



The Honorable Teresa Tanzi and Honorable Members of the House Finance Subcommittee on Human Services  
Room 230a  
Rhode Island State House  
Providence, RI 02903

Re: FY '2027 EOHHS/Medicaid Office Budget- Support for Additional Funds

Dear Chairwoman Tanzi and Committee Members,

I am writing on behalf of Harmony Hill School which provides residential treatment services to children and families in DCYF care.

I appreciate the diligence and leadership of Director Sousa and her team in running the Medicaid office at such a crucial time and would like to comment on two aspects of the Medicaid budget relative to Medicaid Transformation and the Medicaid Rates.

**Medicaid Transformation:**

Our organization, Harmony Hill School, supports the effort to comply with federal requirements regarding billing practices. We support the development and funding of a workable rate structure including Medicaid (and non-Medicaid funding) for comprehensive child welfare and children's behavioral health community-based services. Harmony Hill School provides Intensive Stabilization and Assessment Treatment for youth aged 8-18. In Rhode Island's "continuum of care", we are at the highest level aside from Bradley Psychiatric Hospital. We provide individual, group, family and milieu therapy for approximately 36 Rhode Island youth on our campus alongside 24/7 around the clock staffing to promote safety and improve the overall wellbeing of the youth in our care. We provide onsite psychiatry services by our triple board-certified Child Psychiatrist, along with onsite medical care.

We are concerned that zero infrastructure funds have been provided. Medicaid Transformation, which is targeted to go into effect January 2027, a timeline that is extremely tight and requires investments by our organization in the following:

1. The need to purchase and implement an entire Electronic Medical Record (EMR) to allow our agency to provide billable services to Medicaid. We will need approximately 50 employees needing to access this system in order to provide appropriate and necessary paperwork for billing directly to Medicaid. The initial start-up cost of this EMR program is \$35,000, with expected costs of approximately \$3,300 per month and a 3.5% increase yearly for the next seven years per estimated contract. These are unfunded monies.
2. This program would require approximately three months to implement, along with an addition 3-6 months to appropriately train staff for this programming.
3. A designated staff person would be required to assist in managing errors in system and working to add and create additional documents and software, potentially requiring the salary of one full time employee. We would estimate this salary being in the range of \$55,000 - \$65,000. Unfunded monies.



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4. We will need to upgrade our electronic devices and computer systems to effectively manage our EMR. The costs for new laptops, hardware, and the necessary upgrade to our Wi-Fi system will cost approximately \$60,000. Unfunded monies.

The most serious concern to this agency is the inability we have had to receive a set rate increase each year over the last ten years with DCYF. The last two RFP's, which covered nearly ten years (February 1<sup>st</sup>, 2017-present) have not allowed for any set annual increases through those almost ten years. Agencies **must have** yearly percentage increases (COLA) added into each contract year. We cannot continue to "find" money each year for staff salary increases, let alone to pay for fundamental essentials. To remain a provider, the rates for DCYF services must be viable for the children and families in our ISAT I (Eagles), ISAT I (Ospreys, and Seahawks), and ISAT II (Blue Jays) programs, which often require engagement with family court, educational systems, and DCYF.

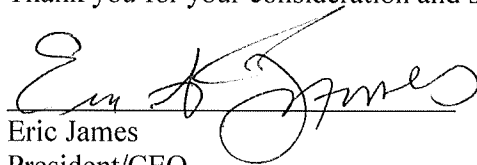
The inflation that the State of Rhode Island has endured over these last several years has been so drastic, we have difficulty keeping up with budgeted assumptions and finding the money to increase our staff salaries to help in retaining staff. Health care, general liability insurance, oil, electricity, mortgage, food, vehicle repairs, general repairs, **must be** covered with guaranteed set rate increases.

HHS has not been involved in Medicaid billing so we cannot speak through experience of any annual Medicaid increases. However, Medicaid funding would also need to follow with guaranteed set rate increases to ensure all cost are covered.

#### **OHIC Rates**

We support increasing the Governor's proposal to provide the full Medicaid rates for Home and Community-based services, as recommended by the Office of the Health Insurance Commissioner (OHIC). Only providing half and putting off further funding when we know that costs/deficits will continue is a step backward.

Thank you for your consideration and support of these critical additions to the Medicaid/EOHHS budget.



Eric James  
President/CEO  
Harmony Hill School