



April 24, 2024

Chairman Abney

82 Smith Street, State House

Providence, Rhode Island 02903

Dear Chairman Abney,

The Coalition for Health Human Services (HHS Coalition), the undersigned organizations, are responding to proposed Budget Amendments 8 and Budget Amendment 10 submitted by Joseph Codiga on April 8, 2024.

Article 8 repeals section 42-14.5-2.1. which defines several areas of the rate review process, revises OHICs accountability standards, eliminates reporting requirements related to the rate review process, adds primary care, allows discretion to include or not include particular rate categories and extends the periods of review to every four years.

Response: The HHS Coalition **does not support** this Amendment.

1. **Four Year Cycle:** Decades of neglect have created a crisis in community-based services. The purpose of the Rate Review study was to implement a thorough process for the review of community-based Medicaid reimbursement rates. Four years is not an appropriate schedule for a rate review with rising costs and inflation. If a four-year cycle is applied, Rhode Island will continue to fall behind neighboring states in the quality of care we provide. Both providers and those in need of services would be negatively affected by a cycle of any length longer than two years.
2. **Order of Review:** As proposed, OHIC would include Primary Care for review under the social and human services Medicaid review. While the HHS Coalition acknowledges Primary Care as critical to our community and health care system, it is not appropriate to include this existing rate review process. The community-based service model is not a medical-clinical model, and is primarily funded through Medicaid payments. This is not the case with primary care. Rather primary care is funded through commercial and Medicare payments. This review should not supplant or delay the social human service review. If the OHIC would like to address the challenges within the primary care workforce, this is better done through a broader analysis of the various payers, academic medical institutions, and primary care affiliations.
3. **Commissioner Discretion:** The HHS Coalition appreciates, and credits OHIC for the work that was performed and the recommendations provided, under the direction of the Commissioner. While we acknowledge this work, we do not support broad discretion to the Commissioner to deem appropriateness of rates for review. Section 9-(c) "... the office may use its discretion to include



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or exclude services in any given annual rate review cycle. Reasons that the office may include or exclude services in a rate review cycle include but are not limited to: adequate resources appropriated to conduct the rate review, utilization of services, the effective date of service reimbursement rates, the number of members receiving services, data availability for services, feedback from the social and human services advisory council established under 42-166-4, subject matter experts, and the public” provides broad discretion to the Commissioner.

- 4. **Reporting:** The proposed amendment excludes reporting that is required in statute. The HHS Coalition would recommend eliminating reporting requirements including A through H.

Article 10 reduces general revenue expenditures by \$386,136 to extend the biennial rate review process to every four years.

Response: The HHS Coalition does not support this Amendment. The rate review process was completed by the Office of the Health Commissioner (OHIC) in 2023 following decades of no rate adjustments by the Office of Health and Human Services (EOHHS). The process completed a thorough analysis of many rates through an extensive Indirect Rate Model (IRM) review. Approximately half of the rates under review, did not receive a full IRM review. The recommended a flat inflationary rate adjustment due to the compressed time allowed by the statute. For this reason, the identified rates that were not reviewed throughout the IRM methodology; should be completed through the IRM assessment process, or similar, upon their two year cycle to ensure all community-based services are maintained. Funding for this process should be maintained to ensure this process is completed. We also support the codification of the role of the advisory council, which will continue to be vital in allowing OHIC to engage with the provider and community, allowing them to gather information to support final recommendations.

In conclusion, we urge you to further amend the proposed budget to fund a biennial Rate Review process that aligns itself with integrity and the best interests of Rhode Islanders. More importantly, the findings of this biennial review must be fully funded. In order to fulfill this, we must further revise OHIC’s accountability standards to fall in line with the recommended rates, ensure a specific reporting process, and eliminate primary care from the Rate Review, to allow more resources for seniors, people with disabilities, children and families in crisis, and people with behavioral and substance use conditions. Finally, leaving DCYF out of this study remains a serious issue for providers and families working with this sector. These rates must be added to the review process in order to see success throughout the health and human services sector.

We support H7591, and urge you to as well. This bill requires the Governor to budget for and fund the recommended rates for Medicaid services.

Thank you all for your time and consideration.



Respectfully,

Horizon Healthcare Partners

Leading Age Rhode Island

Mental Health Association of Rhode Island

Rhode Island Coalition for Children and Families

Rhode Island Health Center Association

Rhode Island Parent Information Network

Senior Agenda Coalition of Rhode Island

The Community Provider Network of Rhode Island

The Substance Use and Mental Health Leadership Council of Rhode Island

CC: Majority Leader Christopher Blazewski
Majority Leader Michael McCaffery
House Finance Chairman Marvin Abney