RIPIN
PERSONAL SUPPORT BUILT ON PERSONAL EXPERIENCE

April 24, 2024

The Honorable Marvin L. Abney
Chairman, House Committee on Finance
RI House of Representatives
By Email To: HouseFinance@rilegislature.gov

Re: **Governor's Budget Amendments 8 and 10**
OHIC Rate Review

Dear Chairman Abney:

OHIC's Social and Human Service Programs Review process represents a significant step forward in identifying and remedying significant access challenges in the priority areas of behavioral health, home- and community-based services, children's services, and intellectual and developmental disability services. **RIPIN thanks the Governor and the General Assembly** for identifying this need and tasking and funding OHIC to undertake this substantial and important work. **We also thank OHIC** for leading a rigorous, transparent, fast, and data-driven process. This process professionalizes the rate setting process for critical providers in a manner that's beneficial to providers, to budget officials, to legislators, and to the community.

RIPIN has a special interest in this process because we help many Rhode Islanders connect to these services, so every day we see the severe access challenges and their consequences. With one extremely minor exception, **RIPIN does not stand to gain (or lose) financially from this rate review process** because we do not provide these services. I also served as co-chair of the advisory committee, giving me a front-row seat to the strengths and opportunities for improvement to the process laid out in the 2022 legislation.

While this new proposal contains some **good concepts**, RIPIN has some **concerns** to express. Starting with the **good concepts**, this new model smartly moves away from the current biannual process where all of the rates are reviewed all at once, and repeated every other year. That model puts tremendous strain on the people and consultants performing the review, then scales that all down, only to scale back up again, over and over again. We strongly support the idea of breaking the scope of work into parts and performing part of the work each year, creating a review cycle where every rate is reviewed periodically, where part of the cycle is always ongoing, and where the volume of work performed from year to year is relatively similar. We also **support codification of the role of the advisory council**, which was a vital tool for OHIC to engage with the provider and advocate community in a structured away, gather important feedback, and add a layer of transparency that has increased community support for the final recommendations.

Our **primary concern** is that **four years is too long a cycle**, unless providers receive intervening **inflation adjustments**. Other types of providers, including hospitals, generally receive statutory annual inflation adjustments. If inflation adjustments are considered for social and human service providers, we recommend using the Personal Consumption Expenditures Price Index (PCE) excluding food and energy. That was the inflation adjuster used by OHIC in its review, and OHIC's final report (section 3.1.3) contains an extended discussion of various inflation adjustment metrics and justification for its choice. If providers receive annual inflation adjustments, then a four-year cycle for more detailed reviews from OHIC would be appropriate.

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We are also **concerned about the inclusion of primary care into this process.** While we **support the need for investments into primary care**, and for analytic work to better understand primary care financing in Rhode Island, it is not a good fit for this model that was developed for Medicaid social and human service providers for several reasons. First, a large and growing portion of primary care funding comes from alternative payment methodologies other than fee-for-service, including capitation, infrastructure payments, and shared-savings and quality bonuses. Second, federally qualified health centers (FQHCs) provide a large amount of primary care to the Medicaid population, and their reimbursements are strictly regulated under federal law. And third, and most importantly, most primary care practices (especially non-FQHCs) receive most of their revenue from commercial insurance and Medicare, not Medicaid. **Any rigorous review and recommendations related to primary care reimbursements should be all-payer in nature.**

We would also be remiss not to point out the **importance of actually funding the rates that OHIC recommended.** Decades of underinvestment have created severe gaps in the safety net that many of our most vulnerable neighbors rely on. Immediate investments are needed, and the OHIC report finally provides the credible roadmap to do it. Please follow it.

Thank you for your careful consideration of OHIC's rate recommendations, the process by which they should be developed in the future, and these comments. Please do not hesitate to reach out if we can be of further assistance.

Sincerely,

/s/

Samuel Salganik, JD
Executive Director
Salganik@ripin.org