes, hospital, managed care plans	(\$6.6)	(\$13.2)	No
Excessive readmissions	(\$0.3)	(\$0.5)	No

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Federal Match for Extended Benefits

	Federal	State
CY 2017	95%	5%
CY 2018	94%	6%
CY 2019	93%	7%
CY 2020 & later	90%	10%

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Staff Out-Year Projections

SFY	State Share	Total	Gen Rev
2015*	0.0%	\$491.4	-
2016	0.0%	\$529.2	-
2017	2.5%	\$569.7	\$14.2
2018	5.5%	\$610.3	\$33.6
2019	6.5%	\$644.4	\$41.9
2020	8.5%	\$680.5	\$57.8
2021	10.0%	\$718.6	\$71.9

* Staff assumes 74% of those eligible will be enrolled with 4% annual growth until 2021; cost of \$8,145 increasing 6% annually 85

Medicaid Waiver

- Rhode Island Global Consumer Choice Compact expired 12/31/2013
- 1115 Extension Waiver has been renewed until 12/31/2018
- Continues "cost not otherwise matchable" (CNOM) programs

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Global Waiver

Services Approved & Under Consideration

Housing Stabilization Services	Telemedicine
STOP – Sobering Treatment Opportunity Program	In –home behavioral health services
Peer Supports/Mentoring	Dental services for older children & adults
Other alternative benefits for certain populations	Wellness Benefit

Central Management

Key Terms

- Rhode Island Health Benefits Exchange (HBE)- HealthSource RI
 - Established through executive order to comply with ACA to implement health care reform
- Unified Health Infrastructure Project (UHIP)
 - OHHS project to implement a new system that ties into the HBE
 - In coordination with the Department of Human Services

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Key Terms

- Health Information Exchange (HIE)-
currentcare
 - Electronic network for medical professionals to have access to a patient's health information
 - Developed with Rhode Island Quality Institute
- Electronic Health Records
 - Program to adopt & upgrade certified health records technology
 - Eligibility, registration and payments - Rhode Island Medical Assistance Provider Incentive Repository (MAPIR) System

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Key Terms

- Data Warehouse
 - Data repository & reporting system containing Medicaid-related information from data sources across the state's health and human services agencies
 - Part of the contract with HP to operate the Medicaid Management Information System

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Central Management

(millions)	Enacted	FY 2014 Gov.	Chge	FY 2015 Gov.	Chge
Salaries/Ben	\$22.6	\$21.8	(\$0.8)	\$22.9	\$0.3
Contract Serv	49.8	64.2	14.4	67.1	17.3
Operating	5.8	5.0	(0.7)	4.7	(1.1)
Capital	7.3	4.3	(3.0)	3.3	(4.0)
Grants	31.8	31.8	-	31.4	0.2
Total	\$117.3	\$127.1	\$9.9	\$126.8	\$9.6
FTE	184.0	184.0	-	184.0	-

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OHHS Administration

IT Projects/Systems (millions)	General Revenues	All Funds
UHIP	\$5.7	\$31.7
MMIS System	\$4.9	\$23.5
Data Management	\$0.3	\$2.2
Electronic Health Records	-	\$11.9

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Unified Health Infrastructure Project

- UHIP - \$209.4 million project through CY 2020
 - \$157.5 million from federal funds
 - \$51.9 million from general revenues
 - Mixed Medicaid match – about 70/30
- In coordination with the HealthSource RI to implement ACA
- One system to apply for benefits
 - Replace existing InRhodes eligibility system
 - Process Medicaid, RI Works, child care & SNAP applications

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Unified Health Infrastructure Project

(millions)	General Revenues	Federal Funds	Total
<i>FY 2014 Enacted</i>	\$3.8	\$18.6	\$22.4
<i>FY 2014 Total</i>	\$8.6	\$27.5	\$36.1
OHHS	\$4.8	\$25.2	\$30.0
DHS	\$3.9	\$2.3	\$6.1
<i>FY 2015 Total</i>	\$10.1	\$29.0	\$39.1
OHHS	\$5.7	\$25.9	\$31.7
DHS	\$4.4	\$3.1	\$7.5

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UHIP – OHHS

Vendor	Project	FY 2014	FY 2015
Deloitte	Systems Management	\$15.7	\$14.2
Connexions	Contact Center	\$2.4	\$4.9
Northup Grumman	IT support	\$3.3	\$2.5
PCG Consulting	MMIS System transition	\$2.1	\$1.2
DOA- Mailroom	mailroom equipment	\$1.1	\$0.4
Total		\$24.6	\$23.2
<i>(millions)</i>			

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Electronic Health Records Incentive Program

- Medical providers & acute care hospitals may be eligible for incentive payments to adopt and upgrade certified health records technology
- All incentive payments to providers and hospitals are paid with federal funds
- Governor includes \$14.6 million in FY 2014 & \$11.9 million in FY 2015

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Electronic Health Records Incentive Program

- Medicaid payments have been made to 9 hospitals and over 400 providers
 - Rhode Island, Miriam, Newport, Kent County, Women & Infants, Memorial, Westerly, Roger Williams, & St. Joseph's
 - Physicians, nurse practitioners, dentists
- Payments of \$24.2 million from federal funds

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Electronic Health Records Incentive Program

- Medicare payments have been made to 10 hospitals and over 450 providers - \$51.3 million
 - Rhode Island, Miriam, Newport, Kent County, Women & Infants, Memorial, Westerly, Roger Williams, St. Joseph's & South County
 - Podiatrists, optometrists, chiropractors, osteopaths and oral surgeons
- Providers have to choose between Medicaid or Medicare but hospitals can receive both payments

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Health Information Exchange

- Governor includes \$2.8 million in FY 2014 & \$2.9 million in FY 2015 to pay the RI Quality Institute
 - For Medicaid enrollees in Health Information Exchange – *currentcare*
 - \$1 per member/per month until 1/1/2014
 - 90% Medicaid with 10% state match

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Administration – FY 2015

Staffing/Operations (millions)	General Revenues	All Funds
Medicaid Administration	\$10.3	\$28.1
Central Management	6.9	9.5
HIV Care Program	0.7	8.8
Race to the Top	-	0.3
Special Education	-	27.0
Total	\$17.9	\$73.7

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Governor's Recommendation

- Includes \$2.0 million for Predictive Modeling Initiative
 - Matched with \$0.2 million from general revenues
 - 90/10 Medicaid claiming available
- Enhance capability to analyze claims, encounter, provider and beneficiary data
- No savings included in FY 2015 recommendation

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Governor's Recommendation

Item (millions)	FY 2014		FY 2015	
	Gen Rev	Total	Gen Rev	Total
Health Care Planning Council	\$150,000	\$300,000	\$150,000	\$300,000
Strategic Plan	\$200,000	\$400,000	\$200,000	\$400,000
Cost Allocation Plan	\$125,000	\$250,000	\$50,000	\$100,000

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HIV/AIDS Care Program

- Governor includes \$9.5 million in FY 2014 and \$8.8 million in FY 2015
 - \$0.7 million from general revenues in FY 2014 and FY 2015
- Drugs: \$4.8 million in FY 2014 & \$4.3 million in FY 2015
- Other expenses: staffing and AIDS Project Rhode Island and AIDS Care Ocean State grant awards

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HIV/AIDS Care Program

Drug Expenses (millions)	General Revenues	All Funds
HIV CNOM*	\$-	\$0.3
Ryan White Grant	-	2.5
Rebate	-	1.5
Total	\$-	\$4.3

* general revenues eliminated for either transition to exchange or coverage through HealthSource RI

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Staffing

Full-Time Positions	FTEs	Chg. To Enacted
Enacted Authorized	184.0	-
FY 2014 Request	185.0	1.0
FY 2014 Governor	184.0	-
FY 2015 Request	185.0	1.0
FY 2015 Governor	184.0	-
FY 2013 Average Filled	145.7	(38.3)
Filled as of Feb 22 nd	167.0	(17.0)

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Salaries and Benefits

	Gen. Rev.	All Funds
FY 2014 Enacted	\$12.2	\$22.6
FY 2014 Revised	\$12.1	\$22.4
FY 2014 Gov. Rev.	\$11.5	\$21.8
Gov. Chge to Enacted	(\$0.7)	(\$0.8)
FY 2015 Request	\$12.2	\$23.6
FY 2015 Gov. Rec.	\$11.8	\$22.9
Gov. Chge to Enacted	(\$0.5)	\$0.3

(in millions)

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Annual Reporting Requirements

- 2013 Assembly enacted legislation requiring OMB to prepare, review and inventory all reports filed with Assembly
 - Report to be presented to Assembly as part of budget submission annually
- Office is required to submit 6 reports
- Currently submitting all

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Reports

- Monthly Caseload Report
- Annual Medicaid Report
- RI All Payer Patient Centered Medical Home Report
- Global Waiver Administration and Implementation Statute
- Program Integrity Report
- Medicaid Report to the Senate (resolution)

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2014 – H 7133

- Article 23 – Hospital Payments
- Article 24 – Hospital Licensing Fee
- Article 25 – Medical Assistance
- Article 27 – Medical Assistance Recoveries
- February 12, 2014 – Committee hearing

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Office of Health and Human Services

Staff Presentation to the House Finance Committee
FY 2014 Revised and FY 2015 Budgets
March 12, 2014
