

Executive Office of Health and Human Services

Staff Presentation to the House Finance Committee
FY 2019 Revised/FY 2020 and Capital Budgets
April 23, 2019

EOHHS

- Principal agency to manage the 4 health and human service agencies
 - BHDDH, DHS, DCYF & DOH
- Governor appoints the directors of the 4 agencies under the EOHHS umbrella
- EOHHS is responsible for managing and providing strategic leadership and direction to the 4 departments
- Directors retain statutory authority

Governor's Recommendation

- EOHHS
 - Medical Assistance Program
 - Central Management
- Office of Veterans' Affairs
 - Office – Administration & Outreach
 - Veterans' Home
 - Veterans' Cemetery
- Office of Elder Affairs
 - Currently Division of Elderly Affairs in the Department of Human Services

Governor's Recommendation

- Governor requests an amendment to keep the Division of Elderly Affairs and Office of Veterans' Affairs in the Department of Human Services
- Changes names to:
 - Office of Veterans Services
 - Office of Healthy Aging

Summary

By Program	Enacted	FY 2019 Gov. Rev.	Chg.	FY 2020 Gov. Rec.	Chg.
EOHHS	\$2,607.0	\$2,677.8	\$70.9	\$2,682.7	\$75.7
Office of Veterans' Affairs	34.4	38.0	3.5	40.3	5.9
Office of Elder Affairs	20.9	21.2	0.3	22.1	1.2
Total	\$2,662.3	\$2,737.0	\$74.7	\$2,745.1	\$82.8

\$ in millions

Office of Veterans' Affairs - Summary

By Source	Enacted	FY 2019 Gov. Rev.	Chg.	FY 2020 Gov. Rec.	Chg.
General Revenues	\$23.6	\$26.7	\$3.1	\$25.8	\$2.3
Federal Funds	9.6	10.3	0.7	13.5	3.9
Restricted Receipts	1.3	1.0	(0.3)	1.0	(0.3)
Total	\$34.4	\$38.0	\$3.5	\$40.3	\$5.9
FTEs	240.1	252.1	12.0	252.1	12.0

\$ in millions

Office of Veterans' Affairs - Summary

By Category	FY 2018 Spent	FY 2019 Gov. Rev.	FY 2020 Gov. Rec.	Chg. To Enacted
Salaries/Ben	\$24.5	\$25.5	\$25.2	\$(0.1)
Contracted Services	5.9	6.3	5.7	2.4
Operating	6.2	5.9	8.9	3.4
Asst/Benefits	0.2	0.2	0.4	0.2
Capital	\$10.6	0.1	-	-
Total	\$47.4	\$38.0	\$40.3	\$5.9

\$ in millions

Office of Elder Affairs - Summary

By Source	Enacted	FY 2019 Gov. Rev.	Chg.	FY 2020 Gov. Rec.	Chg.
General Revenues	\$7.9	\$7.8	\$(0.1)	\$8.4	\$0.6
Federal Funds	12.9	13.3	0.4	13.5	0.7
Restricted Receipts	0.2	0.2	-	0.2	-
Total	\$20.9	\$21.2	\$0.3	\$22.1	\$1.2
FTEs	31.0	31.0	-	31.0	-

\$ in millions

Office of Elder Affairs - Summary

By Category	FY 2019 Enacted	FY 2019 Gov. Rev.	FY 2020 Gov. Rec.	Chg. To Enacted
Salaries/Ben	\$3.5	\$3.2	\$3.4	\$(0.2)
Contracted Services	0.1	0.1	0.1	0.02
Operating	1.3	1.1	1.4	0.04
Asst/Benefits	15.9	16.8	17.2	1.3
Total	\$20.9	\$21.2	\$22.1	\$1.2

\$ in millions

Governor's Recommendation

- *EOHHS*
 - *Medical Assistance Program*
 - *Central Management*
- Office of Veterans' Affairs
 - Administration Office & Resource Center
 - Veterans' Home
 - Veterans' Cemetery
- Office of Elder Affairs
 - Currently Division of Elderly Affairs in the Department of Human Services

EOHHS by Program

	Enacted	FY 2019 Gov. Rev.	Chg.	FY 2020 Gov. Rec.	Chg.
Medical Assistance	\$2,470.6	\$2,484.4	\$13.8	\$2,490.8	\$20.2
Central Admin.	136.4	193.5	57.1	191.9	55.5
Total	\$2,607.0	\$2,677.8	\$70.9	\$2,682.7	\$75.7
FTE	192.0	195.0	3.0	196.0	4.0

\$ in millions

EOHHS Summary

	Enacted	FY 2019 Gov. Rev.	Chg.	FY 2020 Gov. Rec.	Chg.
General Revenues	\$982.9	\$989.3	\$6.4	\$999.2	\$16.3
Federal Funds	1,605.8	1,664.2	58.4	1,658.8	53.0
Restricted Receipts	18.2	24.3	6.0	24.7	6.5
Total	\$2,607.0	\$2,677.8	\$70.9	\$2,682.7	\$75.7
FTEs	192.0	195.0	3.0	196.0	4.0

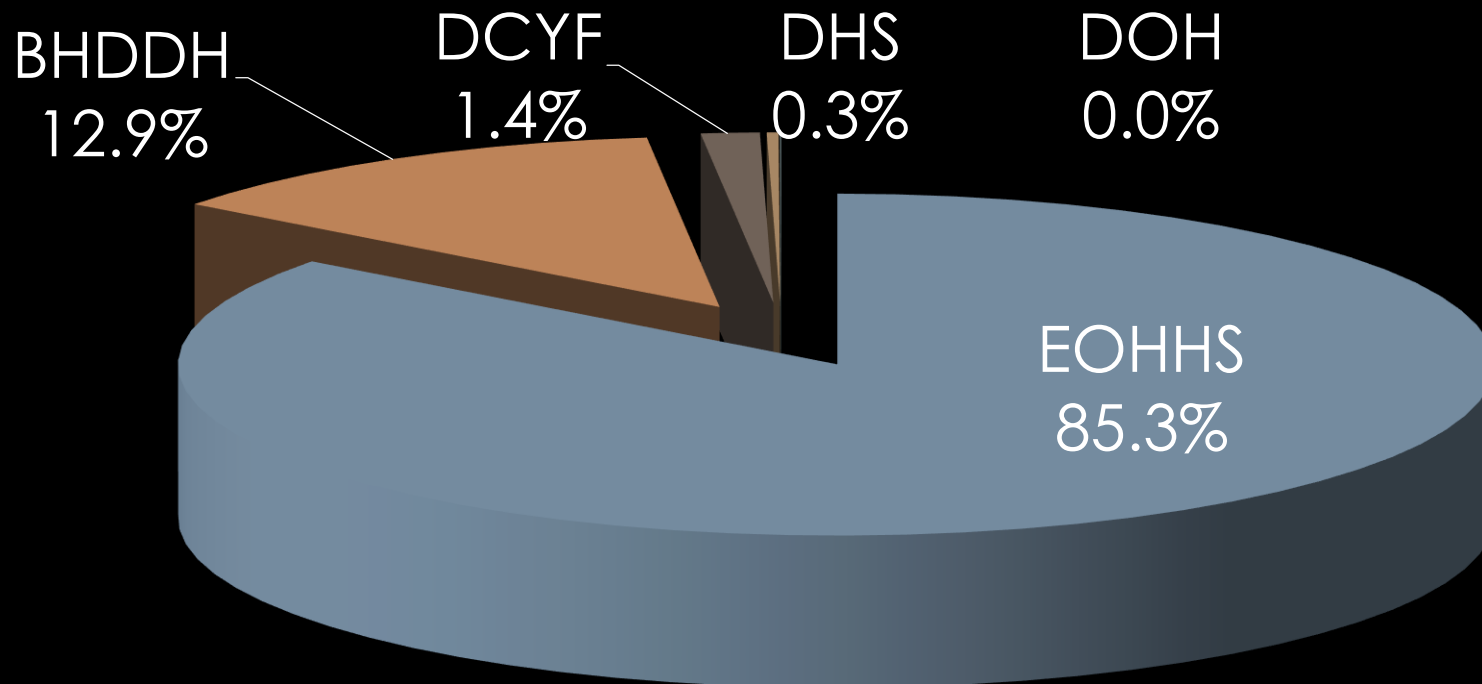
\$ in millions

EOHHS Summary

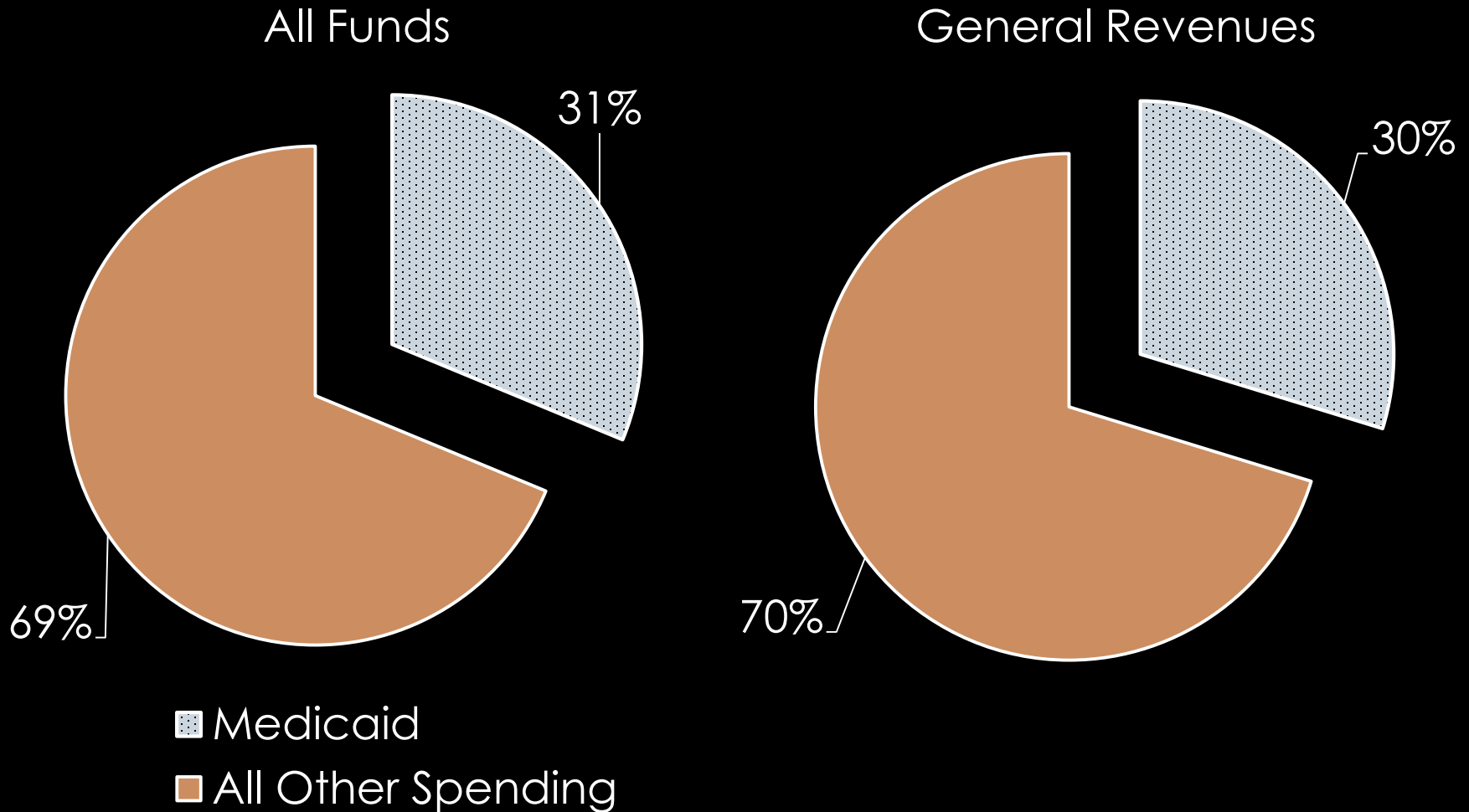
By Category	FY 2018 Spent	FY 2019 Enacted	FY 2019 Gov.	FY 2020 Gov. Rec.
Salaries/Ben	\$27.2	\$31.5	\$32.1	\$33.6
Contracted Services	90.4	72.0	126.2	125.1
Operating	6.2	9.4	9.6	9.7
Asst/Benefits	2,395.5	2,493.9	2,508.8	2,513.7
Capital	0.2	0.1	1.1	0.5
Total	\$2,519.4	\$2,607.0	\$2,677.8	\$2,682.7

\$ in millions

Medicaid Spending by Department



Medicaid - % of Total Budget



Medicaid Beneficiaries

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

Medicaid Beneficiaries

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

Target Budget

- Budget Office provided a target of \$972.3 million for EOHHS
 - Estimated adjustments of \$40.5 million to continue current services
 - Target reduction of \$51.1 million
- EOHHS requested \$1,010.5 million
 - Included \$12.3 million in savings proposals
- Governor recommends \$999.2 million
 - Savings proposals of \$27.4 million

Centralized Services

EOHHS	FY 2019 Enacted	FY 2019 Revised	Chg. to Enacted	FY 2020	Chg. to Enacted
IT	\$0.2	\$0.5	\$0.3	\$0.6	\$0.4
HR	0.3	0.3	-	0.3	-
Facilities	1.1	1.1	-	1.1	-
Total	\$1.7	\$2.0	\$0.3	\$2.1	\$0.4
Gen. Rev.	\$0.8	\$0.8	-	\$0.8	-

\$ in millions

Statewide Savings Initiatives

Initiative – EOHHS	FY 2019 Revised	FY 2020
Prompt Payment	\$ -	\$ -
Contract	(29,491)	(30,258)
Insurance	(9,195)	(9,200)
Total	\$(38,686)	\$(39,458)

- Non general revenue savings are not reflected

Medical Assistance

Caseload Estimating Conference

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

Medical Assistance

Managed Care Program	Populations
Rite Care/Rite Share	Children & Parents
Rhody Health Partners	Disabled Adults/Adults w/o Dependent Children (Expansion population)
Rhody Health Options	Elderly & Disabled eligible for Medicare & Medicaid (dual eligible)

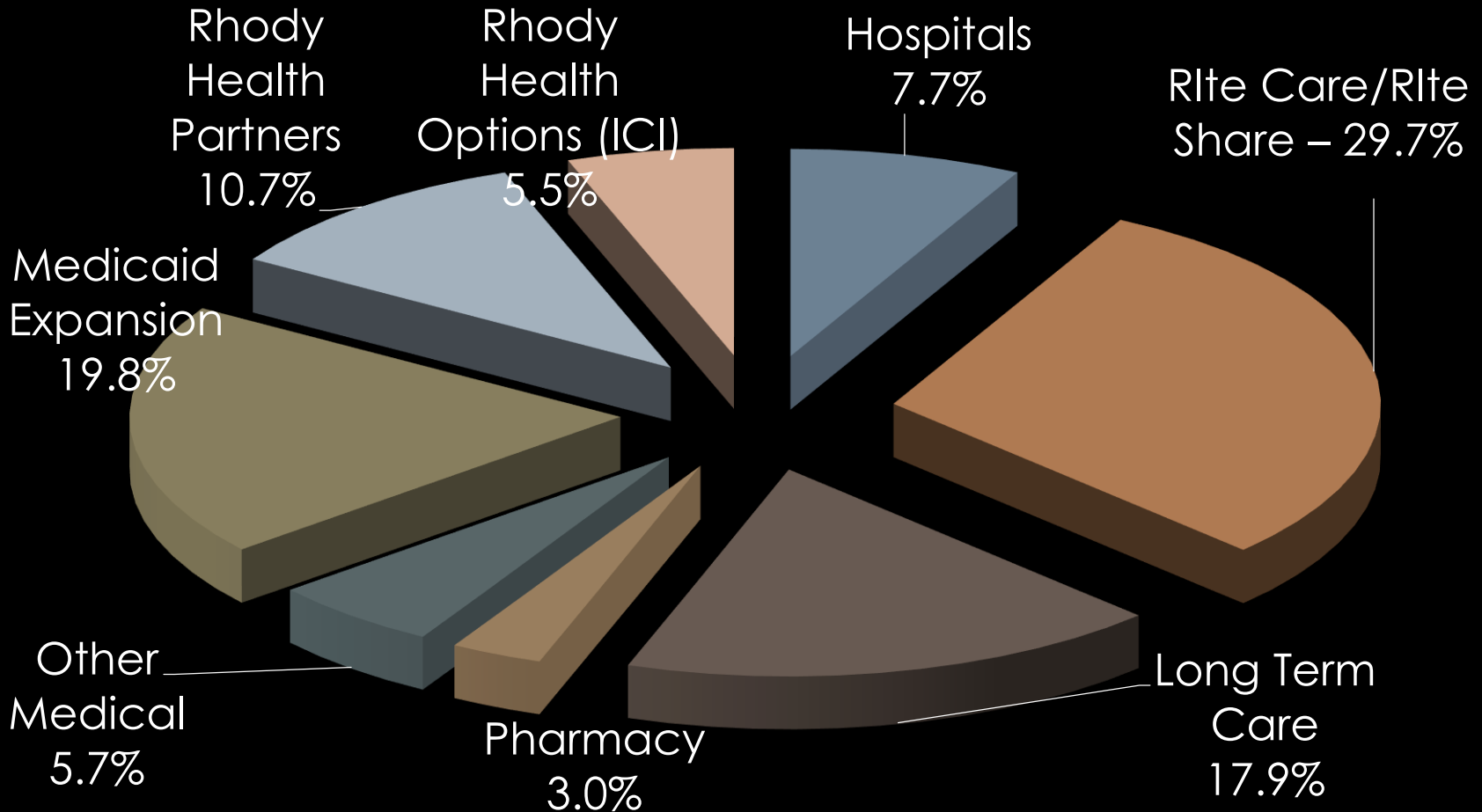
Medical Assistance

- Rite Care/Rhody Health Partners :
 - Plan Choice of Neighborhood Health, UnitedHealth or Tufts
 - Plans make payments to hospitals, community health centers, physicians and other providers
- Rite Share: Access to employer sponsored benefits
 - State pays monthly cost sharing & deductibles
- Fee-for-Service
 - Also receive “wrap around” services

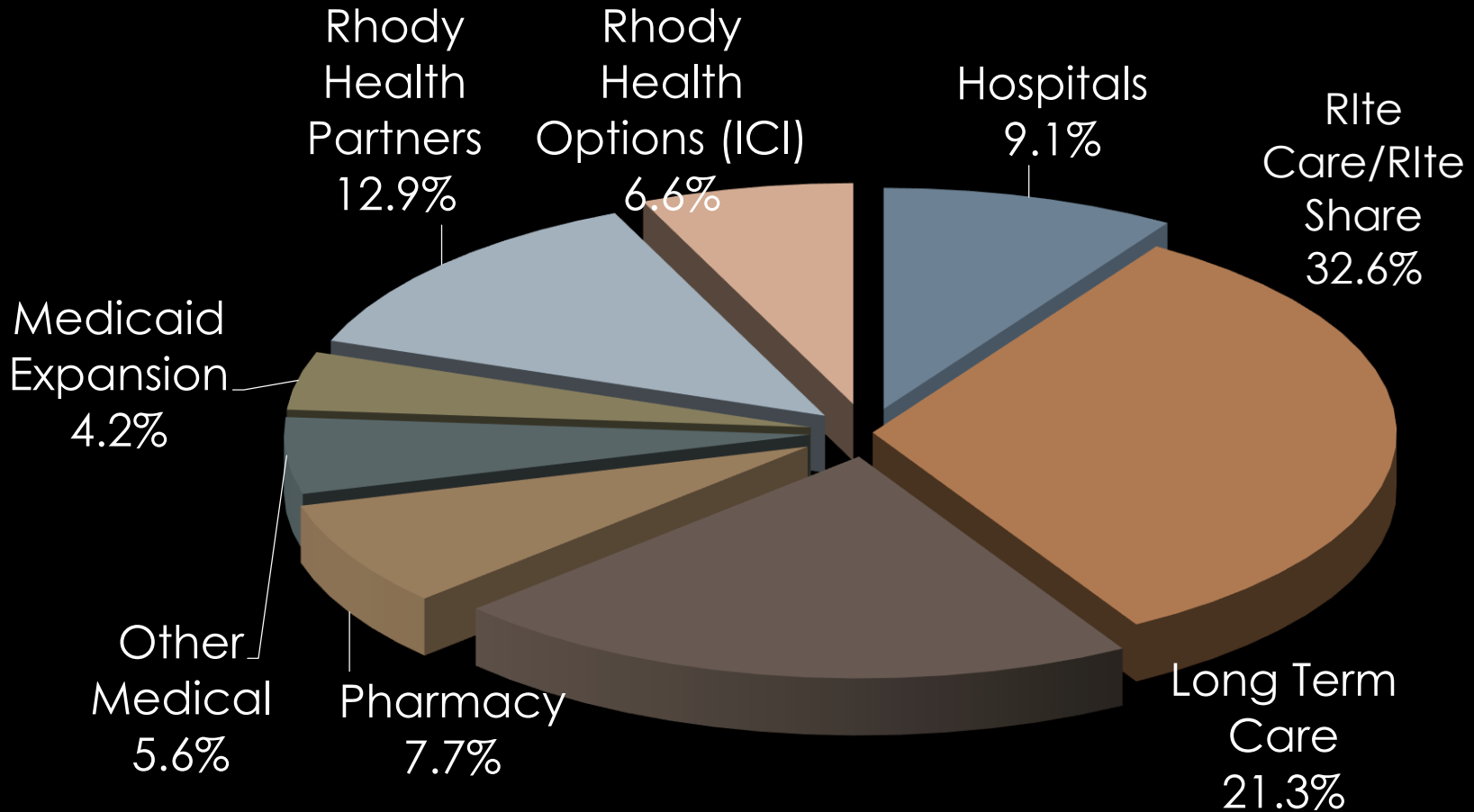
Medical Assistance

Fee for Service	Populations
Long Term Care: Nursing Homes & Home and Community Care	Elderly & Disabled
Hospitals	<ul style="list-style-type: none">• Elderly & Disabled• Not yet enrolled in a managed care plan
Pharmacy	
Other Medical Services	

FY 2020 Governor's Budget: EOHHS All Funds

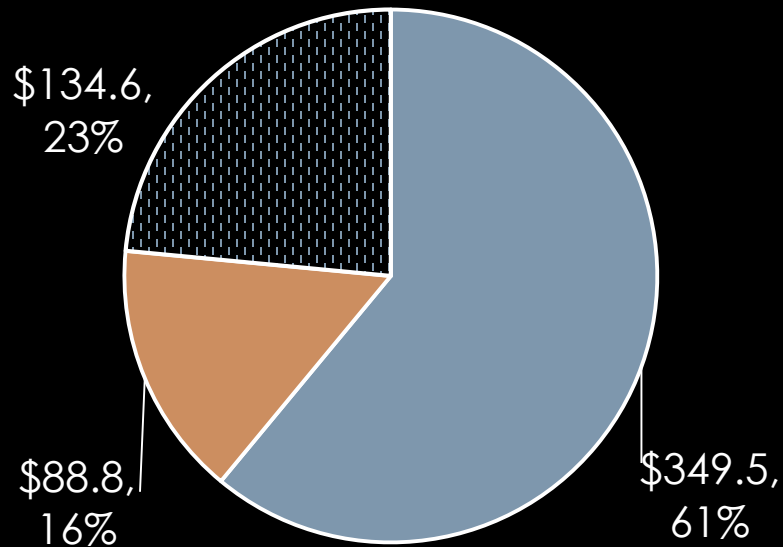


FY 2020 Governor's Budget: EOHHS General Revenues



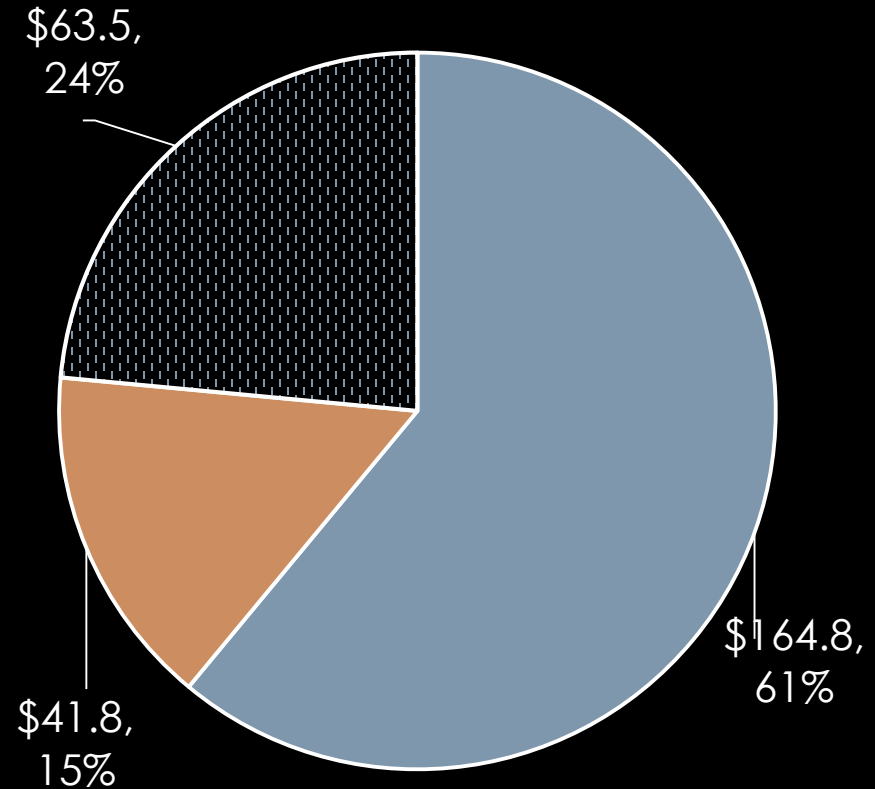
FY 2020 Governor: Long Term Care

All Funds = \$572.9 million



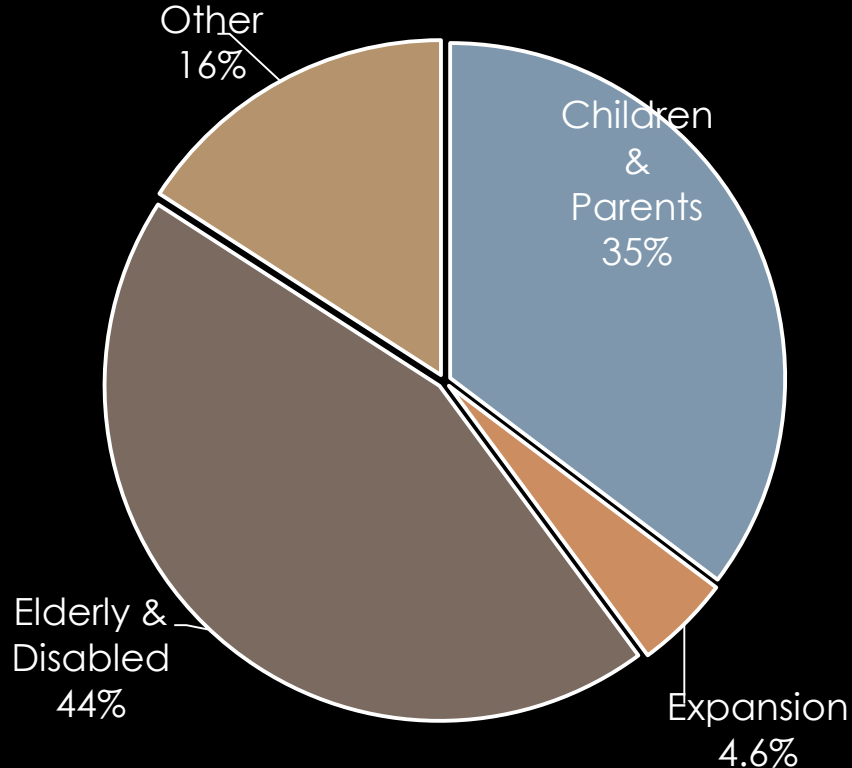
- Nursing Homes
- Home & Community Care
- Rhody Health Options (ICI)

Gen. Rev. = \$270.1 million

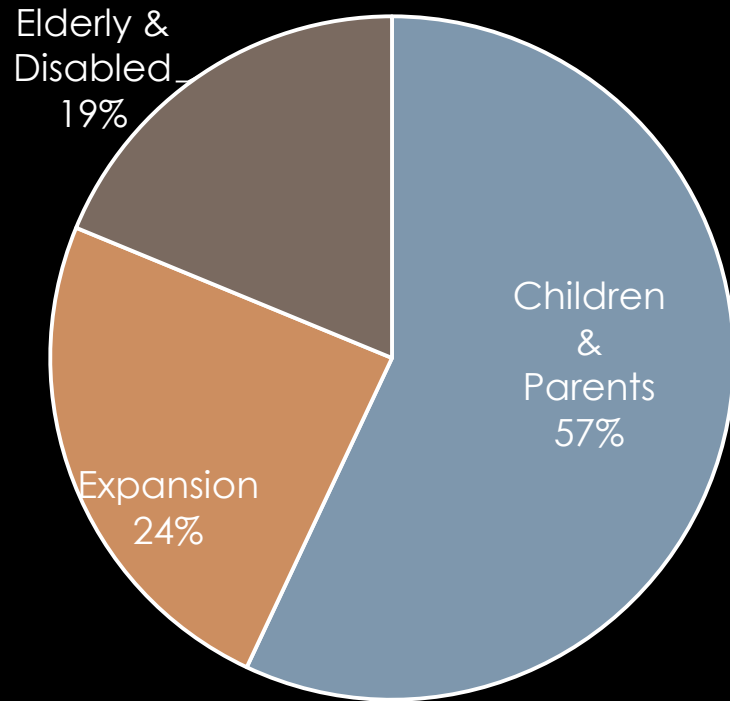


FY 2020 Governor's Budget: EOHHS by Population

PROGRAM EXPENSES: GENERAL REVENUES



ENROLLMENT



Internal Audit Findings

- Single Audit for FY 2018
- Findings of Auditor General
 - EOHHS authorized more than \$200 million in system payouts and manual disbursements
 - Provider advances, payments to managed care organizations, & other program disbursements
 - Reporting and internal controls are manual and external to other established control procedures

Internal Audit Findings

- State is not complying with timely determination of eligibility requirements for long term care services and supports
- EOHHS has made advanced payments of over \$130 million through March 2019 to nursing facilities, assisted living facilities & home and hospice agencies
 - Through March 2019 - recouped \$21.1 million

Medical Assistance FY 2019

Revised

	General Revenues	All Funds
FY 2019 Enacted	\$954.3	\$2,427.5
FY 2019 November CEC	\$966.1	\$2,457.0
Nov CEC to Enacted	\$11.9	\$29.5
FY 2019 Governor's Rev. Rec.	\$960.8	\$2,441.3
FY 2019 Gov. Rev. Rec. to November CEC	\$(5.3)	\$(15.7)

\$ in millions

Medical Assistance FY 2019 Revised

- Governor recommends \$15.7 million less than November CEC
 - \$5.3 million less from general revenues

Change	Gen. Rev.	Total
Hepatitis C Coverage	\$(2.9)	\$(10.7)
Hospice Rates	(1.1)	(2.3)
RHO Redesign Contracts	(1.3)	(2.7)
Total	\$(5.3)	\$(15.7)

\$ in millions

Medical Assistance FY 2019

Governor Change to November CEC

Item	Explanation
Hepatitis C Protocol	Change to November adopted estimate for Hepatitis C costs based on lower per person cost. Not the result of policy change.
Hospice Rates	Eliminates payment for a 20% increase to room and board for hospice
Rhody Health Redesign Contracts	Estimate included new case management contracts that are shifted to the Central Management

Hepatitis C Protocol

- Restrictive former policy on who could access costly curative Rx relaxed as of July
 - Threat of legal action received by EOHHS in May
 - Not accounted for in FY 2019 budget – no notice
 - Budgetary impact did not appear to factor into decision to lift the restriction
 - Unclear what other options were considered

Hepatitis C Protocol

- November caseload estimate added \$48.4 million over FY 2019 and FY 2020
 - \$13.1 million from general revenues
 - \$6.1 million for FY 2019 & \$7.0 million for FY 2020
- FY 2019 enacted budget assumed 250 individuals would be treated
- November caseload estimate increased it 2,500 over FY 2019 and FY 2020

Hospice Rates

- 2018 Assembly increased home care rates
 - Included a 20% rate increase applied to skilled services including hospice
 - EOHHS interpreted it as also applicable to the room & board rate
 - Approved 20% increase in pass through payment
- Section 5 of Article 17 attempts to clarify that the rate is not applicable
 - Budget assumes FY 2019 savings of \$2.3 million and \$5.5 million for FY 2020

Hospice Rates

- Section limits payments for hospice in a nursing home to the room & board only
 - Omits direct care payment that was the target of the original legislation
 - Based on incorrect understanding of the flow of payments and payers
 - If original language was unclear, simple fix is to clarify that it is not applicable to room & board pass through
 - Governor requested an amendment that does this

Medical Assistance FY 2020

	General Revenues	All Funds
FY 2019 Enacted	\$954.3	\$2,427.5
FY 2019 November CEC	\$966.1	\$2,457.0
FY 2020 November CEC	\$997.9	\$2,523.8
Nov CEC to Enacted	\$43.5	\$96.3
FY 2020 Governor's Rec.	\$968.8	\$2,447.8
FY 2020 Governor's Rec. to November CEC	\$(29.1)	\$(76.0)

\$ in millions

Medical Assistance: FY 2020

Program	Nov CEC	Gov. Rec.	Gov. to Nov CEC
Hospitals	\$199.0	\$187.6	\$(11.4)
Long Term Care	454.3	438.3	(16.0)
Managed Care	744.0	727.9	(16.1)
Expansion	498.2	483.7	(14.5)
Rhody Health Partners	274.0	262.9	(11.1)
Rhody Health Options	140.0	134.6	(5.4)
Pharmacy Clawback	74.7	74.7	-
Pharmacy	(0.5)	(0.5)	-
Other Medical	140.1	138.6	(1.5)
Total	\$2,523.8	\$2,447.8	\$(76.0)

\$ in millions

Other Medical Services

- Governor recommends \$138.6 million;
\$54.0 million general revenues
 - Medicare Part A/B Payments
 - \$75.6 million
 - Physician Services/Rehabilitation Services
 - \$42.5 million
 - Payments to Tavares Pediatric Center
 - \$6.8 million
 - All other medical services
 - \$13.7 million

Medical Assistance FY 2020

Article 16 & 17 Impact to:	Gen Rev	All Funds
Hospitals	\$(9.9)	\$(25.4)
Nursing Home Rates	(3.5)	(7.5)
Hospice Rates	(2.6)	(5.5)
Managed Care Reimbursements	(1.0)	(5.4)
Total	\$(17.1)	\$(43.8)

\$ in millions

Medical Assistance FY 2020

Article 16 & 17

Initiative	Explanation
Hospital Rates	Freezes rates at FY 2019 levels
Upper Payment Limit Reimbursement (UPL)	Eliminates inpatient payment
Graduate Medical Education (GME)	Eliminates \$1.0 million payment to Lifespan
Managed Care Rates	Reduction to payments
Nursing Home Rates	Limits 10/1/2019 increase to 1%
Hospice Rates	Excludes room & board from 20% increase

Medical Assistance FY 2020

Other Initiatives	Gen Rev	All Funds
Hepatitis C Coverage	\$(4.5)	\$(16.2)
Federally Qualified Health Centers	(1.9)	(5.3)
Dual Eligibility Utilization Mgt.	(2.0)	(4.2)
Estate Recoveries	(0.2)	(0.5)
Pharmacy Rebates	(0.8)	(1.8)
Cortical Integrated Therapy	(1.0)	(1.0)
RHO Redesign Contracts	(1.7)	(3.3)
Total	\$(12.0)	\$(32.2)

\$ in millions

Community Health Centers Payments

- 9 community health centers
 - 8 federally qualified health centers
 - Block Island Health Center
- Expenses for insured patients paid through managed care plans
- Also separate monthly payment based on people served
- Reconciliation process at year end
 - Applies only to federally qualified centers

Community Health Centers Payments

- FY 2020 Nov CEC estimate includes \$68.7 million in payments to the managed care plans and \$30.0 million for separate monthly payment
- Governor includes savings of \$5.3 million/\$1.9 million from gen. rev.
 - Moving all expenses into the managed care plans

Community Health Centers Payments

- Proposal in the FY 2018 budget
 - Assembly passed the necessary legislation to implement this change as recommended by the Governor
 - Budget included \$3.0 million/\$1.2 million from general revenues
 - EOHHS did not make the change but November caseload estimate lowered the savings to \$2.8 million and met that by reducing payments to the managed care plans

Community Health Centers Payments

- Savings assumes reduced visits to health centers
 - Care would be delivered in another setting
 - Managed care plans would make payments and have increased oversight over which members go to health center
- Still have to reconcile

Long Term Care Services

- Dual Eligible Utilization
 - Governor assumes savings of \$4.2 million/\$2.0 million
 - Reducing medical expenses of 2,200 nursing home residents & 760 home and community care recipients
 - For individuals who were no longer eligible for Rhody Health Options managed care plan

Long Term Care Services

- 90% in home & community care costs & 10% in nursing homes cost for 2,960
- Savings met by either reducing rates or limiting services? Has not been identified by EOHHS

Program	# of individuals	MC Monthly	FFS Monthly	Savings
Home & Comm. Care	760	\$383.70	\$38.33	\$3.1
Nursing Homes	2,200	\$379.50	\$341.55	1.1
Total	2,960			\$4.2

\$ in millions

Estate Recovery

- Estate Recovery Optimization
 - Savings of \$0.5 million/\$0.2 million from general revenues
- State is able to recover certain expenses for those in long term care
 - Collections of \$3.2 million for FY 2018 & \$4.2 million for FY 2017
 - Offset to Medicaid program costs
- EOHHS has not provided specifics as to how the savings will be achieved

Other Changes

- Cortical Integrated Therapy
 - State savings of \$1.0 million from eliminating the payment for this service
- Pharmacy Rebates
 - Savings of \$1.8 million from a federal change in how pharmacy rebates are processed
 - From date of service rather than date of claim
 - EOHHS reports that has potential to increase unclaimed rebate funds
 - \$0.8 million from general revenues

Central Management

Central Management

- Program oversight, coordination, policy and planning for health and human service agencies
 - Includes contract management – Medicaid program
- Legal and finance activities for health and human services agencies consolidated in EOHHS

EOHHS

- A part of the Governor's Reinventing Medicaid Initiative – FY 2016 enacted budget
- Directors of 4 health and human service agencies are now directly accountable to the secretary for effective execution of policy and budget priorities
- Also eliminated dates to transfer certain functions to the Executive Office

EOHHS Responsibilities

Function	Transferred as of FY 2019
Fiscal (CFO) & Legal	Yes
Communications	No
Policy Analysis & Planning	No
Information Systems & Data Management	No
Assessment & Coordination /Program Integrity, Quality Control & Recovery	No
Protective Services	No
HIV/AIDS treatment programs	No

Central Management

By Source	FY 2018 Actuals	FY 2019 Enacted	FY 2019 Gov. Rev.	Change
General Revenues	\$21.3	\$23.6	\$24.5	\$0.9
Federal Funds	67.8	74.7	83.2	8.5
Restricted Receipts	11.4	9.2	10.0	0.8
Total	\$100.5	\$107.6	\$117.7	\$10.2
FTE	176.3	192.0	195.0	3.0

\$ in millions/excludes UHIP

Central Management

By Source	Enacted	FY 2020 Request	FY 2020 Gov. Rec.	Change
General Revenues	\$23.6	\$23.6	\$27.5	\$3.9
Federal Funds	74.7	74.7	82.9	8.2
Restricted Receipts	9.2	10.1	8.2	(1.0)
Total	\$107.6	\$108.5	\$118.6	\$11.1
FTE	192.0	192.0	196.0	4.0

\$ in millions/excludes UHIP

Central Management – FY 2019 Revised

Technology Projects	Gen Rev	All Funds
All Payer Claims Database	\$0.2	\$0.4
CurrentCare	-	1.0
Health Information Technology – Opioid Reporting	-	1.4
LTC Asset Verification	(0.1)	(1.3)
Predictive Modeling	(0.2)	(0.6)
Electronic Health Records	-	(1.1)
Total	\$(0.1)	\$(0.2)

\$ in millions

Central Management – FY 2019 Revised

Contracted Services - Change to Enacted	Gen Rev	All Funds
Rhody Health Redesign (CEC Shift)	1.3	2.4
Medicaid Mgt. Information Systems Expenses	1.2	2.0
Financial & Management Services	-	0.3
Total	\$2.4	\$4.7

\$ in millions

Central Management – FY 2019 Revised

All Other Changes	Gen Rev	All Funds
HIV Services & Admin	\$-	\$2.2
Aging & Disability Resource Ctr.	-	0.2
Community Enhancement Grants	-	0.4
DOJ Consent Decree Monitor	0.1	0.2
Staffing	(1.5)	(0.9)
All Other	0.1	(0.5)
Total	\$(1.3)	\$1.6

\$ in millions

Central Management – FY 2020 Recommendation

Contracted Services - Change	Gen Rev	All Funds
Financial & Mgt. Contracts	\$1.1	\$2.5
Rhody Health Option Redesign	1.7	3.3
Medicaid Mgt. Information System	1.2	1.8
Health Care System Transformation Project	-	2.7
<i>Independent Evaluation – Medicaid Waiver</i>	0.4	0.8
<i>Independent Provider Model</i>	0.2	0.8
Total	\$4.6	\$11.9

\$ in millions

Central Management – FY 2020 Recommendation

Technology Projects – Change	Gen Rev	All Funds
CurrentCare	\$0.1	\$2.2
All Payer Claims Database	0.4	1.0
Electronic Clinical Quality Measurement System	0.1	1.0
Health Information Enhancement – Opioid Reporting	-	1.2
Electronic Health Records	-	(1.1)
LTC Asset Verification	(0.1)	(1.3)
Total	\$0.5	\$3.0

\$ in millions

Central Management – FY 2020 Recommendation

All Other Changes	Gen Rev	All Funds
Adult Use Marijuana	\$-	\$1.0
HIV Services & Admin	-	(0.5)
Aging & Disability Resource Ctr.	-	0.2
<i>Medicaid Academy</i>	0.0	0.1
<i>Behavioral Health Benchmark Study</i>	0.2	0.2
DOJ Consent Decree Monitor	0.1	0.2
Legal Staff (4.0 FTE)	0.3	0.4
Admin & All Other	(0.7)	(1.4)
Total	\$(0.1)	\$(0.2)

\$ in millions

FY 2020 Governor's Recommendation

New Items	Purpose
Independent Evaluation – Medicaid Waiver	Conduct independent review of waiver
Independent Provider Model (DXC Technologies)	In support of the Quality Self-Directed Services program
Medicaid Academy	NESCO to provide staff leadership training to EOHHS agencies
Behavioral Health Benchmark Study	Complete a study of mental health services insurance coverage

Central Management

- Common issue across state agencies is projects that start as funded through a federal grant and eventually require general revenue support
- BHDDH – some of the federal grants
 - Later have an impact on the Medicaid program
- EOHHS – State Innovations Model (SIM) grant

State Innovation Model Grant

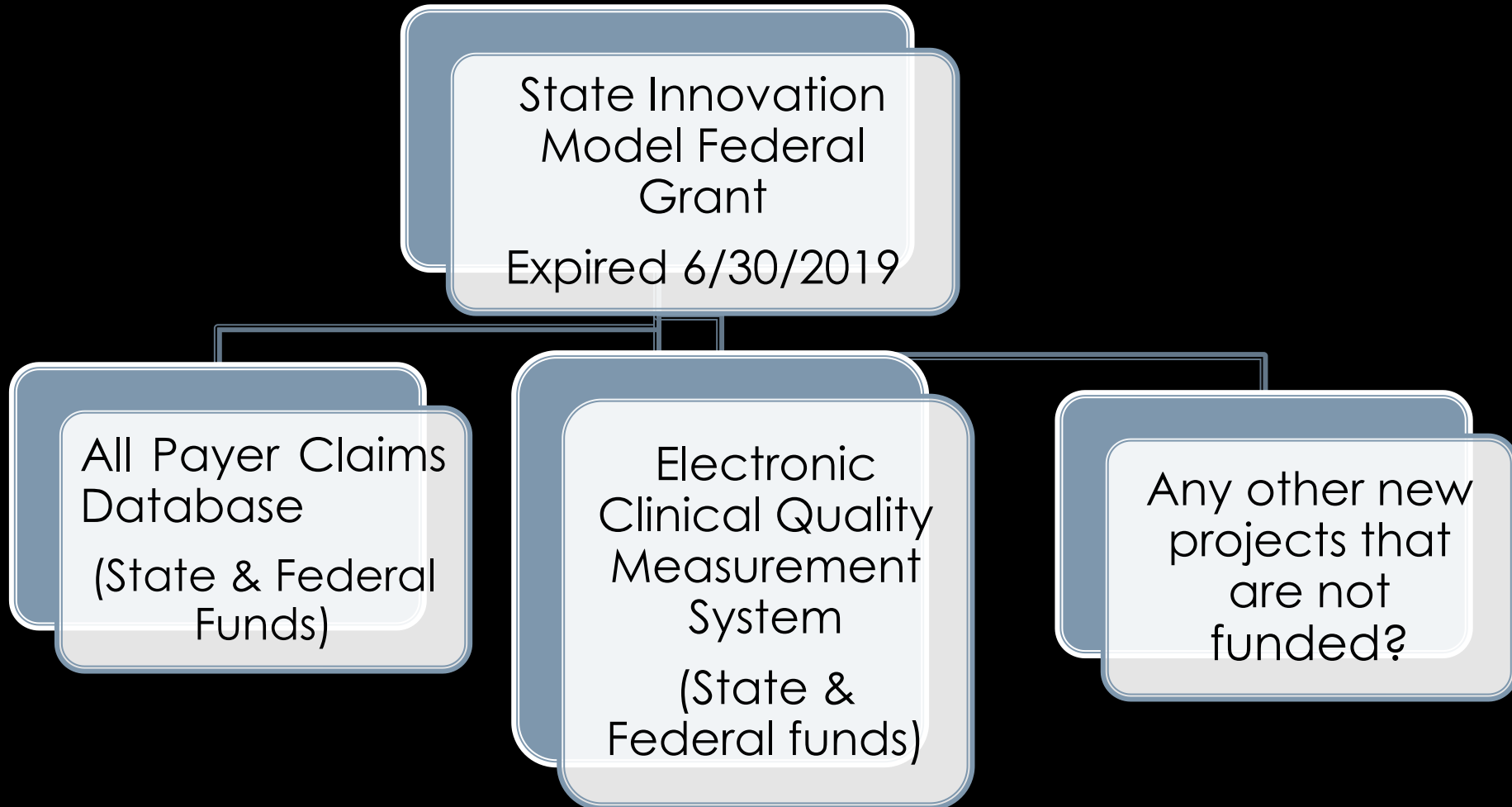
- Governor includes \$6.3 million for FY 2019 & \$0.3 million for FY 2020
 - \$4.6 million for contracted services FY 2019
 - \$0.8 million in FY 2019 for providers
 - \$0.8 million in FY 2019 & \$0.3 million in FY 2020 for staffing and operating
- Governor requested an amendment to add \$2.1 million for FY 2019
 - Remainder of the funding
- 4-year grant ends 6/30/2019

State Innovation Model Grant – FY 2019

Provider	Activity	Total
URI/RIC/OnPoint Health Data	Evaluate planning and implementation of SIM efforts	\$1.2
Perfect Search Corporation	Develop a SIM Healthcare Quality Measurement & Reporting System	1.1
Autism Project	Pilot program in 3 schools	0.2
Bradley Hospital	Child Psychiatry Access Project	0.4
Freedman Healthcare	Project Mgt - All Payer Claims Database	0.4
Total		\$3.3

\$ in millions

State Innovation Model Grant



All Payer Claims Database

- FY 2019 enacted includes \$1.1 million
 - \$0.3 million to Freedman Health Care for management services related to the All Payer Claims Database
- Governor includes \$1.5 million for FY 2019 - \$0.3 million from general revenues
- \$2.1 million for FY 2020 - \$0.5 million from general revenues
- Started with federal SIM grant funding

Central Management

Technology Projects	Provider	Purpose
CurrentCare	RI Quality Institute	Electronic network for access to health information
All Payer Claims Database	EOHHS/DOH /OHIC/ HSRI	Data collection of healthcare utilization, cost and trends for people living in RI
Electronic Clinical Quality Measurement System	IMAT Solutions	System for data acquisition/validation and dissemination. Quality measure reporting

Central Management

Technology Projects	Provider	Purpose
Health Info Tech Enhancements – Opioid Reporting	RI Quality Institute	Enable emergency rooms to identify those at risk & send alerts to primary care providers
HIT Roadmap	RFP has been issued	Do a study determine next step in the process

HIV/AIDS Care Program

- FY 2019 revised is \$16.5 million
 - \$2.2 million more than enacted
- FY 2020 recommendation is \$13.8 million
 - \$0.5 million less than enacted
 - \$2.7 million less than revised rec.
- Program expenses supported by Ryan White federal funds and drug rebates
- Both years shift EOHHS agency-wide staff expenses to rebate funds
 - 6 FTE assigned to the program

HIV/AIDS Care Program

	FY 2019 Enacted	FY 2019 Gov. Rev.	FY 2020 Gov. Rec	FY 2020 to Enacted
Salaries/Ben	\$1.0	\$1.7	\$1.8	\$0.8
Contr. Serv.	0.7	1.7	1.5	0.8
Operating	6.6	6.4	6.4	(0.2)
Grants	6.0	6.6	4.1	(1.9)
Total	\$14.3	\$16.5	\$13.8	\$(0.5)
Fed. Funds	\$5.2	\$6.7	\$6.6	\$1.4
Rebates	9.1	9.7	7.2	(1.9)
Total	\$14.3	\$16.5	\$13.8	\$(0.5)

\$ in millions

HIV/AIDS Care Program

- Drugs: \$6.4 million in FY 2019 & FY 2020
 - About 650 individuals
- With passage of the Affordable Care Act, individuals now have access to coverage
 - Including the Medicaid expansion program
- Program can support other activities but a decrease in drug expenses lowers the rebates that can be collected

HIV/AIDS Care Program

- Medical Care & Treatment Services: \$2.3 million in FY 2019 & \$1.3 million in FY 2020
 - Oral health, substance abuse/residential treatment, early intervention services
- Social Support & Services: \$4.2 million for FY 2019 & \$2.7 million for FY 2020
 - Food bank, home delivered meals & transportation

HIV/AIDS Care Program

- Co-Exist Project
 - 3-year, \$19.5 million agreement between EOHHS, BHDDH, URI, Rhode Island College & community providers
 - Expand services to HIV positive individuals
 - Including residential and outpatient treatment for individuals with substance abuse issues
 - Training and evaluation through URI & RIC
- Now appears to be an issue with amount of rebates available

HIV/AIDS Care Program

Rebates		FY 2017	FY 2018	FY 2019	FY 2020
EOHHS	Balance Fwd.	\$5.3	\$8.6	\$2.9	\$0.1
	Receipts	7.3	5.6	9.6	10.0
	Expenses	(4.0)	(11.3)	(12.4)	(10.0)
	Total	\$8.6	\$2.9	\$0.1	\$0.1
Gov. Rec.	Balance Fwd.	\$5.3	\$8.6	\$2.9	\$-
	Receipts	7.3	5.6	5.6	5.6
	Expenses	(4.0)	(11.3)	(8.5)	(5.8)
	Total	\$8.6	\$2.9	\$-	\$(0.3)

\$ in millions

Co-Exist Project

Agency	Activity	Award	Updated
AIDS Care Ocean State	Housing & Intervention	\$4.4	\$3.4
Community Care Alliance	Residential Care, Recovery Center, Transitional Housing	5.0	3.6
RI Public Health Institute	Intervention Services	3.5	2.4
Miriam Hospital	Agreement with RI Public Health Institute	-	0.4
Total		\$12.9	\$9.8

\$ in millions

Co-Exist Project

Dept/ Agency	End Date	Activity	Award	Updated
BHDDH	3/31/2019	Recover & Res. Treatment	\$3.8	\$1.7
URI	3/31/2019	Mobile clinic, testing, workforce development	1.3	1.3
RIC	3/31/2019	Case mgt., workforce & development	1.7	1.7
Total			\$6.8	\$4.8

\$ in millions

Internal Audit Finding

- Improve oversight of MCO contract settlements
 - *“The State relies too heavily on its managed care consultant to evaluate and finalize amounts owed to or due from the State’s participating managed care organizations for each separate program and contract period”*

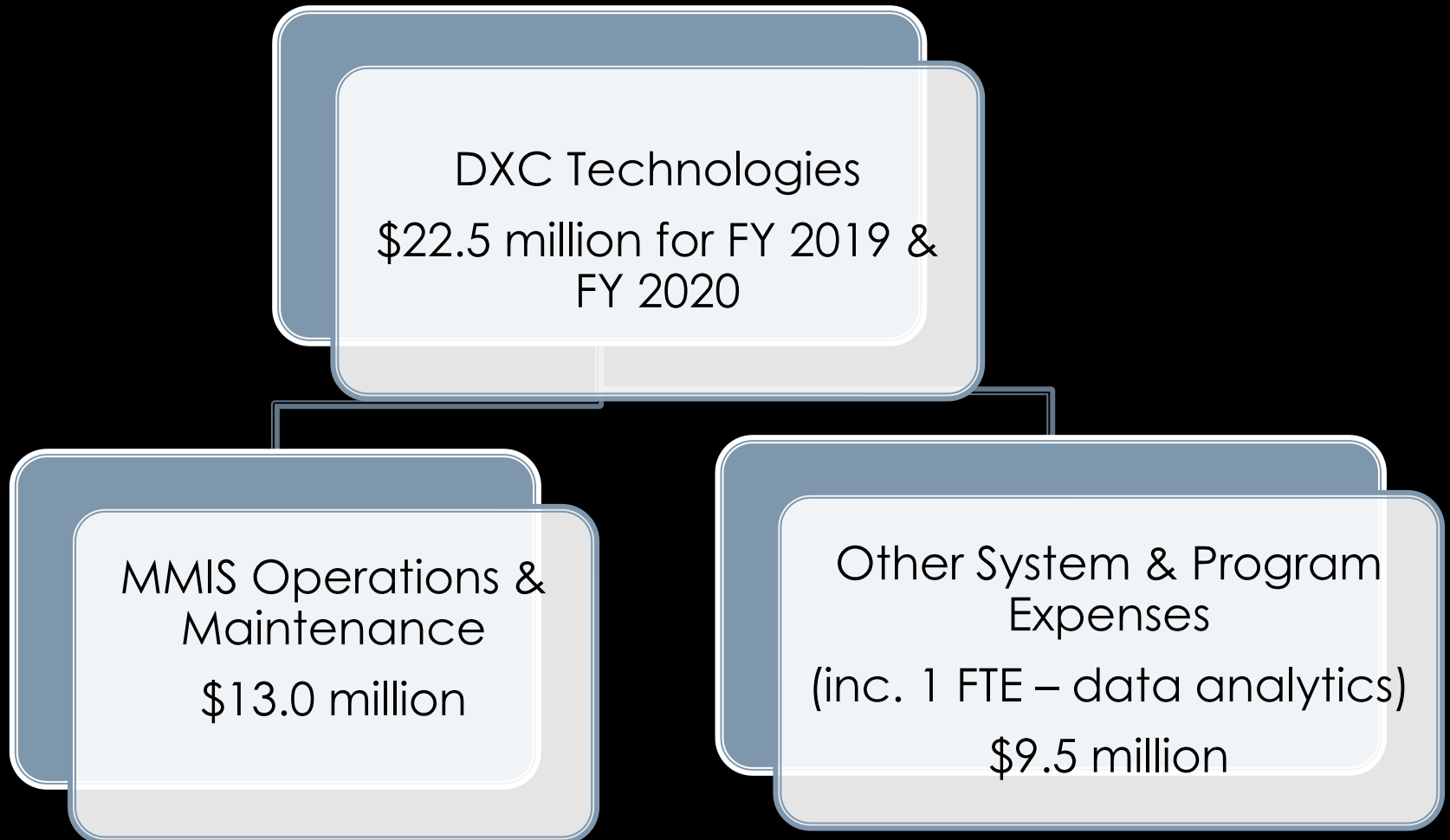
Internal Audit Finding

- Improve oversight of MCO contract settlements
 - *“The State relies extensively on its consultant to manually reconcile and validate capitation reported by the MCOs with amount reported in MMIS”*

EOHHS Organization

Contractor	Responsibilities	Award
DXC Technology	<ul style="list-style-type: none"> Process Medicaid claims Clinical Review & Training Utilization Management 	<ul style="list-style-type: none"> \$210.0 million 1/1/2013 to 12/31/2020
MTM	<ul style="list-style-type: none"> Operate non-emergency transportation services 	<ul style="list-style-type: none"> \$114 million 1/2019 to 6/2022
CT Peer Review/Qualidigm	<ul style="list-style-type: none"> Provide hospital admission screening & utilization review 	<ul style="list-style-type: none"> \$1.2 million 1/1/2017 to 12/31/2019
Sandata	<ul style="list-style-type: none"> Operate Electronic Visit Verification System 	<ul style="list-style-type: none"> \$1.6 million 3 yr. term: 1/2021
PCG Consulting	<ul style="list-style-type: none"> Cost allocation plan 	<ul style="list-style-type: none"> \$0.6 million 12/31/2019

Financial & Management Contracted Services

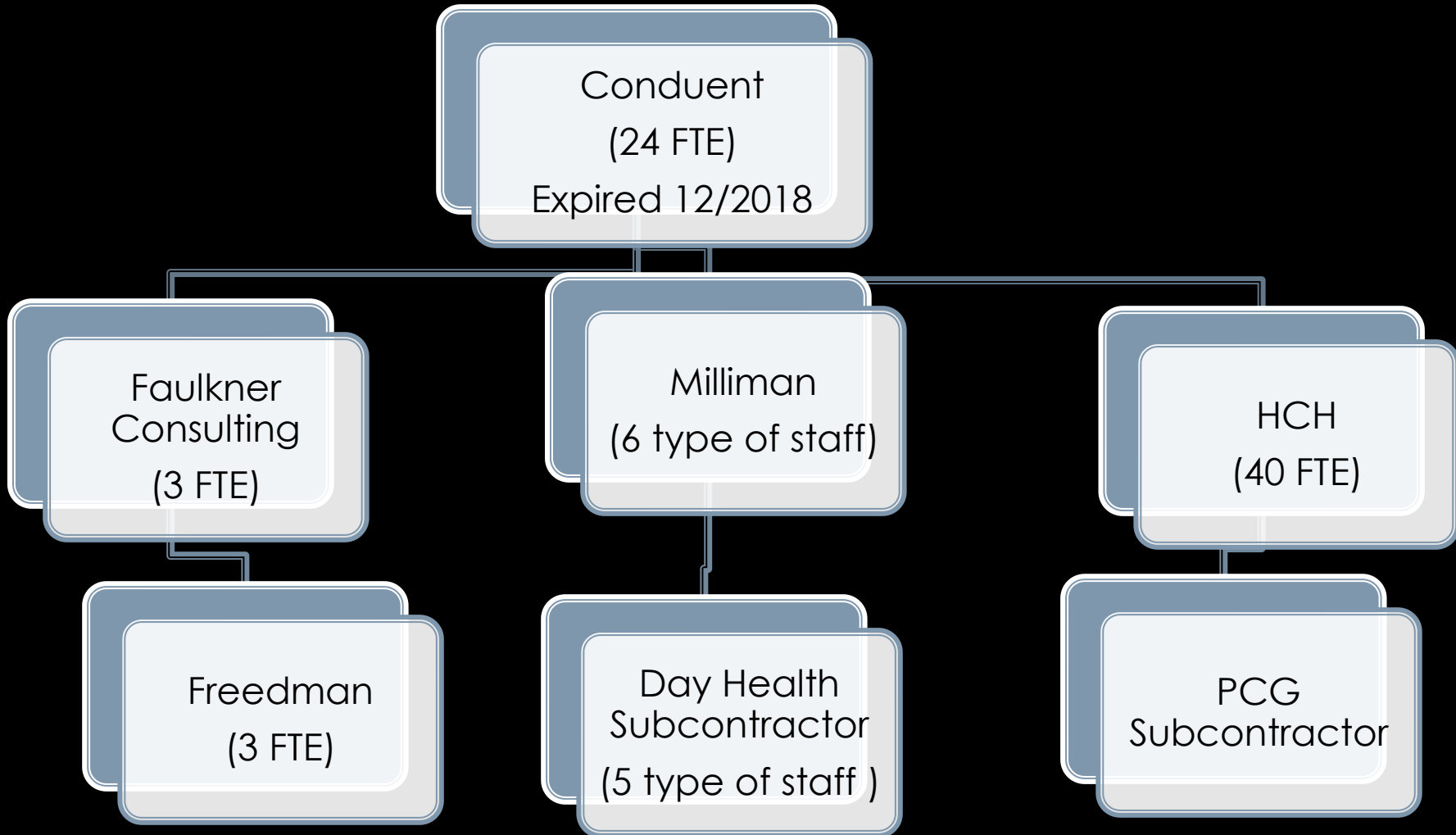


Financial & Management Contracted Services

Contractor	Responsibilities	Award
Milliman	Actuarial & Financial Analysis Support	• \$1.6 million annually
HCH	Staff support services to the Medicaid program	• \$5.1 million annually
Faulkner Consulting	Strategic Consulting Services	• \$2.7 million annually

3 contracts replace Conduent Contract which ended 12/31/2018 and was \$6.0 million annually

Financial & Management Contracted Services



Financial & Management Contracted Services

Staff Augmentation	
Milliman Contract	Hourly Rate
Principal	\$510
Senior Finance Consultant	\$375
Senior Actuarial Consultant	\$330
Actuary	\$275
Analyst	\$180
Administrator	\$85

Financial & Management Contracted Services

Staff Augmentation	
Milliman Subcontractor – Day Health Services	Hourly Rate
Day Health President	\$375
Policy Principal	\$295
Policy Consultant	\$200
Senior Policy Consultant	\$250
Senior Policy Analyst	\$175

Financial & Management Contracted Services

Services	Milliman – Staff Augmentation
Actuarial & Rate Setting	<ul style="list-style-type: none">• Develop alternative payment methodologies• FQHC rate development & reconciliation• Hospital & nursing home rate development• Risk sharing arrangements
Financial Analysis	<ul style="list-style-type: none">• Budget Forecasting & Tracking• Nov. & May Caseload estimating testimony• CHIP allotment• Children’s Health Account analysis• Federal Financial Participation optimization• Financial reporting and auditing support• Financial compliance oversight support

Financial & Management Contracted Services

FTE

HCH: Staff Augmentation

15

- **Project Mgt.:** assist w/ planning, coordination & communication/administrative support
- **Overall oversight:** assist with managing the MCOs
- **Contract Specialist:** assist with preparing, writing contracts/tracking and monitoring amendments
- **Communication:** public comm. review & facilitate meetings. Ensure timely & appropriate planning, collection, review/ tracking of materials & meetings
- **Compliance:** fed. & state requirements, laws & regs
- **Data Analysis:** support contract management
- **Program Development:** subject matter experts

Financial & Management Contracted Services

FTE	HCH: Staff Augmentation
2	Rlte Share – assist families & individuals to obtain & maintain employer sponsored health coverage
1	Policy & Regulations – research & interpret new & existing state and federal policies/draft public notice materials and coordinate meetings/phone conferences with CMS & coordinate written responses to CMS questions

Financial & Management Contracted Services

FTE	HCH: Staff Augmentation
4 to 6	Financial and Data Analysis for Health System Transformation Project
3 to 5	Data Analysis – for cross agency integrated data
5	System Support – <u>User Testing</u> to manage modifications to Medicaid system <u>Business Analyst</u> to support planning and development of Medicaid programs

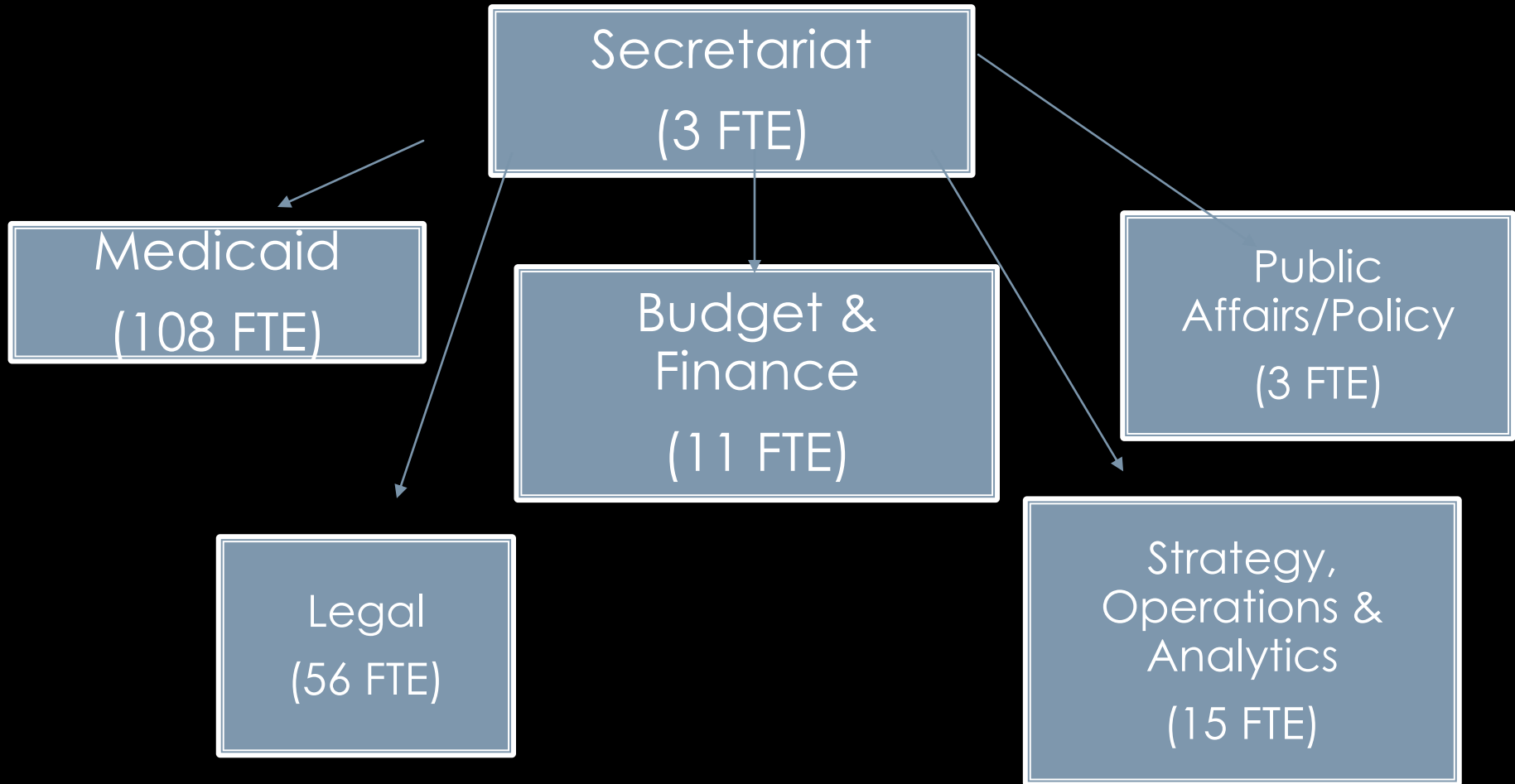
Health System Transformation Program

Expenses	FY 2017 Spent	FY 2018 Spent	FY 2019 Enacted	FY 2019 Gov. Rev.	FY 2020 Gov. Rec.
Administrative	\$1.0	\$2.3	\$9.4	\$11.9	\$12.0
Payments	-	13.6	23.5	23.5	23.5
Total	\$1.0	\$15.9	\$32.9	\$35.4	\$35.5

\$ in millions

- RI's received approval for another 5 years
- Funding totaling \$130 million
 - Nursing Home and Hospital Incentive Program
 - Workforce Development
 - Accountable Entities

EOHHS Organization



Staffing – EOHHS

Full-Time Equivalent Positions

Full-Time Positions	FTEs	Chg. To Enacted
Enacted Authorized	192.0	-
FY 2019 Gov. Rev.	195.0	3.0
FY 2020 Request	192.0	-
FY 2020 Governor	196.0	4.0
FY 2020 Funded FTE	194.0	-
Filled as of March 30	183.0	(9.0)
FY 2018 Average Filled	176.3	(15.7)

Staffing – EOHHS

FY 2020 Governor Recommendation		
	EOHHS	Statewide
Gross Salaries (in millions)	\$21.2	\$1,249.1
Turnover (in millions)	(0.2)	(42.9)
Turnover %	1.0%	3.4%
Turnover FTE	2.0	529.0
FY 2020 FTE recommended	196.0	15,413.9
Funded FTE	194.0	14,884.9
Filled as of March 30	183.0	14,131.4
Funded but not filled	11.0	752.8

Salaries and Benefits

	Gen. Rev.	All Funds
FY 2018 Spent	\$11.2	\$27.2
FY 2019 Enacted	\$14.9	\$31.5
FY 2019 Gov. Rev.	\$13.1	\$32.1
Gov. Chg. to Enacted	\$(1.8)	\$0.5
FY 2020 Request	\$13.9	\$33.9
FY 2020 Gov. Rec.	\$13.9	\$33.6
Gov. Chg. to Enacted	\$(1.1)	\$2.1

\$ in millions

Salaries and Benefits

- Issues:
 - Staff from other agencies charged to EOHHS
 - DOA/DOH
 - Hard to track actual EOHHS staffing expenses
 - Hired with time limited federal funds
 - transferred to another position
 - Desk Audits – salary upgrades
 - 17 desk audits have been requested
 - 4 approved/1 not approved/remaining pending
 - Governor's recommended budget assumes upgrades to nine positions

Annual Reporting Requirements

- 2013 Assembly required OMB to prepare, review & inventory all reports filed w/ Assembly
- Report to be presented to Assembly as part of budget submission annually
- Executive Office is required to submit 14 reports

Annual Reporting Requirements

Report	Date	Submitted/Filed
Monthly Caseload (EOHHS Medical/DHS cash assistance)	By 15 th of each month	<ul style="list-style-type: none"> • Medical – yes • Cash – Yes
Contracted Services	Part of Budget process	Not submitted
Medicaid Report to the Senate (resolution)	Quarterly starting 9/15/2010	Yes
Long Term Care Exp.	Twice annually, 6 months apart	Submitted
Public Health Access Beneficiary Employer	3 rd Tuesday in January	2008 & 2009 report
Program Integrity	Annually by Jan. 1, starting in 2014	2015 report in draft

Annual Reporting Requirements

Report	Date	Submitted/Filed
Children's Health Account	Annually by February 1 st	No
Uninsured Rlers Buy-In	On or before 2/15 to Jt Committee on Health Care Oversight	Not since 2006
Annual Medicaid Expenditure Report	No later than March 15	2017 filed
Sherlock Report	Annually by March 31	Last files 9/30/2016
Long Term Care System Reform & Rebalancing	Annually by April 1	Yes

Annual Reporting Requirements

Report	Date	Submitted/Filed
Special Program for Care of Severely Disabled Elderly Residents who need Nursing Facility Services	On or before April 15	No
Global Waiver Compact Administration & Implementation	Annually starting no later than July 1, 2009	Information through 2/2015
Health Care Planning & Accountability Advisory Council	Annual report each July	Last filed 7/2015
Children's Cabinet Statewide	December 1, 2015	No

2019 – H 5151

- Medicaid:
 - Article 16 – Medical Assistance
 - Article 17 – Medicaid Resolution
 - Article 18 – Uncompensated Care
 - Article 19 – Hospital License Fee
- Govt. Reorganization – Article 4
 - Child Care Licensing Unit to DHS
 - Office of Veterans' Affairs & Office of Elder Affairs to EOHHS
 - Governor requests an amendment to keep in DHS

Governor's Recommendation

- EOHHS
 - Medical Assistance Program
 - Central Management
- *Office of Veterans' Affairs*
 - *Administration Office & Resource Center*
 - *Veterans' Home*
 - *Veterans' Cemetery*
- Office of Elder Affairs
 - Currently DHS - Division of Elderly Affairs

Office of Veterans' Affairs

- Created in 2016
- Director reports to the Governor
- Funding is in DHS for budget purposes
 - Governor transfers to EOHHS for FY 2020
 - Requests an amendment to keep in DHS and rename Office of Veterans Services
- Provides programs & services
- Outreach & education
- Operates Veterans' Home & Cemetery

Office of Veterans' Affairs

	FY 2018 Spent	FY 2019 Enacted	FY 2019 Gov. Rev.	FY 2020 Gov. Rec.
Office (Admin & Outreach)	\$0.3	\$0.3	\$0.8	\$1.2
Home Operations	34.6	31.9	35.3	34.2
New Home	11.0	-	0.1	-
Cemetery	1.6	2.2	1.8	4.8
Total	\$47.4	\$34.4	\$38.0	\$40.3

\$ in millions

Office of Veterans' Affairs - Summary

By Source	FY 2019 Enacted	FY 2019 Gov. Rev.	Chg.	FY 2020 Gov. Rec.	Chg.
General Revenues	\$23.6	\$26.7	\$3.1	\$25.8	\$2.3
Federal Funds	9.6	10.3	0.7	13.5	3.9
Restricted Receipts	1.3	1.0	(0.3)	1.0	(0.3)
Total	\$34.4	\$38.0	\$3.5	\$40.3	\$5.9
FTEs	240.1	252.1	12.0	252.1	12.0

\$ in millions

Office of Veterans' Affairs - Summary

By Category	FY 2019 Enacted	FY 2019 Gov.	Chg.	FY 2020 Gov. Rec	Chg.
Salaries/Ben	\$25.4	\$25.5	\$0.1	\$25.2	\$(0.1)
Contracted Services	3.3	6.3	3.0	5.7	2.4
Operating	5.5	5.9	0.4	8.9	3.4
Asst/Benefits	0.2	0.2	-	0.4	0.2
Capital	-	0.1	0.1	-	-
Total	\$34.4	\$38.0	\$3.5	\$40.3	\$5.9

\$ in millions

Office of Veterans' Affairs

- For FY 2020 request there were no specific savings proposals from the Office of Veterans' Affairs
 - Governor did not recommend any proposals
- Includes statewide savings

Initiative – OVA	FY 2019 Revised	FY 2020
Prompt Payment	\$(2,971)	\$(2,971)
Contract	(85,570)	(100,971)
Insurance	(35,078)	(9,200)
Total	\$(123,619)	\$(113,142)

Centralized Services

General Revenues	FY 2019 Enacted	FY 2019 Revised	Chg. to Enacted	FY 2020	Chg. to Enacted
Facilities	\$1.8	\$2.3	\$0.6	\$2.3	\$0.6
IT	0.2	0.3	0.1	0.2	-
HR	0.4	0.4	-	0.4	0.1
Total	\$2.3	\$3.0	\$0.7	\$3.0	\$0.6

\$ in millions

Staffing – Veterans Affairs

Full-Time Equivalent Positions

Full-Time Positions	FTEs	Chg. To Enacted
Enacted Authorized	240.1	-
FY 2019 Gov. Rev.	252.1	12.0
FY 2020 Request	237.1	-
FY 2020 Governor	252.1	12.0
FY 2020 Funded FTE	212.7	(27.4)
Filled as of March 30	219.6	(20.5)
FY 2018 Average Filled	217.9	(22.2)

Staffing – Office of Veterans' Affairs

FY 2020 Governor Recommendation		
	OVA	Statewide
Gross Salaries (in millions)	\$17.0	\$1,249.1
Turnover (in millions)	(2.7)	(42.9)
Turnover %	15.6%	3.4%
Turnover FTE	39.4	529.0
FY 2020 FTE recommended	252.1	15,413.9
Funded FTE	212.7	14,884.9
Filled as of March 30	219.6	14,131.4
Funded but not filled	(6.9)	752.8

Office of Veterans' Affairs

- Governor Changes
 - Converts temporary positions to 12.0 new full time positions
 - Increases support to veterans organizations from \$200,000 to \$400,000 for FY 2020
 - Adds \$153,000 from general revenues to support new case management system

Veterans' Affairs – Administration & Cemetery

Category	FY 2019 Enacted	FY 2019 Gov.	FY 2020 Gov.	FY 2020 to Enacted
Salaries & Ben.	\$1.5	\$1.8	\$1.8	\$0.3
Contracted Srvs.	0.3	-	-	(0.3)
Operations	0.7	0.6	0.7	-
Grants	-	0.2	0.4	0.4
Capital*	-	-	3.1	3.1
Total	\$2.5	\$2.6	\$6.0	\$3.1
FTE	18.0	18.0	18.0	-

\$ in millions

*Cemetery projects budgeted as operating

Veterans' Affairs – Home

	FY 2019 Enacted	FY 2019 Gov. Rev.	FY 2020 Gov. Rec.	FY 2020 to Enacted
Salaries & Benefits	\$23.9	\$23.7	\$23.4	\$(0.5)
Contracted Services	3.0	6.3	5.7	2.7
Operations	5.0	5.2	5.1	0.1
Capital	-	0.1	-	-
Total	\$31.9	\$35.4	\$34.2	\$2.3
FTE	222.1	234.1	234.1	12.0

\$ in millions

Veterans Organizations Direct Support

- Governor includes \$400,000 to “support services through veterans organizations
 - \$200,000 above enacted

FY 2019 – Current Awards	
<i>Organization</i>	<i>Total</i>
Operation Stand Down	\$85,000
VFW	35,000
RIPTA Bus Passes	25,000
RI College	20,000
Vets, Inc.	9,000
RI Military Org.	9,000
Veterans Treatment Court	6,000
SHRI Service Corps	6,000
Center for Mediation	5,000
Total	\$200,000

RI Serves

- Governor adds \$153,000 from general revenues to support RI Serves
- Care network and case management system to connect veterans applying for assistance through a community provider network
 - In coordination with Department of Administration's Division of Info. Technology

Governor's Recommendation

- EOHHS
 - Medical Assistance Program
 - Central Management
- Office of Veterans' Affairs
 - Administration Office & Resource Center
 - Veterans' Home
 - Veterans' Cemetery
- *Office of Elder Affairs*
 - *Currently DHS - Division of Elderly Affairs*

Office of Elder Affairs

- Primary Functions of Elderly Affairs
 - Information and Referral
 - “The Point”
 - Aging and Disability Resource Center
 - \$0.2 million for FY 2019 & FY 2020 – EOHHS budget
 - Medicaid funded home and community Care Services
 - Elder Safety & Adult Protection Services
 - Health Promotion
 - Nutrition

Office of Elder Affairs

- Governor creates Office of Elder Affairs
 - Article 4
 - Amendment requested 4/22 to keep in DHS and name Office of Healthy Aging
- FY 2011 Assembly eliminated the Department of Elderly Affairs and created the Division of Elderly Affairs in the Department of Human Services

Office of Elder Affairs - Summary

By Source	FY 2019 Enacted	FY 2019 Gov. Rev.	Chg.	FY 2020 Gov. Rec.	Chg.
General Revenues	\$7.9	\$7.8	\$(0.1)	\$8.4	\$0.6
Federal Funds	12.9	13.3	0.4	13.5	0.7
Restricted Receipts	0.2	0.2	-	0.2	-
Total	\$20.9	\$21.2	\$0.3	\$22.1	\$1.2
FTEs	31.0	31.0	-	31.0	-

\$ in millions

Office of Elder Affairs

- For FY 2020 request there were no specific savings proposals from the Office of Elder Affairs
 - Governor did not recommend any proposals
- Does include statewide savings

Initiative – OEA	FY 2019 Revised	FY 2020
Prompt Payment	\$(2,363)	\$(2,363)
Contract	(14,894)	(15,238)
Insurance	(50)	(234)
Total	\$(17,307)	\$(17,835)

Centralized Services

	FY 2019 Enacted	FY 2019 Revised	Chg. to Enacted	FY 2020	Chg. to Enacted
IT	\$236,334	\$281,315	\$44,981	\$273,317	\$36,983
HR	363,767	363,767	-	363,767	-
Facilities	245,733	226,491	(19,242)	226,491	(19,242)
Total	\$845,834	\$871,573	\$25,739	\$863,575	\$17,741

Staffing – Office of Elder Affairs

Full-Time Equivalent Positions

Full-Time Positions	FTEs	Chg. To Enacted
Enacted Authorized	31.0	-
FY 2019 Gov. Rev.	31.0	-
FY 2020 Request	31.0	-
FY 2020 Governor	31.0	-
FY 2020 Funded FTE	28.2	(2.8)
Filled as of March 30	27.0	(4.0)
FY 2018 Average Filled	27.9	(3.1)

Staffing – Office of Elder Affairs

FY 2020 Governor Recommendation		
	EOHHS	Statewide
Gross Salaries (in millions)	\$2.6	\$1,249.1
Turnover (in millions)	(0.2)	(42.9)
Turnover %	9.1%	3.4%
Turnover FTE	2.8	529.0
FY 2020 FTE recommended	31.0	15,413.9
Funded FTE	28.2	14,884.9
Filled as of March 30	27.0	14,131.4
Funded but not filled	1.2	752.8

Non-Profit Appropriations

- \$1.6 million to fund specific agencies & programs in the Office of Elder Affairs

Program	FY 2020 Rec
Meals on Wheels	\$530,000
Other Elderly Nutrition Services	50,000
Senior Center Support	800,000
Diocese of Providence (Respite Care)	140,000
Elderly Housing Security	85,000
Long Term Care Ombudsman	40,000
Total	\$1,645,000

Medicaid Programs

- Provides eligible seniors with options to help them remain in the community
- Medicaid programs for home care, adult day and case management services
 - Is an alternative program – “CNOM”
- Low income elders pay a portion of the costs for these services
- State leverages Medicaid funds for these services through the waiver

Medicaid Programs

Program	FY 2018 Spent	FY 2019 Enacted	FY 2019 Gov.	FY 2020 Gov.	Rec. to Enacted
Adult Day	\$1.7	\$2.2	\$2.3	\$2.9	\$0.6
Home Care	3.5	4.1	4.2	4.8	0.7
Case Mgt	0.5	0.5	0.5	0.5	0.0
Total	\$5.7	\$6.9	\$7.0	\$8.2	\$1.3

\$ in millions

Co-Pay Programs

- Article 17 expands eligibility for home care & adult day co-pay programs
 - Medicaid funded program
 - Funding in EOHHS/Office of Elder Affairs
 - Income threshold raised from 200% to 250% of FPL
 - FY 2020 - \$7.7 million, \$3.7 million from general revenues for both programs
 - \$4.7 million for home care
 - \$2.9 million for adult day care

Adult Day Rates

- EOHHS increased adult day rates as part of enacted Rhody Health Redesign savings
 - \$58 for adult day & \$78 for enhanced care for full day – increase of \$13
 - \$29 for adult day & \$39 for enhanced day care for partial day – increase of \$6.50
 - Specifically excluded rates paid through the DHS Co-Pay (CNOM) program
- 2 separate programs – co-pay has a higher income threshold

Other Elderly Affairs Services

Program	FY 2018 Actual	FY 2019 Gov. Rev.	FY 2020 Gov. Rec.
Nutrition and Meals on Wheels	\$2.8	\$3.0	\$2.8
Older Americans Act - Other	2.8	3.3	2.8
Medicaid Administration	0.7	0.7	0.7
Senior Companion Program	0.3	0.4	0.4
Health Info & Counseling/ Senior Medicare Patrol Project	0.2	0.2	0.2
All Other Services	0.7	0.5	0.5
Total	\$7.4	\$8.1	\$7.4

\$ in millions

Executive Office of Health and Human Services

Staff Presentation to the House Finance Committee
FY 2019 Revised/ FY 2020 and Capital Budgets
April 23, 2019
