Governor’s FY 2020 Budget: Articles

Staff Presentation to the House Finance Committee
March 13, 2019
Introduction

- Article 16 – Medicaid
  - Excluding Section 4
    - Employer Assessment – 3/19
- Article 17 – Medicaid Resolution
- Article 18 – Hospital License Fee
- Article 19 – Uncompensated Care Payment to Hospitals
Medicaid Overview

- Major part of state budget and economy
  - 30% of state residents receive Medicaid
  - Majority of costs on small % of population
- Federal requirements and limitations
  - Can expand programs through waivers
    - To cover populations & provide services through different pathways
    - RI Global Consumer Choice Compact Waiver
- ACA - state expanded Medicaid to approximately 76,000 individuals
EOHHS

- Principal agency to manage the 4 health and human service agencies
  - Behavioral Healthcare, Developmental Disabilities and Hospitals
  - Children, Youth and Families
  - Human Services
  - Health
- Medicaid funded programs in each of the agencies
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
  - Ideally issues and impacts are coordinated across agencies
- Directors retain statutory authority
## Governor’s FY 2020 Budget by Department

<table>
<thead>
<tr>
<th>Department</th>
<th>General Revenues</th>
<th>All Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>EOHHS</td>
<td>$1,029.0</td>
<td>$2,738.2</td>
</tr>
<tr>
<td>BHDDH</td>
<td>187.9</td>
<td>434.1</td>
</tr>
<tr>
<td>Children, Youth &amp; Families</td>
<td>164.2</td>
<td>222.7</td>
</tr>
<tr>
<td>Human Services</td>
<td>72.4</td>
<td>576.4</td>
</tr>
<tr>
<td>Health</td>
<td>28.4</td>
<td>182.4</td>
</tr>
<tr>
<td>Total</td>
<td>$1,482.0</td>
<td>$4,154.8</td>
</tr>
<tr>
<td>Total State Budget</td>
<td>$4,075.1</td>
<td>$9,930.0</td>
</tr>
<tr>
<td>EOHHS Agencies % of Total</td>
<td>36.4%</td>
<td>41.8%</td>
</tr>
</tbody>
</table>

$ in millions
## Governor’s FY 2020 Budget
### Medicaid by Department

<table>
<thead>
<tr>
<th>Department</th>
<th>General Revenues</th>
<th>All Funds</th>
<th>% of Medicaid</th>
</tr>
</thead>
<tbody>
<tr>
<td>EOHHS</td>
<td>$996.8</td>
<td>$2,646.8</td>
<td>85.3%</td>
</tr>
<tr>
<td>BHDDH</td>
<td>188.4</td>
<td>401.2</td>
<td>12.9%</td>
</tr>
<tr>
<td>Children, Youth &amp; Families</td>
<td>21.4</td>
<td>44.7</td>
<td>1.4%</td>
</tr>
<tr>
<td>Human Services</td>
<td>4.6</td>
<td>9.0</td>
<td>0.3%</td>
</tr>
<tr>
<td>Health</td>
<td>0.9</td>
<td>1.1</td>
<td>0.0%</td>
</tr>
<tr>
<td>Medicaid Total</td>
<td>$1,212.1</td>
<td>$3,102.7</td>
<td>100%</td>
</tr>
<tr>
<td>Total State Budget</td>
<td>$4,075.1</td>
<td>$9,930.0</td>
<td></td>
</tr>
<tr>
<td>Medicaid % of Total</td>
<td>29.7%</td>
<td>31.3%</td>
<td></td>
</tr>
</tbody>
</table>

Medicaid % of Total: $ in millions
Medicaid % of FY 2020 Budget - General Revenues

- Other Spending: 70.3%
- State Match: 29.7%
Medicaid Programs

- **EOHHS:**
  - Low income children and parents
  - Elderly/Disabled/Non-Disabled with dependent children
  - Medical benefits for those receiving community based services through BHDDH or DCYF

- **BHDDH:**
  - Services to developmentally disabled adults
  - Patients at Eleanor Slater Hospital
Medicaid Programs

- DCYF:
  - Non-medical services for children
  - Residential and community based services
- DHS:
  - Medical Services administration
- DOH:
  - Inspections
  - Administrative Expenses
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
- Starting point for the Governor’s revised and recommended budgets
## Medical Assistance: CEC

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Hospitals</td>
<td>$191.2</td>
<td>$199.0</td>
<td>$187.6</td>
</tr>
<tr>
<td>Long Term Care</td>
<td>396.3</td>
<td>454.3</td>
<td>438.3</td>
</tr>
<tr>
<td>Managed Care</td>
<td>732.1</td>
<td>744.0</td>
<td>727.9</td>
</tr>
<tr>
<td>Expansion</td>
<td>469.2</td>
<td>498.2</td>
<td>483.7</td>
</tr>
<tr>
<td>Rhody Health Partners</td>
<td>258.1</td>
<td>274.0</td>
<td>262.9</td>
</tr>
<tr>
<td>Rhody Health Options</td>
<td>192.6</td>
<td>140.0</td>
<td>134.6</td>
</tr>
<tr>
<td>Pharmacy</td>
<td>65.5</td>
<td>74.2</td>
<td>74.2</td>
</tr>
<tr>
<td>Other Medical</td>
<td>122.6</td>
<td>140.1</td>
<td>138.6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$2,427.5</strong></td>
<td><strong>$2,523.8</strong></td>
<td><strong>$2,447.8</strong></td>
</tr>
</tbody>
</table>

* $ in millions
Governor’s budget includes changes to the CEC estimate
  - Require a change to current law
  - Notification to the Assembly
    - Less formal changes

Included in Article 16 & 17
  - Impacts FY 2019 revised & FY 2020 budgets

Some savings different from CEC estimate
  - Hospitals and nursing homes
FY 2020 Governor’s Budget: EOHHS All Funds

- Medicaid Expansion: 19.8%
- Rhody Health Partners: 10.7%
- Medicaid Expansion: 19.8%
- Rhody Health Options (ICI): 5.5%
- Other Medical: 5.7%
- Pharmacy: 3.0%
- Hospitals: 7.7%
- Rlite Care/Rlite Share – 30.8%
- Long Term Care: 17.9%
FY 2020 Governor’s Budget: EOHHS General Revenues

- Hospitals: 9.1%
- Rhody Health Partners: 12.9%
- Rhody Health Options (ICI): 6.6%
- Medicaid Expansion: 4.2%
- Other Medical: 5.6%
- Pharmacy: 7.7%
- Rite Care/Rite Share: 34.1%
- Long Term Care: 21.3%
FY 2020 Governor’s Budget: EOHHS by Population

PROGRAM EXPENSES: GENERAL REVENUES
- Children & Parents: 35%
- Elderly & Disabled: 44%
- Expansion: 4.6%
- Other: 16%

ENROLLMENT
- Children & Parents: 57%
- Expansion: 24%
- Elderly & Disabled: 19%
FY 2020 Governor: Long Term Care

All Funds = $572.9 million

- Nursing Homes: $134.6 million (23%)
- Home & Community Care: $88.8 million (16%)
- Rhody Health Options (ICI): $349.5 million (61%)

Gen. Rev. = $270.1 million

- Nursing Homes: $63.5 million (24%)
- Home & Community Care: $41.8 million (15%)
- Rhody Health Options (ICI): $164.8 million (61%)
Articles 16 & 17

- Articles 16 & 17 impact services in several programs
  - Hospitals
  - Long Term Care Services and Supports
    - Nursing Facilities
    - Home and Community Based Programs
  - Direct Support Professional Wage Increase
    - Providing services to developmentally disabled adults
  - Managed Care Plans
## Articles 16 & 17

<table>
<thead>
<tr>
<th>Providers</th>
<th>Gen Rev</th>
<th>Total</th>
<th>UHIP Reliant?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hospitals</td>
<td>($9.9)</td>
<td>($25.4)</td>
<td>No</td>
</tr>
<tr>
<td>Long Term Care Services and Supports</td>
<td>(4.6)</td>
<td>(13.0)</td>
<td>Partial</td>
</tr>
<tr>
<td>Managed Care Plans</td>
<td>(1.0)</td>
<td>(5.4)</td>
<td>No</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>($19.0)</strong></td>
<td><strong>($47.9)</strong></td>
<td></td>
</tr>
</tbody>
</table>

$ in millions
## Article 17 – Resolution

<table>
<thead>
<tr>
<th>Proposal</th>
<th>General Revenues</th>
<th>All Funds</th>
<th>UHIP Reliant?</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Provider Rates</td>
<td>($17.6)</td>
<td>($41.9)</td>
<td>No</td>
</tr>
<tr>
<td>(b) Fiscal Intermediary for Self-Directed Plans</td>
<td>(-)</td>
<td>(-)</td>
<td>No</td>
</tr>
<tr>
<td>(c) Co-Pay Program Expansion</td>
<td>$0.6</td>
<td>$1.3</td>
<td>No</td>
</tr>
<tr>
<td>(d) BHDDH Wage Increase Direct Support Professionals</td>
<td>$3.0</td>
<td>$6.2</td>
<td>No</td>
</tr>
<tr>
<td>(e) Federal Financing Opportunities</td>
<td>N/A</td>
<td>N/A</td>
<td>No</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$15.6</strong></td>
<td><strong>$43.8</strong></td>
<td></td>
</tr>
</tbody>
</table>

$ in millions
Hospitals

- Article 16 & 17
  - Hospital Rates
  - Upper Payment Limit Reimbursement
  - Graduate Medical Education
- Article 18
  - Uncompensated Care Payment
- Article 19
  - Hospital License Fee
Article 16/17 – Hospital Payments

- Current law increases hospital payment rates based on a national index
  - November CEC assumed $13.6 million
    - $5.3 million is from general revenues
- Article 16 freezes rates at FY 2019 level
  - Payments reduced by $15.1 million
    - $5.3 million from general revenues
    - $5.1 million impact net of provider tax loss
  - Exceeds estimate in CEC by $1.4 million
# Hospital Rates

<table>
<thead>
<tr>
<th>FY</th>
<th>Inpatient</th>
<th>Outpatient</th>
<th>Disposition of Scheduled Increase</th>
</tr>
</thead>
</table>
| 2019 | 2.8%      | 1.8%       | Gov.: Proposed eliminating increase  
Assembly: kept rate increase                                           |
| 2018 | 3.0%      | 1.6%       | Gov.: no increase & reduced rates by 1%  
Assembly: kept increase                                                   |
| 2017 | 2.7%      | 1.9%       | No rate increase                                                                                  |
| 2016 | 2.4%      | 1.7%       | Rate freeze & further rate reduction                                                              |
| 2015 | 2.5%      | 2.2%       | No rate increase                                                                                  |
| 2014 | 2.6%      | 1.7%       | No rate increase                                                                                  |
| 2013 | 2.6%      | 1.9%       | Rate increase as scheduled                                                                        |

Statutory adjustments source:  
Inpatient Rates adjusted by CMS Prospective Payment System national index; Outpatient by Global Insight index
Upper Payment Limit (UPL)
- State makes payments to hospitals to match fee-for-service rates paid by Medicare if Medicaid pays less for same services
- First made in FY 2009 budget

Article 16 eliminates the *inpatient* piece
- Savings of $9.4 million - $3.6 million general revenues
  - Keeps the $6.3 million outpatient payment
Article 16 Sec. 11–GME Payment

- Graduate Medical Education (GME)
  - Provided to Level I Trauma Center
    - Lifespan is the only one in RI
    - Level I trauma center certified by the Committee on Trauma of the American College of Surgeons
    - Law authorizes up to $4.0 million

- FY 2019 enacted budget
  - $1.0 million payment
  - Section 11 eliminates the payment
    - Effective date issues
## Article 19 – Hospital Licensing Fee

<table>
<thead>
<tr>
<th>Hospital License Fee</th>
<th>FY 2019 Enacted</th>
<th>FY 2020 Gov. Rec.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Year</td>
<td>2017</td>
<td>2017</td>
</tr>
<tr>
<td>Tax Rate</td>
<td>6.0%</td>
<td>6.0%</td>
</tr>
<tr>
<td>Hospital Revenue</td>
<td>$2,979.9</td>
<td>$2,979.9</td>
</tr>
<tr>
<td>Community Hospital License Fee</td>
<td>$178.8</td>
<td>$178.8</td>
</tr>
<tr>
<td>Washington County Waiver</td>
<td>(4.7)</td>
<td>(4.7)</td>
</tr>
<tr>
<td><strong>Community Hospitals Total</strong></td>
<td>$174.0</td>
<td>$174.0</td>
</tr>
<tr>
<td>Eleanor Slater Hospital Revenue</td>
<td>$112.7</td>
<td>$112.7</td>
</tr>
<tr>
<td>Eleanor Slater License Fee</td>
<td>$6.8</td>
<td>$6.8</td>
</tr>
<tr>
<td><strong>Total Hospital License Fee</strong></td>
<td><strong>$180.8</strong></td>
<td><strong>$180.8</strong></td>
</tr>
</tbody>
</table>

$ in millions
# Hospitals – FY 2019 Enacted

<table>
<thead>
<tr>
<th>Hospital/Network</th>
<th>Revenue</th>
<th>Uncomp. Care</th>
<th>DSH Payment</th>
<th>UPL</th>
<th>GME</th>
<th>License Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lifespan</td>
<td>$1,701.7</td>
<td>$118.9</td>
<td>$73.1</td>
<td>$8.2</td>
<td>$1.0</td>
<td>$102.1</td>
</tr>
<tr>
<td>Care New England*</td>
<td>675.6</td>
<td>44.7</td>
<td>27.5</td>
<td>6.8</td>
<td>-</td>
<td>40.5</td>
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<tr>
<td>CharterCare</td>
<td>291.1</td>
<td>29.7</td>
<td>18.3</td>
<td>1.9</td>
<td>-</td>
<td>17.5</td>
</tr>
<tr>
<td>Landmark</td>
<td>97.6</td>
<td>21.8</td>
<td>13.4</td>
<td>0.3</td>
<td>-</td>
<td>5.9</td>
</tr>
<tr>
<td>South County</td>
<td>152.4</td>
<td>6.8</td>
<td>4.2</td>
<td>0.2</td>
<td>-</td>
<td>5.8</td>
</tr>
<tr>
<td>Westerly</td>
<td>61.5</td>
<td>5.3</td>
<td>3.3</td>
<td>0.1</td>
<td>-</td>
<td>2.3</td>
</tr>
<tr>
<td>Eleanor Slater</td>
<td>112.7</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>6.8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$3,092.6</strong></td>
<td><strong>$227.3</strong></td>
<td><strong>$139.7</strong></td>
<td><strong>$17.5</strong></td>
<td><strong>$1.0</strong></td>
<td><strong>$180.8</strong></td>
</tr>
</tbody>
</table>

$ in millions
Article 18—Uncompensated Care

- Payment for Uncompensated Care
  - Also referred to as: Disproportionate Share Payments (DSH)
  - Made to hospitals serving a high volume of Medicaid or low-income patients
- Hospital costs minus payments made
  - Can include “underinsured” or “uninsured”
  - Does include cases where Medicaid payments do not cover actual cost
Article 18—Uncompensated Care

- Federal formula determines state allocation – w/general revenue match
- Distribution based on hospitals’ share of statewide uncompensated care total
  - RI uncompensated care totals $227.3 million
    - 7.6% of hospital expenses
    - 2017 data
  - DSH payments: $139.7 million - 42.9% of total
    - Same share to each Individual hospital
Article 18—
Uncompensated Care

- Annual article
  - 2018 Assembly included a $139.7 million payment for FY 2020
    - Made to the community hospitals
    - Previously included state hospital
  - Alignment of years is different because of previous action to close a budget gap
    - State did not make a payment in FY 2007
    - Did include legislation for payment in FY 2008
  - Article 18 - $139.7 million for FY 2021
Affordable Care Act – phases in a lower federal allotment to states

- Originally to be based on number of uninsured individuals in a state beginning with FY 2014
- Reduction has been delayed to FY 2021
- RI’s 2019 allotment is $73.1 million, matched by general revenues
- Total - $139.7 million
Medicaid Waiver

- Medicaid program
  - A state must provide certain services to certain populations
  - Through a waiver can expand services and populations covered
- RI - 1115 Demonstration Waiver
  - Recently approved extension until December 31, 2023
- State law maintains requirement for Assembly approval of certain changes
Resolution - Medicaid Waiver

- Until December 31, 2018 changes were classified into 3 categories
- Approval for each follows different process with state & federal authorities
  - Centers for Medicare & Medicaid Services
    - Formal approval
    - Written or oral notification of a change
  - General Assembly
    - Statutory change & resolution allowing the change
Resolution - Medicaid Waiver

- Starting January 1, 2019 any waiver changes require a new set of processes
- Governor includes Section 9 of Article 16 to limit requirement of Assembly approval
  - Notify the Assembly of only formal waiver amendments
- Governor requested amendment today to restore comparable approval authority
# Resolution - Medicaid Waiver

## January 1, 2013 to December 31, 2018

<table>
<thead>
<tr>
<th>Cat</th>
<th>Change</th>
<th>Approval</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>Administrative</td>
<td>Notify CMS</td>
<td>General operating procedures, prior authorization change</td>
</tr>
<tr>
<td>II</td>
<td>Payments and optional benefits</td>
<td><strong>Assembly</strong> &amp; CMS</td>
<td>Rate or payment change &amp; adding benefits</td>
</tr>
<tr>
<td>III</td>
<td>Eligibility/New Benefit</td>
<td><strong>Assembly</strong> &amp; CMS</td>
<td>Lowering RIte Care threshold for parents</td>
</tr>
</tbody>
</table>
## Resolution - Medicaid Waiver

### January 1, 2019 to December 31, 2023

<table>
<thead>
<tr>
<th>Prior Category</th>
<th>Change</th>
<th>Article 16 - Sec 9*</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>II</td>
<td>Payments and optional benefits</td>
<td><strong>State Plan Amendment</strong></td>
<td>Rate or payment change &amp; adding benefits</td>
</tr>
<tr>
<td>III</td>
<td>Eligibility/New Benefit</td>
<td>Assembly &amp; CMS</td>
<td>Lowering RIte Care threshold for parents</td>
</tr>
</tbody>
</table>

* Governor requested amendment today to keep Assembly oversight for State Plan Amendments
Articles 16 & 17

- Articles 16 & 17 impact services in several program
  - Hospitals
  - Long Term Care Services and Supports
    - Nursing Facilities
    - Home and Community Based Programs
  - Direct Support Professional Wage Increase
    - Providing services to developmentally disabled adults
  - Managed Care Plans
Long Term Care Services & Supports

- Nursing Facilities
  - October 1 rate increase
  - Hospice rates
- Adult Day & Home Care Co-Pay Programs
- SSI/Assisted Living Facilities
  - EOHHS & DHS
- Direct Support Professional Wage Increase & Participants’ Rights
  - Dept. of BHDDH
Article 16/17: Nursing Facility Rates

- Current law increases nursing home rates annually Oct. 1 using national index
  - November CEC assumed 3.6% increase
    - $7.8 million including $3.7 million general revenues
- Article 16 limits rate increase to 1%
  - Savings of $7.5 million, $3.5 million from GR
  - Budget includes the $0.4 million revenue loss from provider tax, net savings $3.1 million
## Reimbursements

<table>
<thead>
<tr>
<th>FY</th>
<th>Total</th>
<th>Previous Budget Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$5.9</td>
<td>Assembly provided a 1.5% increase eff. July 1 to settle a lawsuit w/facilities</td>
</tr>
<tr>
<td></td>
<td>($5.4)</td>
<td>Limit October rate increase to 1%</td>
</tr>
<tr>
<td>2018</td>
<td>($10.8)</td>
<td>No October rate increase</td>
</tr>
<tr>
<td>2017</td>
<td>$7.9</td>
<td>Rates increased by 3% Oct 1 &amp; 4-year phase out of direct care adjustment</td>
</tr>
<tr>
<td>2016</td>
<td>($15.6)</td>
<td>Rate freeze, 2.0% reduction &amp; acuity delay delay</td>
</tr>
<tr>
<td>2015</td>
<td>($4.9)</td>
<td>6 mo. delay on October rate increase</td>
</tr>
<tr>
<td>2014</td>
<td>($10.5)</td>
<td>No October rate increase</td>
</tr>
</tbody>
</table>

$ In millions
Hospice is paid for in different settings

- At home, hospital, nursing home or inpatient hospice facility
- Primary payer is Medicare
- Medicaid also pays for direct care
  - Skilled nursing, routine home care and clinical social workers
  - Also makes a separate payment for nursing home board and care as a pass through
- RI has 8 licensed hospice agencies
## Article 16 Sec 5: Hospice Rates

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Payer</th>
<th>Hospital At Home</th>
<th>Inpatient Hospice</th>
<th>Nursing Home</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Services</td>
<td>Medicare is primary payer if eligible/If Medicaid only then Medicaid (state) is primary payer</td>
<td>Medicaid is payer of last resort</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Room &amp; Board</td>
<td>Medicaid</td>
<td>N/A</td>
<td></td>
<td>Medicaid at 95% of daily rate</td>
</tr>
</tbody>
</table>
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 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
Article 16 Sec 5: Hospice Rates

Section 5

- Appears to limit payments for hospice in a nursing facility to the room and board payment 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 include clarification that it is not applicable to room and board pass through
Article 17 (b): Fiscal Intermediary

- Fiscal Intermediary
  - Assembly passed legislation for a Quality Self Directed Services program
    - Independent Provider Model
- Allows access to independent home care providers
  - Claims and billings would go through a fiscal intermediary
Article 17 (b): Fiscal Intermediary

- Seeks waiver of “choice” requirement so that the state can use one fiscal intermediary for self-directed services
- BHDDH uses intermediaries for some developmental disabilities services
  - Person and family have the ability to chose own providers - contract with 5 providers
  - If approved it would give BHDDH the option to also use one fiscal intermediary
Rhody Health Options

- State contracts w/ Neighborhood Health to operate the managed care program
- For individuals who are eligible for Medicare & Medicaid – “dual eligible”
- Enrollment in the program is optional
  - Phase II – Integrity
  - Phase I – Unity – eliminated in the Governor’s recommended budget/Assembly concurred
NHP contracts w/ long term care facilities to manage medical needs
- Nursing homes and assisted living facilities
- In an assisted living facility, a resident may also qualify for Supplemental Security Income – pay for room & board
  - Payment made through DHS budget
  - Room and board & medical paid by 2 different agencies
Article 16 Sec 1,5 & 6: SSI/Assisted Living

- In FY 2016, the payment for assisted living facilities was increased for residents enrolled in RHO
  - To reduce nursing home placements

<table>
<thead>
<tr>
<th>SSI Payment – Assisted Living (AL)</th>
<th>State</th>
<th>Federal</th>
<th>Total</th>
<th>Enrollees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Living in AL Facility (Cat D)</td>
<td>$332.00</td>
<td>$749.70</td>
<td>$1,081.70</td>
<td>?</td>
</tr>
<tr>
<td>Living in AL enrolled in RHO – income above 120% (Cat F)</td>
<td>$465.00</td>
<td>$749.70</td>
<td>$1,214.70</td>
<td>?</td>
</tr>
<tr>
<td>Living in AL enrolled in RHO – income below 120% (Cat F)</td>
<td>$797.00</td>
<td>$749.70</td>
<td>$1,546.70</td>
<td>?</td>
</tr>
</tbody>
</table>
Article 16 Sec 1,5 & 6: SSI/Assisted Living

- Phase I – Unity – eliminated
  - Medicaid-only individuals went to fee-for-service & any dual eligible could enroll in Integrity
  - Those in assisted living who moved to fee-for-service retained the higher payment
    - Should have been reduced by DHS – it was not
  - This article change will allow them to continue to get the higher payment
November CEC estimate includes the higher payment for 106 recipients
  - 19 providers at 20 facilities
As of March 2019, continue to receive that higher payment
  - In conflict with state law
Article adds “an alternative, successor, or substitute programs, or delivery option designated by the secretary” in addition to those in Rhody Health Options managed care program

- Does not include any definitions of the programs and options
- May allow for expansion beyond the apparent intent
Article 17 (c)– Co-Pay Programs

- Section expands eligibility for home care & adult day care co-pay programs
  - Medicaid funded program
    - Funding in EOHHS/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
## Article 17 (c): Co-Pay Programs

<table>
<thead>
<tr>
<th>Home &amp; Adult Day Programs</th>
<th>Current Program</th>
<th>Article</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eligible Recipients</td>
<td>Age 65 &amp; older</td>
<td></td>
</tr>
<tr>
<td># of Recipients</td>
<td>928</td>
<td>300</td>
</tr>
<tr>
<td>Income Threshold</td>
<td>200%</td>
<td>250%</td>
</tr>
<tr>
<td>Co-Payment (income based)</td>
<td>$4.50 or $7.50 per hour, $7 or $15 per day</td>
<td></td>
</tr>
<tr>
<td>FY 2020 Recommendation</td>
<td>$6.5 million</td>
<td>$1.3 million</td>
</tr>
</tbody>
</table>
Governor’s adds $6.4 million to increase wages paid for direct support professionals

BHDDH projects wage to increase to $12.68

- Not funding an increase for supervisors, job development & support coordinators
  - These are usually linked to the DSP worker rate

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>General Revenues</th>
<th>Total</th>
<th>DPS Wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>$3.0</td>
<td>$6.4</td>
<td>$12.68</td>
</tr>
<tr>
<td>2018</td>
<td>$3.0</td>
<td>$6.2</td>
<td>$12.27</td>
</tr>
<tr>
<td>2017</td>
<td>$4.5</td>
<td>$9.2</td>
<td>$11.91</td>
</tr>
</tbody>
</table>

$ in millions
Participants’ Rights

- Adhere to federal changes for home and community based waiver services
- Supports person centered planning model
- Access to visitors at any time
- Telephone and media
  - Removes word “reasonable” when having access – have access at any time
Resolution makes two changes

- Performance Goal Program
  - Savings of $5.1 million/ $0.9 million from gen. rev.
  - Eliminates incentive payments for meeting certain benchmarks

- C-Section Births
  - Savings of $0.3 million/$0.1 million from gen rev.
  - Multi-year plan to reduce incidence
  - Specific implementation plan not provided

Similar to savings included in FY 2019
State law created the Patient Centered Medical Home Collaborative

- Various stakeholders that included providers, insurers, patients, hospitals and state agencies

- Develop a payment system to provide care coordination payments to patient centered medical homes by July 2012
  - System would be in place until July 2016
Continuation would depend on the results of an evaluation

- Due from the EOHHS Secretary and Health Insurance Commissioner
- Comprehensive evaluation two years and four years after implementation
  - # of enrollees and health characteristics
  - Impact of PCMH on health status and health disparities
  - Savings from implementation
Section 16 eliminates the sunset date

- Encourages alternatives to fee-for-service reimbursements to include partial and full capitated payments

EOHHS pays for PCMH through managed care plans

- Temporary payments to build the system
  - Providers move through the system; new providers replace those that have implemented...
Appears that eliminating the sunset date may result in a sustained enhanced payment for participating providers

- Will not have any providers “graduating” and not longer requiring the payment
- There would be an impact on the out-years
Article 17 (e): Federal Opportunities

- Allows EOHHS to take advantage of any federal opportunities that do not have an adverse impact on the FY 2020 budget
- Has been included in previous budgets
  - No actions have been taken under this provision
Governor’s FY 2020 Budget: Articles

Staff Presentation to the House Finance Committee
March 13, 2019