APRIL 25, 2022

CASELOAD ESTIMATING CONFERENCE

EXECUTIVE OFFICE OF HEALTH AND HUMAN SERVICES

MEDICAL ASSISTANCE

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I. General Considerations

Medical Benefits			
		All Funds	**General Revenue**
FY 2020	Final	$2,420,224,903	$871,590,802
FY 2021	Final	$2,652,589,853	$875,796,936
FY 2022	Enacted	$3,006,875,790	$1,055,229,511
	November Adopted	$3,026,493,980	$978,933,469
	Current	**$2,987,693,980**	**$920,450,332**
	Surplus over Adopted	*$38,800,000*	*$58,483,137*
FY 2023	November Adopted	$3,034,293,980	$1,132,336,243
	Current	**$3,223,079,877**	**$1,165,643,269**
	Deficit over Adopted	*($188,785,897)*	*($33,307,026)*

For FY 2022, Rhode Island's Executive Office of Health and Human Services (EOHHS) anticipates benefits expenditures of $2.987 billion, including **$920.5 million General Revenue** (GR) among the Caseload Estimating Conference budget lines. This is a $38.8 million (**$58.5 million GR**) surplus compared to the November CEC Adopted (Nov CEC).

For FY 2023, EOHHS revises its projected expenditures to $3.223 billion, including **$1.166 billion GR**, an 8.0% All Funds/26.8% GR increase over FY 2022 spending. Compared to Nov CEC, EOHHS' revised forecast reflects a $188.8 million All Funds ($33.3 million) GR deficit.

Table I-1 compares EOHHS' FY 2021 close, the Nov CEC estimates for FY 2022 and FY 2023, and EOHHS' revised forecasts in All Funds by budget line. **Table** I-2 compares these estimates by Fund Source. ***Attachment 1a*** and ***Attachment 1b*** provide summaries of EOHHS' current forecast by budget program/category and funding source and include a comparison against FY 2021 Final and FY 2022 Enacted.

Please note that the FY 2023 forecast does not reflect any increase to the Federal Medical Assistance Percentage (FMAP) under Section 1905(b) of the Social Security Act, resulting from provisions included as part of the Families First Coronavirus Response Act. On April 13, 2022, US Secretary of Health and Human Services Xavier Becerra extended the current Public Health Emergency (PHE); however, he did not provide any confirmation as to whether it would persist into the subsequent quarter (i.e., beyond June 30, 2022). As such, EOHHS' estimate represents a conservative estimate of the necessary General Revenue needed to finance its current entitlement programs. Any extension of the PHE would significantly reduce the required amount of General Revenue while likely only having a modest increase on overall All Funds expenditures.

As shown in **Table** I-3, with respect to FY 2022, EOHHS has revised the estimate of the average number of Medicaid clients with Full Medical Assistance Benefits compared to Nov CEC, from **342,896** to **346,177**. For FY 2023, the increase is more significant, from an average enrollment of **317,222** to **342,933**.

The increase in our projections for Rhode Island's Medicaid caseload in the current year and next are driven by the unexpected continuation of the public health emergency beyond March 31, 2022. The result is a persistently growing caseload and an elevated baseline through August 2022 at which time EOHHS presumes terminations can resume.

A summary of caseload in limited benefits programs is shown in **Table** I-4.

Details of EOHHS' revised caseload forecast for FY 2022 and FY 2023 are included in ***Attachment 5a*** and ***Attachment 5b***, respectively. A discussion of the trend assumptions is included in **Major Developments**.

Table I-1. Summary of Rhode Island Medicaid – Medical Benefits, by Budget Line

	SFY 2021	SFY 2022			SFY 2023		
CEC Budget Line	Final	Nov CEC	Current	Surplus/ (Deficit)	Nov CEC	Current	Surplus/ (Deficit)
Managed Care	$ 780,760,145	$ 864,200,000	$ 852,900,000	$11.3 M	$ 864,000,000	$ 922,200,000	($58.2 M)
Rhody Health Partners	287,787,667	304,000,000	303,100,000	0.9 M	315,700,000	316,700,000	(1.0 M)
Rhody Health Options	125,489,258	142,700,000	133,900,000	8.8 M	193,800,000	172,200,000	21.6 M
Expansion	642,002,150	790,000,000	745,000,000	45.0 M	706,000,000	835,500,000	(129.5 M)
Hospitals - Regular	50,377,187	76,000,000	69,900,000	6.1 M	77,200,000	68,400,000	8.8 M
Hospitals - DSH	142,301,035	142,493,980	142,493,980	0.0 M	142,493,980	145,079,877	(2.6 M)
Nursing and Hospice Care	285,519,496	320,200,000	319,900,000	0.3 M	305,000,000	314,400,000	(9.4 M)
Home and Community Care	90,670,254	100,100,000	98,700,000	1.4 M	136,300,000	140,900,000	(4.6 M)
Pharmacy	(449,343)	(300,000)	100,000	(0.4 M)	(300,000)	300,000	(0.6 M)
Clawback	64,561,261	72,200,000	68,800,000	3.4 M	86,900,000	90,000,000	(3.1 M)
Other Services	134,670,795	170,400,000	147,800,000	22.6 M	162,700,000	157,200,000	5.5 M
Subtotal - CEC Benefits	**$ 2,603,689,905**	**$ 2,981,993,980**	**$ 2,882,593,980**	**$99.4 M**	**$ 2,989,793,980**	**$ 3,162,879,877**	**($173.1 M)**
Health System Transformation Project	31,648,859	25,000,000	25,000,000	0.0 M	25,000,000	25,000,000	0.0 M
Special Education	17,251,089	19,500,000	19,500,000	0.0 M	19,500,000	19,500,000	0.0 M
ARPA HCBS Investments[1]	0	0	60,600,000	(60.6 M)	0	15,700,000	(15.7 M)
Total - Benefits	**$ 2,652,589,853**	**$ 3,026,493,980**	**$ 2,987,693,980**	**$38.8 M**	**$ 3,034,293,980**	**$ 3,223,079,877**	**($188.8 M)**

Note 1. ARPA HCBS Investments are an non-CEC benefit expenditures financed by combination of Restricted Receipts and Federal Funds. These investments support activities at DHS, DCYF, BHDDH, and Medicaid. Additional ARPA HCBS, valued at $12.9M and $50.5 M in SFY 2022 and SFY 2023, respectively, are reflected in EOHHS' Central Management budget.

Table I-2. Summary of Rhode Island Medicaid - Medical Benefits, by Funding Source (including non-CEC)

	SFY 2021	SFY 2022			SFY 2023		
Funding Source	Final	Nov CEC	Current	Surplus/ (Deficit)	Nov CEC	Current	Surplus/ (Deficit)
General Revenue	$ 738,422,759	$ 978,933,469	$ 920,450,332	$58.5 M	$ 1,132,336,243	$ 1,165,643,269	($33.3 M)
Federal Funds	1,880,321,542	2,029,795,511	2,062,898,648	(33.1 M)	1,884,192,737	2,041,196,608	(157.0 M)
Restricted Receipts	33,845,553	17,765,000	64,945,000	(47.2 M)	17,765,000	31,940,000	(14.2 M)
Total - Benefits	**$ 2,652,589,853**	**$ 3,026,493,980**	**$ 3,048,293,980**	**($21.8 M)**	**$ 3,034,293,980**	**$ 3,238,779,877**	**($204.5 M)**

Table I-3. Summary of Rhode Island Medicaid Caseload (Full Medical Assistance Only)

	SFY 2021	SFY 2022			SFY 2023		
Enrolled - Full Benefits:	Final	Nov CEC	Current	Increase/ (Decrease)	Nov CEC	Current	Increase/ (Decrease)
Rite Care Core	158,263	166,163	166,755	592	155,764	164,756	8,992
Rite Care CSHCN	9,861	9,951	9,776	(175)	10,114	9,592	(522)
Expansion	88,345	99,916	101,431	1,515	84,219	99,493	15,274
Rhody Health Partners	14,651	14,575	14,608	33	14,461	14,508	47
Rhody Health Options (Phase II)	12,840	13,056	12,890	(166)	13,868	13,431	(437)
PACE	353	347	357	10	347	372	25
Rite Share	2,574	2,748	2,836	88	2,756	2,868	112
Subtotal Enrolled	**286,887**	**306,756**	**308,653**	**1,897**	**281,529**	**305,020**	**23,491**
Remaining in FFS - Full Benefits:							
Children and Families	7,462	6,408	6,414	6	6,203	6,156	(47)
Children with Special Healthcare Needs	2,263	2,196	2,208	12	1,917	2,319	402
Expansion	3,608	2,742	2,816	74	3,653	2,985	(668)
Aged, Blind, and Disabled	25,043	24,794	26,086	1,292	23,920	26,453	2,533
Subtotal Fee-for-Service	***38,376***	***36,139***	***37,524***	**1,385**	***35,692***	***37,913***	**2,221**
Grand Total - Full Benefits:	***325,263***	***342,896***	***346,177***	**3,281**	***317,222***	***342,933***	**25,711**

Table I-4. Summary of Other Rhode Island Medicaid Caseload Metrics (Limited Benefits)

	SFY 2021	SFY 2022			SFY 2023		
	Final	Nov CEC	Current	Increase/ (Decrease)	Nov CEC	Current	Increase/ (Decrease)
Other Capitated Arrangements:							
Rite Smiles	118,734	126,658	130,846	4,188	118,265	136,081	17,816
Rite Care EFP	1,676	1,437	1,329	(108)	1,432	1,236	(196)
SOBRA	4,477	4,355	5,049	694	4,356	5,071	715
Transportation Broker	319,146	340,896	344,096	3,200	315,165	342,453	27,288
Medicare Premium Payments:							
Part A (Hospital)	1,179	1,247	1,243	(4)	1,335	1,320	(15)
Part B (Professional Services)	40,039	39,929	39,890	(39)	40,607	39,916	(691)
Part D (Prescription Drugs)	38,595	39,818	40,217	399	41,301	41,893	592

II. Major Developments

EOHHS' budget updates for FY 2022 and FY 2023 are reflected in the subsequent sections and attachments. This section highlights major developments that contribute to variations in the current fiscal year against the prior consensus estimates, represent a meaningful fiscal or policy change anticipated for FY 2022 or FY 2023, or involve programs that cross several budget lines.

A. Summary of Changes in EOHHS Forecasts

FY 2022

With respect to FY 2022, the $38.8 million All Funds surplus including a $58.5 million GR surplus represent variances of 1.3% and 6.0% favorable variances, respectively, against the FY 2022 Adopted.[1] Underlying this net surplus, however, are discrete deficits and surplus to specific budget estimates. **Table** II-1 summarizes the components of this variance.

Among the unfavorable variances, increased enrollment, particularly among Medicaid Expansion and Rite Care Core, are among the greatest contributing factors to the $19.1 million in excess capitation payments over Nov CEC. This is unsurprising given that Nov CEC Adopted had assumed the resumption of redeterminations in March 2022 and the PHE will remain at least through the end of the current fiscal year. Redeterminations are not expected to resume until August 2022, so these revised estimates include a significant increase in the number of member months of paid enrollment.

In addition to the increase in member months it is worth highlighting the meaningful increase in Medicaid paid SOBRA births and NICU stays. Together these contribute $13.5 million All Funds in unbudgeted expenditures. This emerging experience reverses the negative trend seen in FY 2021 and is carried forward into FY 2023.

Other increased costs include budgeting for COVID-19 at-home testing kits that EOHHS must reimburse and one-time payment for prior period GME payment not included in EOHHS' FY 2021 accruals. Additionally, EOHHS non-CEC benefits include $60.6 million workforce development related expenditures for the ARPA HCBS reinvestment program. This spending is financed exclusively with federal funds and restricted receipts funded by the additional FMAP drawn down on existing HCBS expenditures.

These increased capitated payments, however, are more than offset by EOHHS's continued access to the 6.20% increase to Rhode Island's regular FMAP. This temporary increase provides EOHHS with approximately $25.0 million of General Revenue relief each quarter. EOHHS is also budgeting for $8.0 million in enhanced FMAP relief for last year's DSH payment that was not included in EOHHS' FY 2021 accruals.

EOHHS forecasts additional savings relative to November CEC for gain share payments from the health plans, both in relationship to current year activity and revisions to prior year reporting. The interaction of Covid-19 on changing our member's behavior in accessing health care and the increase in enrollment has dramatically changed the overall cost profile of our members.

[1] Unless otherwise noted expenditures are presented in All Funds.

Table II-1. Summary of Changes to FY 2022 Fiscal Position Compared to Nov CEC (includes non-CEC Benefits)

	FY 2022: All Funds	FY 2022: General Revenue
Unfavorable Variance		
Expansion Enrollment (i.e., Capitation)	($15.2 M)	($1.7 M)
Rite Care Enrollment (i.e., Capitation)	($1.8 M)	$0.1 M
Other Capitated Payments	($2.0 M)	($0.9 M)
SOBRA Births	($9.4 M)	($3.3 M)
NICU Stays	($4.1 M)	($1.9 M)
COVID-19 Testing Kits	($7.5 M)	($2.5 M)
GME	($2.5 M)	($1.0 M)
ARPA HCBS	($60.6 M)	$0.0 M
Subtotal Favorable	**($103.2 M)**	**($11.1 M)**
Favorable Variance		
Risk Share	$78.5 M	$16.0 M
Enhanced FMAP (inc. SFY 2021 DSH savings)	$0.0 M	$35.2 M
Medicare Premium Payments	$5.3 M	$4.3 M
CMS Demonstration	$6.2 M	$2.8 M
Drug Rebates	$6.0 M	$1.3 M
Nursing Home & Hospice	$4.1 M	$1.8 M
Other FFS	$13.0 M	$1.7 M
COVID-19 Vaccinations	$14.2 M	$0.0 M
Other/Miscellaneous	$14.6 M	$6.4 M
Subtotal Unfavorable	**$142.0 M**	**$69.6 M**
Total Variance	**$38.8 M**	**$58.5 M**

FY 2023

The favorable variance in FY 2022 is reversed in FY 2023. Compared to Nov CEC, EOHHS' revised forecast reflects a $188.8 million All Funds ($33.3 million) GR deficit. The major contributing factors to this variance are summarized in **Table** II-2. The primary driver for the deficit is not surprising with the increased caseload in FY 2022 being carried forward into FY 2023. The impact of the delay is magnified as the redeterminations (and therefore subsequent terminations) are delayed and renewals begins at a higher caseload. More than half of the unfavorable variance is attributed to Rhode Island's Expansion population that by August 2022 is expected to be 50% greater than it was at the month before the moratorium on redeterminations began.

Table II-3 summarizes the variance by "price" (spend per beneficiary) and "volume" (number of beneficiaries) on an All Funds basis for the CEC accounts for FY 2022 Current over FY 2021 Final, FY 2022 Current over Nov CEC, FY 2023 over Nov CEC, and FY 2023 over FY 2022 (Current).

The discrete drivers of the relative variances against EOHHS' prior forecasts are explained in more detail below and throughout this document.

Table II-2. Summary of Changes to FY 2023 Fiscal Position Compared to Nov CEC (includes non-CEC Benefits)

	FY 2023: All Funds	FY 2023: General Revenue
Unfavorable Variance		
Expansion Enrollment (i.e., Capitation)	($132.0 M)	($12.9 M)
Rite Care Enrollment (i.e., Capitation)	($32.3 M)	($12.9 M)
Other Capitated Payments	($6.3 M)	($1.7 M)
SOBRA Births	($10.2 M)	($3.6 M)
NICU Stays	($3.6 M)	($1.7 M)
Medicare Premium Payments	($1.5 M)	($2.3 M)
COVID-19 Testing Kits	($29.2 M)	($9.8 M)
DSH	($2.6 M)	($1.2 M)
ARPA HCBS	($15.7 M)	$0.0 M
Subtotal Favorable	**($233.3 M)**	**($46.1 M)**
Favorable Variance		
Enhanced FMAP	$0.0 M	$0.0 M
CMS Demonstration	$17.3 M	$7.9 M
Drug Rebates	$17.0 M	$2.7 M
Nursing Home & Hospice	$1.4 M	$0.6 M
Other FFS	$2.1 M	($1.1 M)
Other/Miscellaneous	$6.7 M	$2.6 M
Subtotal Unfavorable	**$44.5 M**	**$12.8 M**
Total Variance	**($188.8 M)**	**($33.3 M)**

Table II-3. Overall Price-Volume Analysis, All Funds (includes non-CEC Benefits)

	Price	Volume	Net
FY 2022 over FY 2021	$104.9 M	$174.0 M	$278.9 M
	4.0%	6.4%	10.7%
FY 2022: Current over Nov CEC	($126.7 M)	$27.3 M	($99.4 M)
	-4.2%	1.0%	-3.3%
FY 2023: Current over Nov CEC	($64.1 M)	$237.1 M	$173.1 M
	-2.1%	8.1%	3.7%
FY 2023 over FY 2022 (Current)	$310.2 M	($29.9 M)	$280.3 M
	10.8%	-0.9%	9.7%

B. Disproportionate Share Hospitals

DSH 2018 Audit

The independent audit of Rhode Island's 2018 DSH payments was completed in December 2021. The audit found that four hospitals received DSH payments that exceeded their total eligible uncompensated care costs (UCC). Estimated DSH limits are based on prior year data updated for inflation. This prior year data can differ from actual data available after the close of the rate year and lead to over payments. Pursuant to the Rhode Island Medicaid State Plan, EOHHS will recoup from the affected hospitals the amount by which the DSH payment exceeded eligible UCC and redistribute these funds to the other qualifying hospitals. The tables below detail the transfer of payments.

CMS requires that recoupments and redistributions occur within one year of EOHHS' receipt of the audit. At the time of testimony, EOHHS has recouped fully from two hospitals, and has agreements to recoup from the remaining hospitals by December 14, 2022. Redistributions are scheduled to be paid on April 29, 2022.

Table II-4. FFY 2018 DSH (paid in SFY 2019) Adjustment – Recoupments and Distributions by Hospital

	Distribution	Recoupment
Rehab Hospital	$ -	$ -
Kent Hospital	-	(62,997)
Landmark Hospital	-	(93,340)
Miriam Hospital	1,637,646	-
Memorial Hospital	-	(5,060,910)
Newport Hospital	741,489	-
Rhode Island Hospital	-	(3,763,833)
Roger Williams Medical Center	1,627,141	-
St Joseph Hospital	1,401,346	-
South County Hospital	493,656	-
Westerly Hospital	421,952	-
Women & Infants Hospital	2,657,850	-
Total	$ 8,981,080	$ (8,981,080)

DSH 2021 Accrual

The FY 2021 Revised Enacted and FY 2022 Enacted reflected DSH payments being eligible for the enhanced FMAP during the current Public Health Emergency.

CMS notified EOHHS on July 15, 2021, that per the Family First Coronavirus Response Act of 2020 (FFCRA) the DSH federal allotments would be updated to reflect the availability of enhanced FMAP for FFY 2020 (SFY 2021) and FFY 2021 (SFY 2022). Based on this communication EOHHS accrued (see Closing Adjustment below) the additional GR relief for FY 2021.

However, the revised allotments remained subject to revision until published in the Federal Register. Because CMS had not officially updated the federal DSH allotments as of December 31, 2021, the Office of the Auditor General reversed EOHHS' accrual (see OAG Adjustment below). OAG cannot recognize federal expenditures unless the State has standing grant authorization to draw down the funding for these expenditures. As EOHHS did not yet have that authority the OAG could not recognize the underlying federal expenditure.

In March 2022, the federal government finally published the preliminary allotments for FFY 2020 in the Federal Register[2]. These allotments reflected the higher federal match and the applicability of the enhanced FMAP (i.e., $84,911,073 for Rhode Island's SFY 2021 DSH payments). This allotment is slightly larger than the $84,171,062, which was previously projected by EOHHS.

EOHHS now has the federal authorization needed to recognize the general revenue savings. The State Controller confirmed that EOHHS should budget $8,160,220 GR savings in FY 2022 and charge the corresponding federal accounts. The state OAG and Accounts and Control were only waiting on official federal authorization as we did not have that at the time of fiscal close. EOHHS' testimony includes this prior period adjustment as savings to its FY 2022 revised forecast. The entry aligns with the SFY 2021 closing adjustment row below.

[2] Federal Register, Vol. 87, No. 51, March 16, 2022. Retrieved on April 20, 2022 from: https://www.federalregister.gov/documents/2022/03/16/2022-05459/medicaid-program-final-fy-2018-final-fy-2019-preliminary-fy-2020-and-preliminary-fy-2021.

FFY 2020/SFY 2021 DSH Payment

I. Paid in RIFANS

Allowable Federal	State Amount	Computed Total	FMAP	Additional State Only	Total Paid	Total State Payment	Total Federal Payment
$ 76,010,842	$ 52,494,385	$ 128,505,227	59.15%	$ 13,795,808	$ 142,301,035	$ 66,290,193	$76,010,842

II. SFY 21 Closing Adjustment

Allowable Federal	State Amount	Computed Total	eFMAP	Additional State Only	Total Paid	Total State Payment	Total Federal Payment
$ 84,171,062	$ 58,129,973	$ 142,301,035	59.15%	$ -	$ 142,301,035	$ 58,129,973	$84,171,062
					GR Savings	$ (8,160,220)	

III. SFY 21 Office of Auditor General Adjustment

Allowable Federal	State Amount	Computed Total	eFMAP	Additional State Only	Total Paid	Total State Payment	Total Federal Payment
$ 76,010,842	$ 52,494,385	$ 128,505,227	59.15%	$ 13,795,808	$ 142,301,035	$ 66,290,193	$76,010,842
					Reversal	$ 8,160,220	

C. LTSS Interim Payments and Recoupments

Nursing Facilities

In May 2019, EOHHS began to offset interim payments owed to the state from nursing facilities' ongoing fee-for-service claims activity. As shown in **Table** II-5, through March 28, 2022, EOHHS collected $131.92 million in recoveries against the $149.0 million in interim payments. EOHHS has made no new interim payments since July 2022.

Table II-5. Nursing Home Interim Payments and Recoupments through March 2022, by Case Status

	Interim Payments	Recovered Amount	Outstanding Amount	Individuals
TOTAL	$149.02M	$131.92M	$17.10M	4,451
Claims Paid	$101.91M	$97.61M	$4.30M	3,379
Claims Ready to Bill	$9.49M	$7.84M	$1.64M	919
Claims Pending Eligibility	$1.68M	$1.68M	$0	73
Claims Denied	$9.29M	$0.5M	$8.76M	340
Prior to Feb-17	$26.66M	$24.26M	$2.39M	977

In addition, an increasing number of contingency payment cases are recoverable consistent with R.I.G.L. §40-8-6.1, as the applications are no longer pending an eligibility determination, have had a claim paid for the applicant, or, the providers can bill for the applicant.

As a reminder, at FY 2021 fiscal close, EOHHS had paid out $149.0 million in interim payments, assumed 10% of those would not be recovered (i.e., $14.9 million), and had already recovered $124.6 million. As a result of these assumptions, EOHHS accrued an outstanding receivable of $9.5 million. Because less than $9 million are "denied" (and therefore not recoupable) EOHHS currently expects to remain with these projections.

Other LTSS provider types

EOHHS also made interim payments to Assisted Living, Hospice, and Home Care providers. As with Nursing Homes, EOHHS plans to recoup outstanding interim payments made to these providers by offsetting amounts owed from their ongoing fee-for-service claims activity. EOHHS began recouping against the Assisted Living interim payments on October 15, 2021. A summary of these interim payments is below in **Table** II-6**.**

Table II-6. Other Provider Interim Payments and Recoupments

	Interim Payments through 3/28/22	Recoupments through 3/28/22	Outstanding through 3/28/22	Recoverable (i.e., 90% of outstanding)
TOTAL	$6,956,166	$1,169,973	$5,786,193	$5,517,745
Assisted Living	2,424,504	849,862	1,574,642	1,727,350
Hospice	3,124,322	312,752	2,811,570	2,530,412
Home Care	1,407,340	7,359	1,399,981	1,259,983

D. Rhody Health Options/CMS Demonstration Update

NHPRI, EOHHS, and CMS are presently operating within Demonstration Year 5 of the Integrated Care Initiative (ICI) also known as Rhody Health Options (RHO) II. The ICI or RHO II provides managed care services to some of Rhode Island's dually eligible Medicare-Medicaid recipients. Since January 2021, EOHHS has been passively enrolling approximately 150 members per month into RHO II. In January 2022, this number increased to 250 with 100 nursing facility residents being added to EOHHS' monthly passive enrollment schedule.

Despite the current level of passive enrollment, the enrollment in Rhody Health Options remained relatively flat over CY 2021 and the increase over the past quarter has been more modest than 100 new members per month, with NHPRI netting approximately 50 new nursing home residents per month over the past three months. This suggests that the number of newly enrolled members is being partially offset by an increasing number of terminations. This churn is not unexpected given the age and frailty of the membership.

Overall, EOHHS anticipates that the additional passive enrollment will lead to an additional 50 nursing home members enrolled per month with the rest of the pay levels remaining flat. This trend will carry through December 2023 and flatten after for the last half of SFY 2023.

Although the increase in member months is modest, these members are expensive and will significantly shift expenditures from various FFS budget lines to Rhody Health Options. Consistent with CMS requirements that the Demonstration cost no more than the alternative payment delivery system, this shift will be budget neutral. As such, EOHHS has made below-the-line reductions to Nursing Home, Hospice, and Other Services that reflect the costs of the members that EOHHS expects to enroll in Rhody Health Options.[3]

The reductions to these FFS budget lines are offset with additional premium payments for Rhody Health Options that exceed the monthly premium payments over the first half of the year. The passive enrollment for LTSS members will result in a change in the distribution of enrollees in nursing homes versus community LTSS. To reflect this change, EOHHS' actuary prospectively revised its blended capitation rate for this population for the current fiscal year and expect a further adjustment for FY 2023. **Table** II-7 below summarizes the changes to the impacted fee-for-service budget lines by fiscal year.

Table II-7. RHO Passive Enrollment and Shift of Expenditures between Budget Lines

	FY 2022	FY 2023
Additional Member Months:		
Nursing Home (+50 per month)	500	5,250
Reduction to FFS Spending:		
Home and Community Care	$ (1,785)	$ (18,743)
Nursing Home	(2,908,170)	(30,535,885)
Hospice	(254,120)	(2,668,360)
Other Services	(13,425)	(140,963)
Gross Transfer	$ (3,177,500)	$ (33,363,950)

[3] These members have some hospital expenditures, but as Medicare is the primary payer for acute services these costs are minimal.

E. COVID-19 State Plan Amendments

Under section 6008(b)(4) of the FFCRA, to receive the temporary FMAP increase, a state or territory must cover COVID-19 testing services and treatments, including vaccines and their administration, specialized equipment, and therapies, for Medicaid enrollees without cost sharing.[4] EOHHS has been receiving updated guidance on how to implement these requirements from CMS via State Health Official Letters that clarify these requirements. These requirements were effective upon enactment of the FFCRA on March 11, 2021, but apply prospectively based on the dates of the SHO letters. The coverage requirements and cost-sharing prohibitions generally end on the last day of the first calendar quarter that begins one year after the last day of the COVID-19 emergency period described in section 1135(g)(1)(B) of the Act.

Updated estimates based on current guidance are below.

COVID Vaccine Administration and COVID Vaccine Counseling for Children

Section 9811 and section 9821 of the American Rescue Plan Act requires (and provides 100% federal financing to the States for the cost of) COVID-19 vaccine administration.[5] In December 2021, CMS clarified that this includes visits for COVID vaccine counseling at which no vaccine is administered after counseling.[6] The enhanced FMAP here is available through one year after the last day of the quarter in which the Public Health Emergency associated with COVID-19 ends; EOHHS' estimate assumes the PHE will end June 30, 2022 so the 100% federal funding will be available through SFY 2023.

Rhode Island is paying the geographically adjusted Medicare reimbursement rate, which was $41.63 per vaccine dose administered but reduced to $41.29 as of April 1, 2021. CMS will periodically update this reimbursement rate.

In November, EOHHS' FY 2022 and FY 2023 assumed 100% of the State's non-Dual Medicaid membership would be vaccinated. EOHHS' estimates revise this downward using RIDOH reported vaccine data through March 2022 for Medicaid recipients, which showed 128,090 vaccinated individuals. EOHHS assumes that these individuals received two doses. There were 47,145 boosters administered.

EOHHS used this data to determine a per month number of vaccines and extrapolated the remaining months of FY 2022 and FY 2023. (The estimate assumes there are approximately 20,564 vaccines per month administered).

EOHHS' estimates now assume 246,773 vaccines in each period of FY 2022 and FY 2023 at a cost of $10.3 million and $10.2 million, respectively.[7]

COVID-19 Testing and Treatment

Sections 9811 and 9821 of the American Rescue Plan Act mandates coverage for COVID-19 testing and SHO Letter #21-003 released in August 2021 further clarified that this includes at-home tests.[8]

In Rhode Island, most lab-based tests are funded from other sources. However, most Medicaid members, except for those dually covered by Medicare, do not have access to coverage for at-home test kits. Therefore, EOHHS' revised estimates for FY 2022 and FY 2023 include spending for this new expense.

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[4] CMS (2022, February 11) "Coverage and Reimbursement of COVID-19 Vaccines, Vaccine Administration and Cost Sharing under Medicaid, CHIP, and Basic Health Program" Retrieved on April 20, 2022, from https://www.medicaid.gov/state-resource-center/downloads/covid-19-vaccine-toolkit.pdf.

[5] CMS (2021, August 30) "SHO #21-004 Re. Temporary increase to FMAP under sections 9811, 9814, 9815, and 9821 of ARP and administrative claiming for vaccine incentives." Retrieved on April 20, 2022, from: https://www.medicaid.gov/federal-policy-guidance/downloads/sho-21-004.pdf.

[6] CMS (2021, December 2) "Press Release: Biden-Harris Administration Makes 100% Federal Medicaid Matching Funds Available for State Expenditures on Certain COVID-19 Vaccine Counseling Visits for Children and Youth" Retrieved on April 20, 2022, from: https://www.cms.gov/newsroom/press-releases/biden-harris-administration-makes-100-federal-medicaid-matching-funds-available-state-expenditures

[7] EOHHS will charge these federal fund expenditures to the RIFANS line sequence 4828501.02 within the Other Services budget line.

[8] CMS (2021, August 30) "CMS SHO #21-003 Re: Medicaid and CHIP Coverage and Reimbursement of COVID-19 Testing under the American Rescue Plan Act of 2021 and Medicaid Coverage of Habilitation" Retrieved on April 20, 2022, from: https://www.medicaid.gov/federal-policy-guidance/downloads/sho-21-003.pdf

EOHHS implemented payment for at-home testing in March 2022. Billings are at point of sale and so cannot be retroactive. EOHHS has had only one claim at the time of preparation for its testimony. Members are eligible to receive 8 tests per month; but given low utilization our revised forecast assumes each Medicaid-only beneficiary would receive two Covid-19 tests (or one kit) at $24 per quarter.

Overall, for FY 2022, EOHHS includes $7.5 million for spending in the fourth quarter. For FY 2023, EOHHS has budgeted for $29.2 million.

Sections 9811 and 9821 of the American Rescue Plan Act mandates coverage for treatment for COVID-19 as clarified in SHO #21-006 from October 2021.[9] Our estimates include monoclonal antibody treatments. EOHHS used claims data from specific procedure codes since July to inform its SFY 22 and SFY 23 estimates. The majority are claims in managed care and represent less than $400,000 in each fiscal year.

Unlike the Covid-19 vaccination and vaccine administration costs, Covid-19 testing and treatment are subject to Rhode Island's usual federal financial participation provisions (i.e., either Regular FMAP or 90/10 Expansion FMAP depending on beneficiary's eligibility category). **Table** II-8 summarizes the COVID-19 SPA fiscal impacts

Table II-8 COVID-19 SPA Summary

Item	Financing	FY 2023 Est.
Vaccine Administration	100% FF	$10,189,252
Vaccine Counseling for kids	100% FF	$0 *assume within administration costs above*
COVID Testing	FMAP	$29,173,960
COVID Treatment	FMAP	$375,823

F. Enhanced FMAP for Home and Community Based Services

Through Section 9817 of the American Rescue Plan Act, Rhode Island is eligible for enhanced FMAP of 10% on certain Home and Community Based Services, as defined by CMS in Appendix B of their guidance "SMD# 21-003 RE: Implementation of American Rescue Plan Act of 2021 Section 9817". This enhanced FMAP is available for eligible spending incurred between April 1, 2021 and March 31, 2022.[10] (Such services paid for Expansion-eligible members are entitled for an enhanced FMAP of 5%.) Of note, Appendix B includes states' "Rehabilitative Services" as defined by their State Plan which includes some of Rhode Island's behavioral health spending.

The enhanced FMAP provides new federal funds that must be re-invested to enhance, expand, or strengthen HCBS as defined by CMS in Appendix C and D of SMD #21-003.[11] Rhode Island is implementing this requirement with Restricted Receipt accounts. Into these accounts EOHHS will deposit this new federal revenue to finance the state share of investments made through March 31, 2024. To qualify for these new revenues Rhode Island cannot reduce its spending on any HCBS service below those in effect as of April 1, 2021.

Any receipts from the enhanced FMAP not spent on allowed services will need to be returned to CMS. When spending this new state share, the state may collect additional FMAP as otherwise eligible, as outlined in Appendix E of the CMS Guidance.

As shown in Rhode Island's April Spending Plan[12], the State will have approximately $67.2 million ($72.2 million including the amount claimed from the Workforce Investments which were also eligible for the enhanced FMAP) in restricted receipts to reinvest, as the state share, in Medicaid HCBS in a manner approved by CMS. As spending occurs out of the Restricted Account, additional federal match will be drawn down per federal regulations. Based

[9] CMS (2021, October 22) "SHO #21-006 Re. Mandatory Medicaid and CHIP Coverage of COVID-19-Related Treatment under the American Rescue Plan Act of 2021" Retrieved on April 20, 2022, from: https://www.medicaid.gov/federal-policy-guidance/downloads/sho102221.pdf
[10] CMS (2021, May 13) "SMD No. 21-003 Re. Implementation of ARPA Section 9817: Additional Support for Medicaid HCBS during COVID-19 Emergency" Retrieved on April 20, 2022, from: https://www.medicaid.gov/federal-policy-guidance/downloads/smd21003.pdf
[11] See **f.n. 10**.
[12] Rhode Island EOHHS. "Home and Community-Based (HCBS) Enhancement" website Last accessed on April 20, 2022, from: https://eohhs.ri.gov/initiatives/home-and-community-based-services-hcbs-enhancement.

on the most recently submitted spending plan and assumptions outlined there about eligible federal match rates, EOHHS projects spending $160 million All Funds on new investments.

EOHHS sought public comment on the types of activities that should be funded to "enhance, expand, or strengthen" Medicaid HCBS, as well as ways this funding could be used to address disparities and equity issues in the provision of HCBS. EOHHS submitted its "RI State Spending Plan for ARPA HCBS FMAP" on July 9, 2021 to CMS.[13] An update is submitted quarterly.

EOHHS is committed to distributing funding in line with our core values of choice, equity, and community engagement. EOHHS will provide regular updates throughout the budget process as it gets clarification and final approvals from CMS.

EOHHS will track all claiming and expenditures (state and federal share) out of new Restricted Receipts and Federal Fund accounts—for relevant Medical Assistance and Central Management expenditures—to ensure compliance with the CMS guidelines and to finance the state share with the restricted receipt balance. All enhanced FMAP claimed by Rhode Island will be credited to a new federal account and debited to one of two new restricted receipt accounts that have been created to serve as a clearing account for the enhanced FMAP. Monies deposited into these restricted accounts will be subsequently redistributed to pay for the state share of the new investments. The federal share associated with these investments will be journalized to one of two new federal accounts. The result will be that neither the additional federal claiming nor the one-time investments can be separately tracked by EOHHS and the claiming/investments will not impact base Medicaid spending. The relevant RIFANS accounts include:

Line Sequence	Description
2013107.02	ARPA-Enhanced HCBS – Claiming
2014104.03	ARPA-Enhanced HCBS Benefits
2019115.03	ARPA-Enhanced HCBS Admin Support
2013108.02	ARPA-Enhanced HCBS Federal – Benefits Investments
2018162.02	ARPA-Enhanced HCBS Federal – Admin Support

G. Perry Sullivan Appropriation

RIGL Chapter 40-8.9 "Medical Assistance – Long-Term Care Service and Finance Reform" also known as the Perry Sullivan or Sullivan Perry statute requires the conferees to include an additional appropriation for Medicaid HCBS in the subsequent fiscal year (i.e., FY 2023 forecast) that is equivalent to the reduction in nursing home days, if any, over the prior two completed fiscal years (i.e., FY 2021 days over FY 2020 days), multiplied by the average per diem assumed in the subsequent fiscal year (i.e., FY 2023 per diem).[14] This appropriation is intended to support additional investments in home and community-based services necessary to sustain the desired reduction in institutional-based care.

As noted by EOHHS in November, however, the unprecedented decline in the number of nursing home days was at least partially attributed to the effects of the COVID-19 pandemic on declining census. Additionally, EOHHS has already implemented new investments in its HCBS program as it pertains to the FY 2022 budget initiatives and, further, with respect to ARPA HCBS reinvestment fund.

Nonetheless, the November CEC included $38.6 million, including $17.7 million GR, to FY 2023 for Perry Sullivan. EOHHS' current estimate reflects this increase to its FY 2023 budget but has not committed the expenditures to any specific investment.[15]

Additional information for the conferee's calculation of the Perry Sullivan appropriation is provided in the **Nursing and Hospice Care** section.

[13] Internet: https://eohhs.ri.gov/initiatives/american-rescue-plan-act/home-and-community-based-services-hcbs-enhancement. (Last accessed: October 18, 2021)
[14] Specifically, for the current calculation, the reduction in days between FY 2020 and FY 2021 and the average per diem for FY 2023 serve as the base components of the Perry Sullivan appropriation for FY 2023 that the November Conference calculates in FY 2022.
[15] The precise appropriation is calculated by conferees based on consensus estimate of reduced number of days and per diem cost for FY 2023.

H. Public Health Emergency, Enhanced FMAP Rate and GR Savings

On March 18, 2020, the Families First Coronavirus Response Act (FFCRA; Pub. L. 116-127) was enacted. Section 6008 of the law provides a temporary 6.2 percentage point increase to the Federal Medical Assistance Percentage (FMAP) under section 1905(b) of the Social Security Act, effective January 1, 2020, and extending through the last day of the calendar quarter in which the Public Health Emergency (PHE) declared by the Secretary of Health and Human Services terminates, if states meet the requirements set out in that law. The requirements for receiving the enhanced FMAP that are included in the FFCRA are summarized in **Table II-9**

The enhanced rate does not apply to the Expansion FMAP rate or the Family Planning FMAP (both presently 90%). However, the increased FMAP does apply to CHIP expenditures. Based on the formulary for calculating the states' CHIP Enhanced FMAP, Rhode Island will get an additional 4.34% general revenue relief for CHIP expenditures claimed during the emergency period.

Table II-9. Section 6008(b) Conditions of Family First Coronavirus Relief Act for 6.2% FMAP Increase

FFCRA 6008(b) Condition	Termination Date of Condition	Nov CEC Adopted	May CEC	If extended to July 16
6008(b)(1): **Maintenance of Effort** i.e. maintain eligibility standards, methodologies, procedures	Expires the last day of the **quarter** in which the PHE ends.	March 31, 2021	June 30, 2022	September 30, 2022
6008(b)(2): **Premium Restrictions** Rhode Island does not presently charge any premiums	Expires the last day of the **quarter** in which the PHE ends.	March 31, 2021	June 30, 2022	September 30, 2022
6008(b)(3): **Continuous Coverage**[16] this prevents most terminations	Expires the last day of the **month** in which the PHE ends.	January 31, 2021	June 30, 2022	July 31, 2022
6008(b)(4): **Cost sharing exemption for Testing and Treatment**	Expires the last day of the **quarter** in which the PHE ends.	March 31, 2021	June 30, 2022	September 30, 2022
Enhanced FMAP	Expires the last day of the **quarter** in which the PHE ends.	March 31, 2021	June 30, 2022	September 30, 2022

FY 2022 General Revenue Savings

November CEC reflected the GR savings attributed to the Enhanced FMAP of $105.1 million. This adopted estimate assumed the PHE would end as of March 30, 2022, however. The extension of the PHE that followed November's caseload estimating conference provided additional GR relief to Rhode Island, including another $29.2 million against EOHHS' CEC Benefit accounts. Additional savings accrued for Medicaid spending by BHDDH, DCYF, and DHS.

Further, the publication of the adjusted federal allotment for DSH for FFY 2020 allowed EOHHS to draw down additional federal funds for its SFY 2021 DSH payment. This prior period savings provides $8.8 million GR savings in the current fiscal year. **Table** II-10 compares Nov CEC savings to the GR savings included in EOHHS' revised forecast for FY 2022.

[16] Note that in regard to the continuous coverage requirement in **Table II-9**, CMS clarified in an Interim Final Rule released in late October 2020 and further in follow-up CMS All State Calls in November 2020 that if "the state has determined that a beneficiary one, is no longer eligible for the group in which he or she is currently enrolled and two, is eligible for another group providing the same tier of coverage, the state must transition the beneficiary to that new eligibility group." Previously, in November CEC, beneficiaries were not moved within eligibility groups.

Table II-10. Change in General Savings for FY 2022 from Enhanced FMAP: Nov CEC compared to Current

	SFY 2021	SFY 2022		
CEC Budget Line	Final	Nov CEC	Current	Increase/ (Decrease)
Managed Care	$ (46,804,480)	$ (38,011,092)	$ (49,868,837)	$11.9 M
Rhody Health Partners	(17,270,506)	(14,098,746)	(18,507,525)	4.4 M
Rhody Health Options	(7,633,205)	(6,631,590)	(8,301,800)	1.7 M
Expansion	0	0	0	0.0 M
Hospitals - Regular	(3,057,028)	(3,126,169)	(4,333,800)	1.2 M
Hospitals - DSH	0	(8,834,627)	(16,994,847)	8.2 M
Nursing and Hospice Care	(18,516,026)	(14,889,300)	(19,833,800)	4.9 M
Home and Community Care	(5,482,461)	(4,654,650)	(6,041,900)	1.4 M
Pharmacy	44,751	26,619	(3,100)	0.0 M
Clawback	(9,995,424)	(8,068,641)	(10,758,188)	2.7 M
Other Services	(8,472,411)	(6,822,289)	(8,397,820)	1.6 M
Subtotal - CEC Benefits	**$ (117,186,790)**	**$ (105,110,485)**	**$ (143,041,617)**	**$37.9 M**

FY 2023 General Revenue Savings

Secretary Becerra extended the PHE on April 13, 2022. Per federal law, a PHE is effective for 90 days or until the secretary determines that the emergency no longer exists, whichever occurs first. Relatedly, the Biden administration's last formal communication to states indicated that the federal government would provide at least 60-days' notice of the PHE's end. As a result, we can infer that as April 20–having not been given 60 days' notice– that the PHE will likely extend until at least June 20.

It therefore continues to remain a possibility that on/before April 30, the states will receive their 60 days' notice and the PHE ends on June 30. Absent congressional action the enhanced FMAP would remain available through June 30, 2022, but no longer. If such a scenario occurs, the assumptions on caseload and FMAP outlined in EOHHS' testimony still stand.

However, if Rhode Island has not received a 60-day notice by April 30, then the conferees could assume the PHE will likely extend at least through July 1. If this is the case, the enhanced FMAP would remain available through September 30, 2022. Such a delay would provide further general savings to Rhode Island.

EOHHS acknowledges that depending on the delay there would also be some marginal increase in All Funds expenditures attributed to increasing caseload. However, caseload trends are expected to moderate as an ever increasing share of the state is insured by Medicaid. Further, the subsequent termination schedule is already an approximation of what may occur. Given such caveats EOHHS is not forecasting the caseload impact of a hypothetical and indeterminate extension of the PHE. Additionally, such an increase in caseload may moderate the need of EOHHS' certifying actuaries to make acuity adjustments to the premium payments.

Given such caveats to maintaining a constant All Funds estimate for FY 2023, the General Revenue saving that would arise from a one quarter extension of the PHE is approximately $44.0 million. The breakdown of these savings is provided in **Table** II-11. Please note that the GR savings include $9.0 million for DSH that could likely be secured regardless of the fate of the PHE by making the DSH payment prior to June 30, 2022 (see **Hospitals – DSH** for further discussion).

Table II-11: General Revenue Savings from One Quarter Extensions to PHE in SFY 2023

CEC Budget Line	SFY 2023
Managed Care	$ (13,513,389)
Rhody Health Partners	(4,838,380)
Rhody Health Options	(2,726,450)
Expansion	0
Hospitals - Regular	(1,060,200)
Hospitals - DSH	(8,994,952)
Nursing and Hospice Care	(4,873,200)
Home and Community Care	(2,164,575)
Pharmacy	(3,875)
Clawback	(3,484,999)
Other Services	(2,308,892)
Subtotal - CEC Benefits	**$ (43,968,912)**

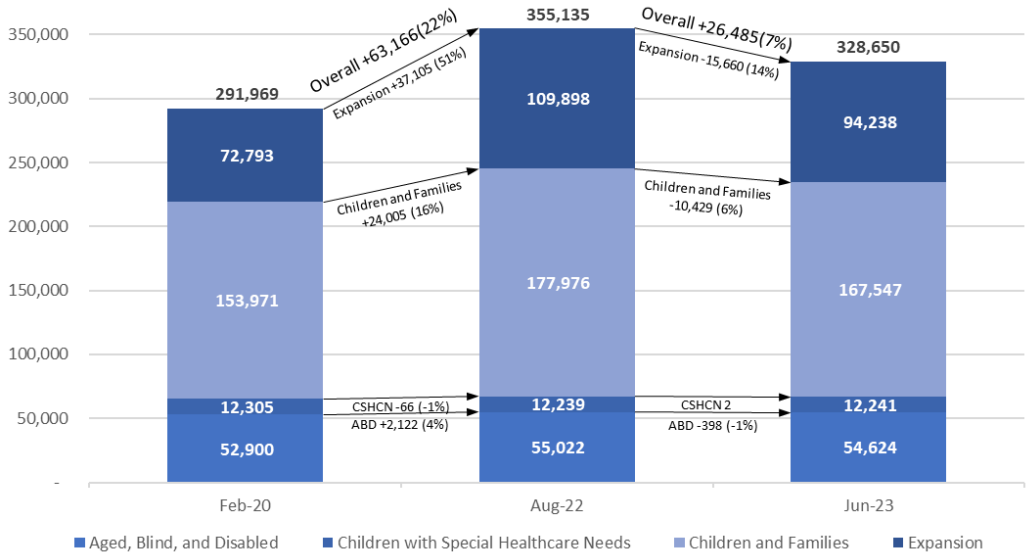
I. Caseload Growth and Trend Development

Caseload Growth

Rhode Island's recent experience during the PHE has been consistent with regional trends per CMS data. From February 2020 through March 2022, Rhode Island enrollment increased by 57,141 members, or 19.6%. Comparatively, among other northeastern states (CT, MA, NH, VT, and ME) enrollment increased an average of 21.8% (ranging from 14.0% to 28.0%).[17]

EOHHS expects the enrollment to continue through August 2022. Overall, the projected 63,166 increase in the Rhode Island's Medicaid over the public health emergency, as presented in **Figure** II-1**,** reflects an increase of 22% (i.e., from 291,969 in February 2020 to EOHHS' projected peak of 355,135). **Table** II-12 shows annualized trends for various time components of historical data, as well as EOHHS' projections.

Figure II-1. Change in caseload between Feb-20, end of PHE (in Aug-22) and Jun-23 (end of SFY 2023)



[17] Currently, CMS data is through Nov 2021. Percentages reflected are from February 2020 – November 2021. Retrieved on April 20, 2022, from: https://www.kff.org/health-reform/state-indicator/total-monthly-medicaid-and-chip-enrollment/.

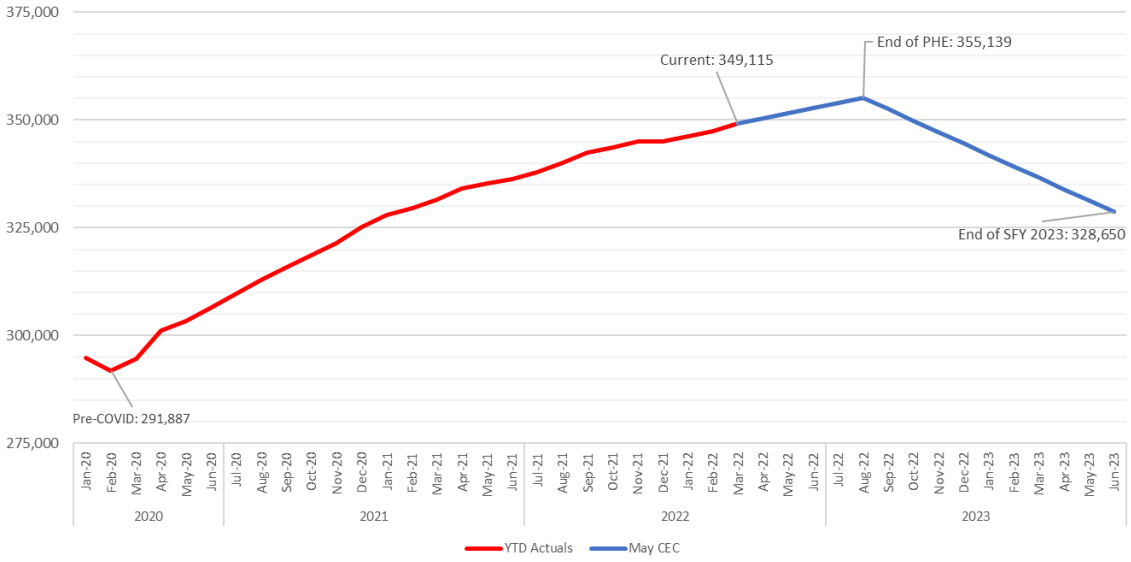
Table II-12. Current Annualized Trends for Enrollment Activity based on Actuals through Mar-22

	Historical 2-Year: Mar-18 thru Feb-20	Entire PHE: Feb-20 thru Mar-22	"Current" PHE: Jul-21 thru Mar-22	Remaining PHE: Apr-22 thru Aug-22	Clean-up: Sep-22 thru Jun-23
Managed Care					
RIte Care Core	-4.2%	10.4%	3.1%	2.5%	-7.2%
RIte Care CSHCN	-3.1%	1.4%	-0.3%	-2.4%	-2.0%
Expansion	-4.6%	30.7%	10.0%	8.8%	-18.2%
Rhody Health Partners	-1.8%	0.3%	-1.2%	-0.9%	-0.7%
Rhody Health Options Phase I	-1.2%	-2.4%	0.5%	6.5%	6.0%
PACE	8.0%	4.0%	4.6%	7.4%	0.0%
Rite Share	-27.1%	2.4%	9.3%	3.3%	0.0%
All Managed Care	-4.4%	14.4%	4.9%	4.4%	-9.9%
Overall:					
Children and Families	-4.4%	8.9%	2.8%	2.3%	-7.0%
Children with Special Healthca	-2.5%	-0.3%	-2.1%	0.0%	0.0%
Expansion	-3.5%	27.0%	9.7%	8.5%	-16.8%
Aged, Blind, and Disabled	-1.1%	1.7%	2.5%	3.1%	-0.9%
All Eligibility Groups	-3.5%	12.0%	4.6%	4.2%	-8.9%

Note.

1. All trends are annualized.
2. Overall trends by eligilibity group include members enrolled in Rite Share and Remaining in FFS.

Figure II-2. May CEC Full Medicaid Forecast, Actuals through March 2022



Trend Development

EOHHS' revised caseload forecast for FY 2022 is higher than assumed and adopted in November. The increase in caseload is due to the further extension of the PHE; at least through the end of the fiscal year and a delay in the resumption of routine redetermination activities until August 2022.

EOHHS' revised forecast assumes the end of the PHE on June 30, 2022. Beginning in July 2022, EOHHS will initiate renewal activities as outlined in its redetermination plan to be submitted to CMS. Consistent with CMS regulations, EOHHS must renew all members and intends to do so over 12 months. Conducting renewal activity over 12 months will also have positive impacts on our ability to conduct renewals moving forward on a normal 12-month cycle, and more effectively allow for workload distribution and operational management with our DHS and HSRI partners.

The first batch of terminations will end eligibility on August 31, 2022, thereby impacting EOHHS' September 2022 enrollment.

Overall, EOHHS forecast assumes that half of the growth seen between February 2020 and August 2022 will be reduced over the twelve month period beginning September 2022. This impacts Rite Care Core and Medicaid Expansion exclusively.

The same growth seen in the MAGI-eligible (i.e., primarily income-based eligibility groups) was not experienced by Children with Special Healthcare Needs and Aged, Blind and Disabled. This variance is not surprising given they have typically demonstrated more stable/predictable growth patterns. As such, EOHHS staff modeled growth in these groups using linear regression.

Table II-12 contains the effective trends that EOHHS applied to its caseload through the end of the PHE and then the trend for the 12-month period post-PHE renewal period. The trend used through the end of the PHE is slightly moderated from the trend observed between February 2020 to now based on the actual moderation observed in the more recent months of the PHE.

In summary, EOHHS' projections as reflected in **Attachment 5a** and **Attachment 5b**, assumes that:

- Through the end of the PHE:
    - Rite Care Core and Expansion use the observed trend over the current fiscal year for the remaining quarter in the PHE and period prior to when terminations are expected to commence (i.e., through August 2022)
    - The impact of the PHE on products that experienced a negative trend over the past 6 months (i.e., RHP and PACE) are assumed to be flat for the rest of the forecast.
        - Exception: Rhody Health Option underlying trend is assumed to be flat; however, passive enrollment assumptions beginning January 2022 result in a modest growth rate for the product.
    - Rite Care CSHCN experienced a less than 1.0% annualized trend over the past 6-months and so its caseload projection over the rest of FY 2022 and FY 2023 reflects the ordinary least square (OLS) regression of the past 9 months enrollment activity.
- The PHE will extend through June 30, 2022, and terminations will result in a reduction in caseload September 2022. The Biden Administration has stated it will give States a 60-day notice before it ends the Public Health Emergency. This means we expect to get notice by April 30, 2022. If no notice is received by then, these assumptions must be updated.
- Once the PHE ends, EOHHS and DHS will have to process renewals for all individuals who have had their renewal dates extended forward. CMS is now allowing 12 months for states to initiate those renewals[18] whereas previous guidance was that states had 12 months to complete those renewals.[19] EOHHS projects the full 12 months is needed as discussed above. EOHHS is currently doing renewals of individuals for individuals who can be passively renewed without client intervention.[20]

[18] March 3, 2022: sho22001.pdf (medicaid.gov)
[19] See page 29 https://www.medicaid.gov/federal-policy-guidance/downloads/sho20004.pdf
[20] CMCS Informational Bulletin dated December 4, 2020 and CMS All-State Call on January 19, 2021 provided states with guidance that would enable them to restart the PEV and renewals process as a means to reduce the backlog of overdue renewals accumulating over the course of the PHE. EOHHS modified the PEV and passive renewal process to allow renewals of approximately 20,000 eligible customers per month, beginning with March 31st renewals. To date, approximately 90,000 customers have been passively renewed using this modified process. Of note, members that do not meet criteria for passive renewal will not be terminated; rather, they will have their renewal dates extended forward by 6-12 months. Similarly, customers with complex Medicaid, LTSS, or MPP were and will continue to have their renewal dates extended forward by 6-12 months. Once the PHE ends, and we run PEV, we will likely see several individuals that are over income and will receive an ADR.

- EOHHS' projections assume a reduction (net of new additions) of 26,485 members between August and June 2023. The 12-month unwinding period will complete in SFY 2024.
    - For Children and Families and Expansion, EOHHS' forecast assumes that over the entire 12-month unwinding, aggregate caseload will decline by one-half of the growth experienced through the entire PHE period (i.e., between March 2020 and August 2022).
    - This decline is net of terminations is not equivalent to the gross number of terminations as new members will gain eligibility at the same time. EOHHS has assessed the reasonability of the volume of potential terminations by ensuring the absolute drop in caseload is lower than the potential number of terminations detailed below.
- For CSHCNs and RHP, EOHHS continues to apply the current observed trend. For RHO, EOHHS applies the passive enrollment trends previously discussed

Unwinding of the Public Health Emergency and Resumption of Redeterminations

Of note, compared to EOHHS November testimony, although the expiration of the continuous coverage requirement remains the same from Section 6008(b), the time between the state being informed of the PHE's end and the effective reduction in caseload from terminations has increased from 2.5 to 4.5 months, as shown in **Table** II-13**.** This change is due to new guidance from CMS issued in March 2022 that clarified states are not required to initiate renewals until the PHE ends, as opposed to starting them while the PHE is winding down. The state has 14 months after the end of the PHE to complete all unwinding related renewal actions. Said differently, the states have 12 months after the PHE's end to *initiate* all renewals and an additional 2 months to complete them. Further, states can use the time during the PHE to conduct outreach and communication to members prior to resuming terminations both to optimize beneficiary experience and to reduce the state's workload by reducing requests for additional information and/or appeals.

This delay aligns with requirement that states submit to CMS a baseline unwinding report no later than 15 days after the 60-days' notice is given to the states. EOHHS is unclear if CMS needs to review or approve this reporting, but currently that does not seem to be a requirement. For example, if the PHE ends on the July 15, 2022, the last day of the PHE would be July 31, 2022, and the report would be due to CMS mid-June 2022.

Of note, CMS clarified that the State are prohibited from conducting post eligibility verification on a member until after a full redetermination of the members has occurred. This means that those members who are scheduled to have their redetermination in the twelve-month following the resumption of renewals cannot be subject to PEV. EOHHS intends to resume its PEV functionality only after the 12-month unwinding period is completed.

During the unwinding period, States will also need to provide a monthly report, by the 8th of each month, providing specific metrics on unwinding activities for the prior month.

Table II-13. Timing of Caseload Reduction Relative to 60-days' notice

	60 days' notice would occur	**PHE ends**	**Effective Reduction in caseload**	**Days between 60 days' notice and reduction**
Adopted Last Caseload	n/a	Jan 15	Feb 1	2.5 months
April 16 is 60 days' notice	April 15 (or by April 30)	June 15 (or June 30)	Sept 1	4.5 months
April 16 becomes 90-day extension	May 15	July 15	Oct 1	4.5 months

Table II-14 shows an estimate of potential terminations (prior to any new additions) if historical termination rates apply in the unwinding period. Because of the pause to PEV through the PHE, EOHHS believes these termination percentages will be higher during the unwinding period. EOHHS' current renewal distribution projections estimate about 4,000-6,000 terminations per month, or about 60,000 over the 12-month period. EOHHS' projected caseload reduction over 12 months (carrying into SFY 2024) is 32,115. The difference between total expected terminations

and impact on caseload is that there will be some churn among the terminations and new members gaining eligibility for the first time.

Table II-14. Expected Terminations based on Shielding and Historical Percentages

	November CEC	May CEC	
Shielded since March 2020	28,000	28,000	These members shielded from termination during the PHE will have to undergo a renewal during the 12-month unwinding period, regardless of whether they report a case change that maintains their ineligibility. However, we assume that this is an estimate of terms above historic renewal averages below
MAGI from renewals	14,500	13,617 i.e., 136,172 × 10%	Estimate 10% of the total MAGI population up for renewal per month The historical period was from CY2019 (pre-PHE). MAGI terminations per month, due to renewals, were 8%
Complex/LTSS from renewals	6,000	8,631 i.e., 43,156 × 20%	Estimate 20% of the total non-MAGI population up for renewal per month The historical period was from CY2019 (pre-PHE). Non-MAGI terminations per month, due to renewals, were ~20%
Post Eligibility Verification (PEV)	23,000	0	Postponed until AFTER the 12-month unwinding period. States may NOT act on changes on circumstances that result in Medicaid terminations unless that individual was processed through a renewal.
Total	**71,500**	**47,617**	

Estimating an Alternative to EOHHS' Forecast

In summary, EOHHS' revised forecast for Rite Care Core and Expansion reflects a linear increase in enrollment for the next five months (reflecting the growth over the past nine months) followed by a linear termination schedule. Rite Smiles follows this same pattern with an adjustment for of the aging of 600 new members each month. The growth among the other population reflects their historical trends with no adjustment.

This approach is admittedly unsophisticated; but it is reasonable. The expectation of moderating enrollment growth has yet to materialize and so forecasting further growth through August remains appropriate. Additionally, EOHHS recognizes that terminations are unlikely to occur in as smooth a manner as modeled: it is more likely that a greater number of members will be terminated in the initial months of the unwinding. However, this exodus will likely be followed by a greater proportion of those members become eligible later in the fiscal year. EOHHS considered alternatives but concluded that further complications to the model would have the illusion of greater precision but not materially improve the confidence interval around the resulting estimates. Overall, given the unprecedented nature of the public health emergency the average membership and total member months of enrollment remain appropriate proxies.

In addition to the enrollment forecasts for the rest of the current fiscal year and entirety of next, EOHHS' overall estimate is driven by its price factors. Absent revised rate changes not reflected in current law, EOHHS fee-for-service forecast reflect current market basket trends and transparent assumptions around expected utilization.

With respect to EOHHS' managed care expenditures—spending that account for nearly three quarters of total budget—EOHHS maintained a simple 5.0% trend factor. This trend reflects a combination of pricing and utilization changes. EOHHS has not yet received rates from its certifying actuaries, but conversations with them suggest the rate change is appropriate. Were the PHE to continue this trend would overstate the expected PMPM increases for FY 2022. However, the ending of the PHE will result in potentially meaningful acuity changes to managed care enrolled membership. This is because those who are more likely than not to lose eligibility are expected to have lower average costs. The loss of these members from the product will increase the average cost of everyone who maintains eligibility. The magnitude of this adjustment is not yet known, and the effective change will vary by product, but in the aggregate a 5.0% composite price factor should be sufficient to capture any necessary rating adjustment.

The conferees can manually estimate changes to EOHHS' estimates by calculating the costs associated with a marginal increase or decrease in the number of member months paid for by Medicaid and average PMPM. To assist the conferees, **Table** II-15 and **Attachment 7a** consolidates discrete information included in multiple tables across the subsequent sections. The PMPM in the table reflects the composite monthly premium for each product line. These estimates do not include the members remaining in FFS nor the non-capitated costs budgeted against

each program. EOHHS experience suggests these expenditures are less correlated with changes in aggregate trends due to either the nature of the expenditures and/or the small number of members driving the costs. For example, most of the FFS spending within Managed Care and Expansion is tied to the interim period prior to enrollment in managed care. These expenditures could increase as terminations increase if the result is additional churn. Additionally, FFS spending on Nursing Home, Hospitals, and Other Services are generally tied to the Aged, Blind, and Disabled or Children with Special with Healthcare Needs eligibility groups that experience less overall variance in caseload.

Table II-15. FY 2020 Actuals Compared to May Forecasts for FY 2021 and FY 2022, with Caseload and Price Trend

	Caseload:			Price:			Caseload Trend:		Price Trend:	
	2021	2022	2023	2021	2022	2023	21→22	22→23	21→22	22→23
Full Benefits:										
Rite Care Core	158,262	166,755	164,756	$294	$306	$324	5.4%	-1.2%	4.1%	5.8%
Rite Care CSHCN	9,861	9,776	9,592	$1,119	$1,157	$1,216	-0.9%	-1.9%	3.4%	5.1%
Expansion	88,341	101,431	99,493	$617	$656	$692	14.8%	-1.9%	6.3%	5.4%
Rhody Health Partners	14,651	14,608	14,508	$1,797	$1,924	$2,017	-0.3%	-0.7%	7.1%	4.8%
CMS Demonstration	12,840	12,890	13,431	$811	$848	$1,048	0.4%	4.2%	4.5%	23.6%
PACE	354	357	372	$3,981	$4,036	$4,057	0.8%	4.2%	1.4%	0.5%
RIte Share[3]	2,566	2,836	2,868	$63	$63	$66	10.5%	1.1%	0.0%	5.0%
Subtotal	286,875	308,653	305,020	$524	$549	$586	7.6%	-1.2%	4.8%	6.7%
Other Capitated Arrangements:										
Rite Smiles	121,183	130,846	136,081	$20	$20	$21	8.0%	4.0%	2.7%	3.4%
Rite Care EFP	1,676	1,329	1,236	$20	$19	$20	-20.7%	-7.0%	-9.1%	5.0%
SOBRA Payment	4,480	5,049	5,071	$13,304	$13,611	$14,292	12.7%	0.4%	2.3%	5.0%
Non-Emergency Transportatio	319,141	344,096	342,453	$9	$9	$9	7.8%	-0.5%	2.8%	-0.5%
Medicare Premium Payment:										
Part A (Hospital)	1,178	1,241	1,320	$456	$470	$497	5.3%	6.4%	3.1%	5.7%
Part B (Professional Services)	39,673	39,490	39,518	$147	$153	$162	-0.5%	0.1%	4.5%	5.6%
Part D (Prescription Drugs)	38,229	39,816	41,492	$140	$144	$179	4.2%	4.2%	2.8%	24.3%

Notes:

1. FY 2021 rates do not include the Health Insurance Fee (HIF). That payment is budgeted seperately.
2. Rite Share PMPM includes employee premium payments only and does not include wrap-around payments.
3.. Non-Emergency Medical Transportation includes enrollment of DEA Copay clients funded by the Office of Healthy Aging.

J. Cross Budget Line Summaries: Rebates and NEMT

Drug Rebates and J-Code Collections

Rebates on prescriptions provided in a pharmacy (i.e., DRE) and in an outpatient setting (i.e., J-Code) significantly offset the federal and state costs of most prescription drugs dispensed to Medicaid patients. EOHHS' Medicaid rebate collections reduce the program's gross pharmacy spend by over 40%. **Table** II-16 summarizes EOHHS' current DRE and J-Code invoices for FY 2021 and provides forecasts for FY 2022 and FY 2023.

Overall, rebates are trending upwards.

With respect to its revised estimates, EOHHS derived its rebate forecast by dividing the average quarterly rebate amounts invoiced to the drug manufacturers between January 2021 and December 2021 by the average managed care enrollment for the same period. The resulting PMPM multiplier, calculated by product line, was then applied to EOHHS' current enrollment forecast for rest of FY 2022 and FY 2023. The increase in gross collections in FY 2022 over FY 2021 and over Nov CEC is tied to the caseload increase related to COVID-19 and the Public Health Emergency moratorium on regular termination activity. For FY 2023 the multiplier is increased by 2.90%.

Noteworthy, in addition to the drug rebates directly collected by EOHHS' fiscal intermediary, the health plans also maintain their own financial arrangements with the pharmaceutical manufacturers. These rebates are not included above and instead are reflected in the health plans' medical experience used to establish their capitation rates. Over the last few fiscal years, these collections have totaled approximately $12 million per year.

FFS rebates and J-Code are not converted to a PMPM and instead treated as a monthly average that is kept constant.

Table II-16. Summary of Drug Rebate Collections

	SFY 2021	SFY 2022			SFY 2023		
	Final	Nov CEC	Current	Surplus/ (Deficit)	Nov CEC	Current	Surplus/ (Deficit)
DRE							
Managed Care	$ (35,091,725)	$ (37,430,601)	$ (40,144,698)	$2.7 M	$ (36,222,984)	$ (40,787,757)	$4.6 M
Rhody Health Partners	(35,128,673)	(35,923,313)	(36,048,976)	0.1 M	(36,675,750)	(36,836,632)	0.2 M
Rhody Health Options	(32,393)	(33,861)	(3,481)	(0.0 M)	(37,011)	(3,733)	(0.0 M)
Expansion	(54,276,927)	(61,397,016)	(66,498,843)	5.1 M	(53,127,111)	(67,110,915)	14.0 M
Fee-for-Service	(4,646,116)	(4,780,854)	(4,691,006)	(0.1 M)	(4,919,499)	(4,691,006)	(0.2 M)
Subtotal DRE	**(129,175,834)**	**(139,565,645)**	**(147,387,004)**	**7.8 M**	**(130,982,354)**	**(149,430,043)**	**18.4 M**
J-Code							
Managed Care	$ (2,502,541)	$ (2,671,596)	$ (1,717,956)	($1.0 M)	$ (2,581,610)	$ (1,745,952)	($0.8 M)
Rhody Health Partners	(906,472)	(926,977)	(764,839)	(0.2 M)	(946,393)	(781,550)	(0.2 M)
Rhody Health Options	0	0	0	0.0 M	0	0	0.0 M
Expansion	(2,201,440)	(2,497,755)	(1,925,119)	(0.6 M)	(2,148,908)	(1,943,035)	(0.2 M)
Fee-for-Service	(1,511,621)	(1,555,458)	(1,388,453)	(0.2 M)	(1,600,567)	(1,388,453)	(0.2 M)
Subtotal DRE	**(7,122,074)**	**(7,651,787)**	**(5,796,367)**	**(1.9 M)**	**(7,277,477)**	**(5,858,990)**	**(1.4 M)**
Total Rebates	**$ (136,297,908)**	**$ (147,217,432)**	**$ (153,183,371)**	**$6.0 M**	**$ (138,259,831)**	**$ (155,289,033)**	**$17.0 M**
General Revenue	*$ (40,052,568)*	*$ (41,687,392)*	*$ (42,955,360)*	*$6.0 M*	*$ (41,162,486)*	*$ (43,859,686)*	*$17.0 M*

Non-Emergency Medical Transportation

Medical Transportation Management, Inc (MTM) provides services to Medicaid members and seniors using the State's Elderly Transportation Program. Additionally, MTM issues RIPTA bus passes to TANF recipients.

EOHHS allocates spending for the members in its Aged, Blind and Disabled eligibility groups based on whether the member is enrolled in Rhody Health Options, Rhody Health Partners or remain in FFS. Previously EOHHS constructed three age-adjusted composites for each of the three populations. To simplify the accounting of this reallocation, EOHHS will apply the same composite PMPM to all these subpopulations. This change does not impact total spending nor the applicability of FMAP rate, however it does create a shift in spending by Budget Line relative to Nov CEC.

The overall forecast for the budget for the MTM contract is reflected in **Table** II-17 and average monthly enrollment shown in **Table** II-18**.**

Table II-17. Non-Emergency Transportation - Capitation

	SFY 2021	SFY 2022			SFY 2023		
	Final	Nov CEC	Current	Surplus/ (Deficit)	Nov CEC	Current	Surplus/ (Deficit)
Budget Line							
Managed Care	$ 9,144,234	$ 10,087,683	$ 10,113,833	($0.0 M)	$ 9,999,453	$ 9,598,211	$0.4 M
Expansion	11,104,405	12,679,844	12,717,343	(0.0 M)	11,320,271	13,137,417	(1.8 M)
Rhody Health Partners	1,882,872	1,895,905	3,591,528	(1.7 M)	1,975,130	3,446,428	(1.5 M)
Rhody Health Options	3,246,192	3,343,380	3,168,779	0.2 M	3,728,906	3,190,433	0.5 M
Other Services	6,882,271	7,266,787	6,039,468	1.2 M	7,359,870	5,948,554	1.4 M
Subtotal	**32,259,973**	**35,273,600**	**35,630,951**	**(0.4 M)**	**34,383,629**	**35,321,042**	**(0.9 M)**
TANF Charge Back	(527,381)	(508,175)	(551,162)	42,987	(694,412)	(784,214)	89,802
Grand Total	**$ 31,732,592**	**$ 34,765,425**	**$ 35,079,789**	**($0.3 M)**	**$ 33,689,217**	**$ 34,536,828**	**($0.8 M)**
General Revenue	*$ 10,638,600*	*$ 11,277,170*	*$ 11,406,395*	*($0.1 M)*	*$ 11,379,241*	*$ 11,116,812*	*$0.3 M*

Table II-18. Non-Emergency Transportation - Average Monthly Enrollment

	SFY 2021	SFY 2022			SFY 2023		
	Final	Nov CEC	Current	Increase/ (Decrease)	Nov CEC	Current	Increase/ (Decrease)
Medicaid							
Children and Families	177,628	187,643	186,879	(764)	177,145	186,013	8,869
Expansion	89,490	99,873	103,495	3,622	84,918	101,822	16,904
Rhody Health Partners	14,651	14,575	14,608	33	14,461	14,505	44
Rhody Health Options	12,838	13,056	12,890	(166)	13,868	13,429	(439)
Other ABD	22,950	24,069	24,562	493	23,216	25,037	1,821
Subtotal Medicaid	317,557	339,215	342,434	3,219	313,608	340,806	27,198
Overall PMPM	*$8.33*	*$8.54*	*$8.55*	*$0.01*	*$8.95*	*$8.47*	*($0.49)*
Department of Human Services							
OHA Co-Pay	1,584	1,681	1,662	(19)	1,557	1,647	90
Elderly Transportation Program	$330k per month	$340k per month	$340k per month		$350k per month	$375k per month	+25k per month

K. FY22 Budget Initiative Implementation – Fiscal Impact

As outlined in **Attachment 2**, initiatives are in progress, though there have been some delays in effective dates. Initiatives delayed since our November testimony, or those unable to be achieved in SFY 22 are below.

- **Third Party Liability**. Delayed from 7/1/2021 to SFY 23. The savings associated with this budget item were calculated with the assumption that our existing contract for MAIS (Medical Assistance Intercept System) would be reprocured or renegotiated with improved terms upon renewal in 2021. Instead, this contract was extended as-is, by one year due to staff turnover. EOHHS is assessing needs and a path forward.
- **Program Integrity Optimization**. Delayed from 7/1/2021 to SFY 23. EVV (Electronic Visit Verifications) were rolled-out to Home Health agencies at the start of CY2021. The complexity of validating claims against the EVV data has caused delays with the identification of any savings in both the FFS and MCO claims processing. Systems development continues and is expected (claims to EVV validation) in CYQ2 2022. Once in place, validations will be completed ongoing and retroactively. Recoups will be quantified and reported.
- **Maintenance of Need**. Aligned with November testimony and implemented 9/1/2021.
- **Assisted Living**. Tiers A and B aligned with November testimony and implemented 11/1/2021. Tier C delayed on additional month from November testimony (Implementation delayed from January 2022 to February 2022)
- **MHPRR Enhanced Rates**. Delayed from 8/1/2021 to 7/1/2022. Delayed due to certification standards and stakeholder review.
- **NF Enhanced Rates for BH**. Delayed from 8/1/2021 to 7/1/2022. Delayed due to refinement of program including system design and certification standards.
- **Community Health Workers.** Revised estimate reflecting delay in implementation. Estimate assumes two months of utilization in FY 2022, for total cost of $480,000. This is a reduction from the Nov CEC adopted estimate of $2.9 million.
- **Home stabilization rate increase.** Decreased the cost of these services to $204,000 in the current year, reflecting lower than anticipated utilization fiscal year to-date.

L. Hospital License Fee

CMS will not approve Rhode Island State Plan Amendments (SPAs) because of questions about the permissibility of Rhode Island's Hospital Licensing Fee (HLF) under federal regulations at 42 CFR 433.68 which details the requirements below:

1. The tax must be applied on permissible classes as listed in Section 1903(w)(7) of the Social Security Act and 42 C.F.R. § 433.56.
2. The tax must be broad-based or imposed on all services of the same class
3. The tax must be uniformly imposed on all providers of a class throughout a jurisdiction, or equal in amount of percentage or by bed

4. The tax must not violate the hold harmless provisions contained in the Federal regulations which prevent States from directly or indirectly repaying taxpayers (hospitals) or offsetting their tax burden.

States can request waivers from requirements one (2) and two (3). The hold harmless provision cannot be waived. The waiver request entails a mathematical calculation to determine if the HLF is generally distributive. The calculation compares the amount of tax revenue if tax on the class is broad based and uniform (numerator) versus amount of tax revenue generated in state defined tax (including exclusions/discounts) (denominator).

In 2012, Rhode Island submitted a waiver of 2 and 3 request to CMS. The State did not receive a response from CMS either approving or denying Rhode Island's 2012 request for a waiver. In 2021, CMS expressed concerns about the lack of CMS approval; when we resubmitted the 2012 waiver and an updated waiver to obtain approval, CMS expressed concerns about the permissibility of the current structure, including that our waiver request did not separate inpatient and outpatient as separate classes; the discount to Washington County violates the hold harmless provision (in EOHHS' original waiver submission, the State explained that the discount was due to low Medicaid utilization at South County and Westerly hospitals); the waiver submission did not include Eleanor Slater Hospital, Rehabilitation Hospital of RI, Bradley Hospital, or Butler Hospital even though those hospitals are part of the classes being taxed.

If we do not address the concerns, we risk losing the federal share of the tax.

Because the tax structure will need to be modified in RIGL, and we do not want SPAs to be delayed until such a modification can be made, CMS has indicated that EOHHS can sign a commitment letter, a draft of which is still in development as shown below. The letter must state that EOHHS shall:

1. Utilize objective criteria to discern whether any discount is appropriate for eligible hospitals in compliance with the redistributive requirements contained in 42 C.F.R. § 433.68, which shall include calculating the proportion of the tax revenue applicable to Medicaid if the tax were broad based and applied to all providers. This shall also include ensuring that no discount is given on the basis of the lack of or relatively lower levels of Medicaid participation among providers subject to the tax;
2. Propose appropriate amendments to the Rhode Island General Assembly to revise R.I. Gen. Laws § 23-17-38 in parity with redistributive requirements;
3. Ensure that the basis of taxation aligns with the permissible classes listed in Section 1903(w)(7) of the Social Security Act and 42 C.F.R. § 433.56. This shall include a clear separation of the revenues attributable for each permissible class, for example inpatient hospital services and outpatient hospital services; and,
4. Submit a new request(s) for a waiver of the broad-based and/or uniformity health care-related tax requirements, as appropriate, which shall include rehabilitative, psychiatric, and state-owned hospitals as necessary. Include separate statistical calculations for each permissible class if health-care related tax waivers are required.

EOHHS commits to completing the foregoing actions by July 31, 2023 for the Hospital License Fee enacted in the state's FY 2024 budget. EOHHS understands that non-compliance with the broad based, uniformity and hold harmless provisions in the federal regulations may lead to a reduction in federal financial participation pursuant to Section 1903(w)(1)(A)(iii) and (iv) of the Social Security Act and 42 C.F.R. §433.70(b) on a prospective basis.

State Plan Amendments (SPAs) Pending CMS Approval

EOHHS' SPAs currently pending CMS approval are listed below. For SPAs marked as either "provider payments" or "new benefit", beneficiaries and providers are in limbo until the State receives CMS approval for these SPAs; for those below listed as "compliance," RI is at risk of future audit findings and potential state costs until CMS approves them.

1. Graduate Medical Education (GME) hospital payment increase (provider payment)
2. Covid vaccine administration (compliance)
3. Community Health Workers (new benefit)
4. Doula (new benefit)
5. Elimination of GME (provider payment)
6. Home Care Rates (provider payment)

7. Hospice Rates (provider payment)
8. Inpatient Upper Payment Limit payment increase (provider payment)
9. Hospital Inpatient Rates (compliance)
10. Hospital Outpatient Rates (compliance)
11. Nursing Home Rates (compliance/provider payment)
12. Intermediate Care Facility (compliance)
13. Peer Residential Treatment Facility (compliance)
14. Mobile Dental Services (compliance)
15. Indian Tribal Health (compliance)

III. Managed Care

Managed Care			
		All Funds	**General Revenue**
FY 2020	Final	$692,688,241	$276,766,454
FY 2021	Final	$780,760,145	$232,176,012
FY 2022	Enacted	$853,527,097	$283,125,178
	November Adopted	$864,200,000	$335,193,591
	Current	**$852,900,000**	**$317,431,192**
	Surplus over Adopted	*$11,300,000*	*$17,762,399*
FY 2023	November Adopted	$864,000,000	$377,583,963
	Current	**$922,200,000**	**$402,364,042**
	Deficit over Adopted	*($58,200,000)*	*($24,780,079)*

The revised forecast of $852.9 million for FY 2022 reflects a $11.3 million surplus over Nov CEC.

Overall, EOHHS forecasts an average fiscal year enrollment of 187,989 RIte Care eligible members in FY 2022, an increase of 523 members (0.3%) compared to the Nov CEC. This includes: 166,755 members enrolled in RIte Care Core, 9,776 in Rite Care CSHCN, 2,836 enrolled in RIte Share, and an average of 8,622 remaining in fee-for-service each month.

For FY 2023, EOHHS forecasts spending of $922.2 million from all sources, a $69.3 million (8.1%) increase over current year. This reflects a $58.2 million deficit against Nov CEC. EOHHS forecasts its caseload to continue to grow through August 2022 before experiencing a steady decline through the rest of the fiscal year. Although EOHHS forecasts a net reduction of 10,427 members between August 2022 and June 2023, EOHHS forecasts a monthly average of 185,691 a reduction of just 2,298 members. This forecast includes 164,756 enrolled in Rite Care Core, 9,592 in Rite Care CSHCN, 2,868 in Rite Share, and 8,475 remaining in FFS each month.

Table III-1 summarizes all expenditures by capitated payments by product line to the health plans as well as various fee-for-service payments. EOHHS' revised average caseload forecast and a comparison to prior estimates is summarized in **Table** III-2 and the forecast for the number of births and NICU stays are presented in **Table** III-3.

Table III-4 reflects a variance analysis of the changes between EOHHS' current forecasts and the FY 2020 Final, FY 2021 Enacted, and FY 2022 November CEC The average monthly RIte Care and RIte Smiles capitation rates paid to the health plans are summarized in **Table** III-5 and **Table** III-6. The FY 2023 rates reflect a 5.0% price increase.

Table III-7 and **Table** III-8 identify changes to total CHIP and EFP claiming activities that provide general revenue savings through enhanced federal claiming.

Additional month-by-month detail is provided in **Attachment 5a** and **Attachment 5b**.

Managed Care Highlights – FY 2022

- Overall, the managed care forecast of $852.9 million reflects a $11.3 million surplus compared to Nov CEC. This increase consists of a $12.2 million surplus for health plan payments and a $0.9 million deficit for other payments
- The primary driver of the surplus over the Enacted are:
    - Gain share payments from the health plans, including an upward revision to the FY 2021 gain share not fully reflected in FY 2021 fiscal close

- Higher pharmacy rebates ($1.8 million)
- Lower Rite Care CSHCN enrollment and premium payments
- Savings due to delayed implementation of FY 2021 budget initiatives for Community Health Workers ($1.1 million)

- Offsetting costs include:
  - Higher caseload for Rite Care
  - Higher estimates for SOBRA births and NICU stays reflecting a reversal of the decline exhibited over the past couple years (and assumed in November)
  - Higher capitation payments for Rite Care Core and Rite Smiles owing to increased caseload
- Overall, the enhanced FMAP associated with the COVID-19 emergency period provides $49.9 million in GR relief against this budget line in FY 2022, including $5.2 million GR in additional CHIP relief.

Managed Care Highlights – FY 2023

- Overall, the managed care forecast of $922.2 million reflects a $69.3 million increase over the current year estimate and a $58.2 million deficit against November CEC
- The drivers behind the net increase in spending over FY 2022, as summarized in **Table** III-4, are exclusively related to price, including:
  - the gain share realized in FY 2022 and not prospectively assumed to be repeated in FY 2023
  - a 5.0% price increase for Rite Care Core, CSHCN, and SOBRA that while consistent with the trend assumed in November CEC remains preliminary and does not reflect the final capitation rates being presently prepared by EOHHS' certifying actuary.
  - a 50% increase in Core FFS spending attributed to two distinct factors, including:
    - payment for Covid-19 at-home testing (this allocation may be shifted to the capitation rates)
    - increased churn and therefore a greater expected number of Rite Care-eligible members being in FFS for a short timeframe immediately following their redetermination
- Additionally, the Managed Care estimate for FY 2023 includes the following adjustments related to FY 2022 budget initiatives:
  - An additional $1.3 million, offset by anticipated savings of $3.0 million for Community Health Worker services. The anticipated savings (i.e. return on investment or ROI) are consistent with the Governor's proposal for FY 2022, which assumed an ROI of $2.25 for every dollar invested. The enacted budget for FY 2022 removed these savings in the current year recognizing that savings would likely be achieved in later years.

Rite Share – FY 2022 and FY 2023

Due to the public health emergency (PHE) and the provisions contained in the Families First Coronavirus Response Act (FFCRA), EOHHS is prohibited from "sanctioning" individuals who are eligible for RIte Share and have not enrolled in Employer Sponsored Insurance (ESI). Sanctioning means suspending Medicaid coverage. As such, sanctioning serves as an important prompt for individuals to enroll in ESI. EOHHS's inability to sanction is leading to depressed RIte Share enrollment during the PHE. We currently have 736 individuals who would be sanctioned but for the restrictions due to the PHE.

EOHHS' projections do not make any assumptions as to if or when these members may transition to Rite Share. These 736 individuals will not transition to Rite Share immediately upon the termination of the Public Health Emergency, as Rite Share enrollment for those sanctioned will be processed over time with appropriate notification post-PHE, and in the interim these individuals may have lost access to cost-effective ESI or be among those most likely to lose general Medicaid eligibility once the state resumes terminations for income reason.

If the conferees would like to adopt a different assumption regarding the timeline for these transitions, the savings per member per month transitioned would be $58 (i.e., the net impact of reduced Rite Care Core premium

payments offset by increased Rite Share premiums payments and wrap around fee-for-service utilization); for maximum potential savings of approximately $512,000 in FY 2023 (i.e., 736 members × $58 PMPM × 12 months).

Table III-1. Summary of Managed Care Expenditures

	SFY 2021	SFY 2022			SFY 2023		
	Final	Nov CEC	Current	Surplus/ (Deficit)	Nov CEC	Current	Surplus/ (Deficit)
Payments to Plans							
RIte Care Core	$ 555,322,135	$ 605,764,366	$ 608,873,009	($3.1 M)	$ 598,495,651	$ 636,579,421	($38.1 M)
RIte Care CSHCN	131,690,547	136,375,804	135,057,991	1.3 M	145,132,575	139,161,446	6.0 M
RIte Care EFP	410,803	320,473	296,473	0.0 M	335,423	289,513	0.0 M
RIte Smiles	27,344,402	29,374,820	30,243,902	(0.9 M)	28,148,404	31,794,053	(3.6 M)
SOBRA	50,528,136	50,960,483	57,847,770	(6.9 M)	53,508,499	60,997,402	(7.5 M)
Withhold	3,447,483	3,694,068	3,737,007	(0.0 M)	3,692,030	3,896,801	(0.2 M)
Risk Share	(18,779,109)	0	(21,757,586)	21.8 M	0	0	0.0 M
ACA Health Insurer Fee	4,902,087	0	0	0.0 M	0	0	0.0 M
Subtotal - Payments to Plans	**754,866,484**	**826,490,014**	**814,298,567**	**12.2 M**	**829,312,583**	**872,718,636**	**(43.4 M)**
Other Payments							
Non-Emergency Transportation	9,144,234	10,087,683	10,113,833	($0.0 M)	9,999,453	9,598,211	$0.4 M
TANF Offset	(527,381)	(508,175)	(551,162)	0.0 M	(694,412)	(784,214)	0.1 M
RIte Share	1,939,445	2,139,283	2,128,049	0.0 M	2,252,534	2,264,522	(0.0 M)
Premium Assistance Program	69,549	110,661	97,612	0.0 M	125,296	93,787	0.0 M
Core FFS	25,404,464	31,612,039	32,230,781	(0.6 M)	29,266,202	45,799,524	(16.5 M)
CSHCN FFS	3,699,121	4,097,174	3,484,865	0.6 M	4,204,300	3,576,645	0.6 M
Early Intervention FFS	2,728,551	3,046,795	2,707,014	0.3 M	3,046,795	2,707,014	0.3 M
NICU	21,953,250	26,111,644	30,200,300	(4.1 M)	26,859,682	30,479,072	(3.6 M)
EI Grant Support	0	0	0	0.0 M	0	0	0.0 M
Rebates	(37,594,266)	(40,102,197)	(41,862,654)	1.8 M	(38,804,593)	(42,533,709)	3.7 M
Premium Collection	(44,836)	(50,000)	(50,000)	0.0 M	(50,000)	(50,000)	0.0 M
Tax Intercept	(128,467)	(100,000)	(100,000)	0.0 M	(100,000)	(100,000)	0.0 M
FY22 Budget Inititaives	0	1,256,251	160,000	1.1 M	(1,468,366)	(1,639,976)	0.2 M
Subtotal - Other Payments	**26,643,663**	**37,701,159**	**38,558,637**	**(0.9 M)**	**34,636,891**	**49,410,876**	**(14.8 M)**
Subtotal - Managed Care	**$ 781,510,147**	**$ 864,191,173**	**$ 852,857,204**	**$11.3 M**	**$ 863,949,474**	**$ 922,129,512**	**($58.2 M)**
Balance to RIFANS/CEC Rounding	(750,002)	8,827	42,796	(0.0 M)	50,526	70,488	(0.0 M)
CEC Rounding	0	8,827	42,796	(0.0 M)	50,526	70,488	(0.0 M)
Balance to RIFANS	(750,002)						
Total - Managed Care	**$ 780,760,145**	**$ 864,200,000**	**$ 852,900,000**	**$11.3 M**	**$ 864,000,000**	**$ 922,200,000**	**($58.2 M)**
General Revenue	*$ 232,176,012*	*$ 335,193,591*	*$ 317,431,192*	*$17.8 M*	*$ 377,583,963*	*$ 402,364,042*	*($24.8 M)*

Table III-2. Average Managed Care Caseload

	SFY 2021	SFY 2022			SFY 2023		
	Final	Nov CEC	Current	Increase/ (Decrease)	Nov CEC	Current	Increase/ (Decrease)
Full Benefits by Delivery System							
RIte Care Core	158,262	166,163	166,755	592	155,764	164,756	8,992
RIte Care CSHCN	9,861	9,951	9,776	(175)	10,114	9,592	(522)
Rite Share	2,566	2,748	2,836	88	2,756	2,868	112
Remaining in FFS - Core	7,491	6,408	6,414	6	6,203	6,156	(47)
Remaining in FFS - CSHCN	2,265	2,196	2,208	12	1,917	2,319	402
Total - Full Benefits	***180,445***	***187,466***	***187,989***	***523***	***176,754***	***185,691***	***8,937***
Overall PMPM	*361*	*384*	*378*		*407*	*414*	
% Enrolled in Managed Care	*93%*	*94%*	*94%*		*94%*	*94%*	
Other Caseload Factors							
EFP Only	1,676	1,437	1,329	(108)	1,432	1,236	(196)
Rite Smiles	121,183	126,658	130,846	4,188	118,265	136,081	17,816
Non-Emergency Transportation	177,628	187,643	186,879	(764)	177,145	186,013	8,869

Table III-3. Medicaid Births and NICU Stays

	SFY 2021	SFY 2022			SFY 2023		
SOBRA Births	**Final**	**Nov CEC**	**Current**	**Increase/ (Decrease)**	**Nov CEC**	**Current**	**Increase/ (Decrease)**
RIte Care	3,801	3,744	4,250	506	3,744	4,268	524
Expansion	679	611	799	188	612	803	191
Total - SOBRA Births	4,480	4,355	5,049	694	4,356	5,071	715
Cost per SOBRA Birth	*$13,295*	*$13,611*	*$13,611*	*$0*	*$14,292*	*$14,292*	*$0*
NICU Stays	531	562	650	88	564	640	76
Cost per SOBRA Birth	*$41,343*	*$46,462*	*$46,462*	*$0*	*$47,624*	*$47,624*	*$0*

Table III-4. Managed Care Price-Volume Comparison to May CEC and Prior SFY

	Price	**Volume**	**Net**
FY 2022 over FY 2021	$37.1 M	$34.2 M	$71.3 M
	4.8%	4.2%	9.2%
FY 2022: Current over Nov CEC	($13.7 M)	$2.4 M	($11.3 M)
	-1.6%	0.3%	-1.3%
FY 2023: Current over Nov CEC	$13.8 M	$44.4 M	$58.2 M
	1.6%	5.1%	1.3%
FY 2023 over FY 2022 (Current)	$80.7 M	($11.4 M)	$69.3 M
	9.5%	-1.2%	8.1%

Table III-5. Summary of RIte Care Core and CSHCN Monthly Premiums

	SFY 2021	**SFY 2022**	**SFY 2023**	**FY22→FY23 Trend**
RIte Care Core				
MF < 1 y.o.	$640	$668	$701	5.0%
MF 1-4 y.o.	$190	$189	$199	5.0%
MF 5-14 y.o.	$177	$178	$187	5.0%
M 15-44 y.o.	$243	$257	$269	5.0%
F 15-44 y.o.	$402	$412	$433	5.0%
MF 45+ y.o.	$572	$613	$644	5.0%
Composite	$294	$306	$324	5.8%
Average Member Months	158,259	166,751	164,754	-1.2%
RIte Care CSHCN				
Substitute Care	$848	$864	$907	5.0%
SSI <15	$1,580	$1,657	$1,739	5.0%
SSI 15-20	$1,222	$1,285	$1,349	5.0%
Katie Beckett	$3,587	$3,593	$3,772	5.0%
Adoption Subsidy	$635	$660	$692	5.0%
Composite	$1,119	$1,157	$1,216	5.1%
Average Member Months	9,859	9,774	9,586	-1.9%
SOBRA Payment	$13,304	$13,611	$14,292	5.0%
EFP Only	$20	$19	$20	5.0%
Rite Share	$63	$63	$68	8.9%

Table III-6. Summary of RIte Smiles Monthly Premiums

RIte Care Core	SFY 2021	SFY 2022	SFY 2023	FY22→FY23 Trend
MF 0-2	$5	$5	$5	5.0%
MF 3-5	$17	$18	$19	5.0%
MF 6-10	$25	$26	$27	5.0%
MF 11-15	$26	$28	$29	5.0%
MF 16-19	$19	$20	$21	5.0%
MF 20+	$19	$14	$15	5.0%
Composite	$20	$20	$21	3.4%
Average Member Months	121,178	130,843	136,068	4.0%

Enhanced Claiming: CHIP and EFP Activity

Table III-7 and **Table** III-8 summarize the enhanced federal financial participation that Rhode Island claims against medical benefits for overall CHIP activity and Family Planning Services.

EOHHS continues to make manual retroactive adjustments to its CHIP claiming 45 days after the close of each quarter to capture the enhanced rate as it applies to children between the age of one and 18 in households with incomes between 138% and 155% of the FPL. With respect to its family planning claiming, EOHHS makes a year-end adjustment to its prior period claiming based on overall capitation payments and an allocation methodology based on enrollment and the certified managed care rates. Any adjustment that is not completed within the fiscal year will be included in EOHHS' accrual and the amounts budgeted reflect this accrual basis accounting.

The PHE's 6.2 percentage point FMAP increase applies to the Children's Health Insurance Program, but indirectly. For Rhode Island, the PHE increase to the Enhanced (CHIP) FMAP is 4.34 percentage points according to the formula provided by CMS.

Table III-7. CHIP Offsets

	SFY 2021	SFY 2022			SFY 2023		
	Final	Nov CEC	Current	Increase/ (Decrease)	Nov CEC	Current	Increase/ (Decrease)
CHIP Offset	$ 101,225,907	$ 112,630,810	$ 115,106,517	$2.5 M	$ 114,539,634	$ 124,549,379	$10.0 M
Additional GR Relief	*$ 16,935,094*	*$ 15,317,790*	*$ 15,654,486*	*$0.3 M*	*$ 15,737,746*	*$ 17,113,085*	*$1.4 M*

Table III-8. EFP Claiming

	SFY 2021	SFY 2022			SFY 2023		
	Final	Nov CEC	Current	Increase/ (Decrease)	Nov CEC	Current	Increase/ (Decrease)
Extended Family Planning	$ 10,076,968	$ 9,476,213	$ 11,265,276	$1.8 M	$ 10,011,369	$ 11,703,640	$1.7 M
Additional GR Relief	*$ 3,646,855*	*$ 3,346,998*	*$ 3,978,895*	*$0.6 M*	*$ 3,585,071*	*$ 4,191,073*	*$0.6 M*

IV. Rhody Health Partners

Rhody Health Partners			
		All Funds	**General Revenue**
FY 2020	Final	$259,995,219	$116,717,432
FY 2021	Final	$287,787,667	$99,986,839
FY 2022	Enacted	$298,810,252	$127,106,964
	November Adopted	$304,000,000	$124,475,205
	Current	**$303,100,000**	**$119,857,395**
	Surplus over Adopted	*$900,000*	*$4,617,810*
FY 2023	November Adopted	$315,700,000	$145,372,170
	Current	**$316,700,000**	**$146,180,270**
	Deficit over Adopted	*($1,000,000)*	*($808,100)*

EOHHS' revised FY 2022 forecast for Rhody Health Partners (RHP) reflects a surplus of $0.9 million over November CEC for total expenditures of $303.1 million. Overall, EOHHS forecasts an average fiscal year enrollment of 14,608 members in RHP in FY 2022, an increase of 33 average member months over the November CEC.

EOHHS' revised FY 2023 forecast for Rhody Health Partners includes spending of $316.7 million for an average enrollment of 14,508 members.

Consistent with the forecast trends observed in November, the Aged, Blind, and Disabled eligibility groups have exhibited considerable stability through the duration of the pandemic. The resumption of regular redeterminations is not expected to impact the observed trend that is carried forward using linear regression through FY 2023.

The following tables summarize EOHHS' revised forecasts for Rhody Health Partners for FY 2022 and FY 2023. **Table** IV-1 summarizes all expenditures by capitated payments by product line to the health plans as well as various fee-for-service payments. EOHHS' revised average caseload forecast and a comparison to prior estimates is summarized in **Table** IV-2, with additional month-by-month detail provided in **Attachment 5a** and **Attachment 5b**. **Table** IV-3 considers the changes in spending and caseload to summarize the price and volume variances for FY 2022 over FY 2021 and across the Enacted and current estimates. The average monthly RHP capitation rate, by pay level, is summarized in **Table** IV-4.

Rhody Health Partners Highlights – FY 2022

- The Rhody Health Partners forecast reflects $0.9 million surplus compared to the November. This surplus is primarily attributed to:
  - Anticipated gain share receipts of $1.2 million
  - Delayed implementation of Community Health Workers budget initiative
  - Simplified accounting of the allocation of the NEMT broker payments for the Aged, Blind and Disabled populations
- The enhanced FMAP associated with the COVID-19 emergency period provides $18.5 million in GR relief against this budget line in FY 2022

Rhody Health Partners Highlights – FY 2023

- The Rhody Health Partners forecast reflects an increase of $1.0 million deficit over FY 2022. The simplified methodology for allocating the NEMT broker costs to Rhody Health Partners, Rhody Health Options, and Other Services account for the near-entirety of this deficit.

- The growth in spending compared to FY 2022 is consists of 5.2% price trend offset by a -0.7% caseload reduction as summarized in **Table** VI-3
- The estimate for FY 2022 includes savings of $0.3 million for full implementation of investment in Community Health Worker that assumed savings (i.e., return on investment or ROI) of $2.25 for every dollar invested. The FY 2022 Enacted removed these savings in the current year recognizing that savings would likely be achieved in later years.

Table IV-1. Summary of RHP Expenditures

	SFY 2021	SFY 2022			SFY 2023		
	Final	Nov CEC	Current	Surplus/ (Deficit)	Nov CEC	Current	Surplus/ (Deficit)
Payments to Plans							
Rhody Health Partners	$ 314,276,662	$ 335,579,416	$ 335,631,235	($0.1 M)	$ 349,552,294	$ 349,344,228	$0.2 M
Withhold	1,578,730	1,686,218	1,686,009	0.0 M	1,756,429	1,754,895	0.0 M
Stop Loss	1,955,599	0	0	0.0 M	0	0	0.0 M
Risk Share	3,025,732	0	(1,191,773)	1.2 M	0	0	0.0 M
ACA Health Insurer Fee	3,047,892	0	0	0.0 M	0	0	0.0 M
Subtotal - Payment to Plans	**323,884,615**	**337,265,634**	**336,125,470**	**1.1 M**	**351,308,723**	**351,099,122**	**0.2 M**
Other Payments							
Non-Emergency Transportation	$ 1,882,872	$ 1,895,905	$ 3,591,528	($1.7 M)	$ 1,975,130	$ 3,446,428	($1.5 M)
FFS	0	6,255	10,353	(0.0 M)	6,255	10,353	(0.0 M)
Rebates	(36,035,145)	(36,850,290)	(36,813,815)	(0.0 M)	(37,622,143)	(37,618,182)	(0.0 M)
FY22 Budget Initiatives	0	1,646,084	160,000	1.5 M	(28,784)	(297,584)	0.3 M
Subtotal - Other Payments	**(34,152,274)**	**(33,302,046)**	**(33,051,934)**	**(0.3 M)**	**(35,669,542)**	**(34,458,985)**	**(1.2 M)**
Subtotal - Rhody Health Partners	**$ 289,732,341**	**$ 303,963,587**	**$ 303,073,536**	**$0.9 M**	**$ 315,639,180**	**$ 316,640,137**	**($1.0 M)**
Balance to RIFANS/CEC Rounding	(1,944,674)	36,413	26,463	0.0 M	60,820	59,863	0.0 M
Total - Rhody Health Partners	**$ 287,787,667**	**$ 304,000,000**	**$ 303,099,999**	**$0.9 M**	**$ 315,700,000**	**$ 316,700,000**	**($1.0 M)**
General Revenue	*$ 99,986,839*	*$ 124,475,205*	*$ 119,857,395*	*$4.6 M*	*$ 145,372,170*	*$ 146,180,270*	*($0.8 M)*

Table IV-2. RHP Average Enrollment

	SFY 2021	SFY 2022			SFY 2023		
	Final	Nov CEC	Current	Increase/ (Decrease)	Nov CEC	Current	Increase/ (Decrease)
Rhody Health Partners							
SSI 21-44	3,769	3,824	3,866	42	3,797	3,870	73
SSI 45+	7,259	7,194	7,199	5	7,136	7,128	(8)
SPMI	2,673	2,614	2,591	(23)	2,592	2,551	(41)
I/DD	950	944	952	8	936	959	23
Total	14,651	14,575	14,608	33	14,461	14,508	47
Overall PMPM	*$1,636.91*	*$1,738.15*	*$1,729.08*	*($9.07)*	*$1,819.28*	*$1,819.11*	*($0.17)*
Other Caseload Factors							
Non-Emergency Transportation	14,651	14,575	14,608	33	14,461	14,505	44

Table IV-3. RHP Price-Volume Comparison to May CEC and Prior SFY

	Price	Volume	Net
FY 2022 over FY 2021	$16.2 M	($0.9 M)	$15.3 M
	5.6%	-0.3%	5.3%
FY 2022: Current over Nov CEC	($1.6 M)	$0.7 M	($0.9 M)
	-0.5%	0.2%	-0.3%
FY 2023: Current over Nov CEC	($0.0 M)	$1.0 M	$1.0 M
	0.0%	0.3%	4.2%
FY 2023 over FY 2022 (Current)	$15.8 M	($2.2 M)	$13.6 M
	5.2%	-0.7%	4.5%

Table IV-4. RHP Monthly Premiums

	SFY 2021	SFY 2022	SFY 2023	FY22→FY23 Trend
Rhody Health Partners				
SSI 21-44	$1,129	$1,244	$1,306	5.0%
SSI 45+	$1,783	$1,919	$2,015	5.0%
SPMI	$2,947	$3,156	$3,314	5.0%
I/DD	$1,318	$1,378	$1,447	5.0%
Composite	$1,797	$1,924	$2,017	4.8%
Average Member Months	14,650	14,607	14,505	-0.7%

V. Rhody Health Options

Rhody Health Options			
		All Funds	**General Revenue**
FY 2020	Final	$133,751,933	$59,363,164
FY 2021	Final	$125,489,258	$41,428,420
FY 2022	Enacted	$144,812,435	$61,255,615
	November Adopted	$142,700,000	$58,125,214
	Current	**$133,900,000**	**$52,381,680**
	Surplus over Adopted	*$8,800,000*	*$5,743,534*
FY 2023	November Adopted	$193,800,000	$88,864,780
	Current	**$172,200,000**	**$78,884,820**
	Surplus over Adopted	*$21,600,000*	*$9,979,960*

The revised FY 2022 forecast of $133.9 million for Rhody Health Options (RHO) reflects a surplus of $8.8 million over November CEC with average monthly caseload of 12,890 in the CMS Demonstration. The caseload forecast reflects a further decline of 166; however, this decline is less than it otherwise would be because of an increased volume of members being passively enrolled starting in January 2022 that EOHHS assumes will net an additional 50 members per month for the second half of the fiscal year.

The passive enrollment is expected to continue through December 2022, a curtailment of the passive enrollment schedule assumed in Nov CEC for FY 2023. Overall, the resulting reduction in enrollment compared to November's assumption underlies the $21.6 surplus in FY 2023 on total spending of $172.2 million.

As explained in the **Major Developments**, the increases to the Rhody Health Options caseload related to passive enrollment is offset with reductions to EOHHS' fee-for-service estimates for **Nursing and Hospice Care**, **Home and Community Care**, and **Other Services**.

The following tables summarize EOHHS' revised forecasts for RHO for FY 2022 and FY 2023. **Table IV-1** summarizes RHO expenditures. EOHHS' revised average caseload forecast and a comparison to prior estimates is summarized in **Table** V-2, with additional month-by-month detail provided in **Attachment 5a** and **Attachment 5b**. **Table** V-3 calculates the price and volume related changes between FY 2022 and FY 2023.

The average monthly Rhody Health Option capitation rates, by pay level, reflected rates certified in December 2021 are summarized in **Table** V-4**.**

Details on the costs associated with the FY 2022 budget initiatives are included in **Attachment 2**. The following initiatives impacting RHO are reflected in the certified rates: the LTSS package and the minimum staffing law.

Rhody Health Options Highlights – FY 2022

- The forecast of $193.8 million reflects an overall surplus of $8.8 million compared to the Nov CEC.
- The net surplus attributed to:
    - Lower caseload
        - Although EOHHS began to passively enroll approximately 100 nursing home residents in January 2022[21] EOHHS is reducing the net impact per month from 70 to 50.

[21] The existing schedule of 150 members being passively enrolled per month, will increase to approximately 250 members per month; the 100 new members are Nursing Facility residents.

- Lower capitation rates than projected in Nov CEC
  - Demonstration rates must be set using the data from the program that the enrollees would otherwise be in; FY 2022 was the first year the rates were set using FFS data instead of RHO I data. This resulted in composite price decrease of 2.2% compared to FY 2021. Further, this composite reduction would have been greater if the rates did not also reflect the change in the blend of nursing home and community LTSS members that increased the blended rate (i.e., IC50/60) by 11.4%.
- The enhanced FMAP associated with the COVID-19 emergency period provides $8.3 million in GR relief against this budget line in FY 2022.

Rhody Health Options Highlights – FY 2023

- The forecast of $172.2 million reflects a $38.3 million, or 28.6%, increase over FY 2022 and a $21.6 million surplus over Nov CEC.
- The increase over FY 2022 is attributed to continued passive enrollment of nursing facility members, leading to a 4.2% increase in caseload and 23.4% increase in price factors as reflected in **Table** V-3.
- The primary drivers of the increase are of FY 2022 include:
  - The continued passive enrollment of nursing home members, for a total of 5,250 additional member months. This will necessitate a re-blending of the rate to reflect the additional membership being passively enrolled in the IC50/60 rate cells thereby inflating the composite PMPM compared to FY 2023.
  - 5.0% capitation rate increase assumed for all managed care products
    - this price increase subsumes $3.8 million for the annualization of the FY 2022 LTSS, including the final quarter of the FY 2022 0.5% rate increase and three quarters of a 1.0% nursing facility rate increase effective 10/1/2022, attributable to the minimum staffing law.

Table V-1. Summary of Rhody Health Options Expenditures

	SFY 2021	SFY 2022			SFY 2023		
	Final	Nov CEC	Current	Surplus/ (Deficit)	Nov CEC	Current	Surplus/ (Deficit)
Payments to Plans							
CMS Demonstration (RHO II)	$ 121,295,345	$ 132,826,310	$ 125,537,453	$7.3 M	$ 181,059,677	$ 162,713,909	$18.3 M
Withhold	4,384,123	4,031,355	5,099,026	(1.1 M)	5,177,653	6,207,620	(1.0 M)
Risk Share	0	0	0	0.0 M	0	0	0.0 M
Subtotal - Payment to Plans	**125,679,468**	**136,857,664**	**130,636,479**	**6.2 M**	**186,237,330**	**168,921,529**	**17.3 M**
Other Payments							
Non-Emergency Transportation	$ 3,246,192	$ 3,343,380	$ 3,168,779	$0.2 M	$ 3,728,906	$ 3,190,433	$0.5 M
Rebates	(32,393)	(33,861)	(3,481)	(0.0 M)	(37,011)	(3,733)	(0.0 M)
FY22 Budget Initiatives	0	2,458,700	0	2.5 M	3,787,601	0	3.8 M
Subtotal - Other Payments	**3,213,799**	**5,768,219**	**3,165,297**	**2.6 M**	**7,479,495**	**3,186,701**	**4.3 M**
Subtotal - Rhody Health Options	**$ 128,893,267**	**$ 142,625,883**	**$ 133,801,776**	**$8.8 M**	**$ 193,716,826**	**$ 172,108,230**	**$21.6 M**
Balance to RIFANS/CEC Rounding	(3,404,009)	74,117	98,224	(0.0 M)	83,174	91,770	(0.0 M)
Total - Rhody Health Options	**$ 125,489,258**	**$ 142,700,000**	**$ 133,900,000**	**$8.8 M**	**$ 193,800,000**	**$ 172,200,000**	**$21.6 M**
General Revenue	*$ 41,428,420*	*$ 58,125,214*	*$ 52,381,680*	*$5.7 M*	*$ 88,864,780*	*$ 78,884,820*	*$10.0 M*

Table V-2. Rhody Health Options Average Enrollment

	SFY 2021	SFY 2022			SFY 2023		
Rhody Health Options	**Final**	**Nov CEC**	**Current**	**Increase/ (Decrease)**	**Nov CEC**	**Current**	**Increase/ (Decrease)**
SPMI	1,147	1,207	1,159	(48)	1,219	1,148	(71)
I/DD	1,349	1,459	1,419	(40)	1,473	1,423	(50)
Community LTSS	1,598	1,732	1,679	(53)	1,958	1,676	(282)
Institutional LTSS	365	437	442	5	986	919	(67)
Community Non-LTSS	8,381	8,221	8,191	(30)	8,232	8,265	33
Total	12,840	13,056	12,890	(166)	13,868	13,431	(437)
Overall PMPM	*$814.44*	*$910.82*	*$865.66*	*($45.16)*	*$1,164.52*	*$1,068.42*	*($96.10)*
Other Caseload Factors							
Non-Emergency Transportation	12,838	13,056	12,890	(166)	13,868	13,429	(439)

Table V-3. RHO Price-Volume Comparison to May CEC and Prior SFY

	Price	Volume	Net
FY 2022 over FY 2021	$7.9 M	$0.5 M	$8.4 M
	6.3%	0.4%	6.7%
FY 2022: Current over Nov CEC	($7.1 M)	($1.7 M)	($8.8 M)
	-5.0%	-1.3%	-6.2%
FY 2023: Current over Nov CEC	($16.0 M)	($5.6 M)	($21.6 M)
	-8.3%	-3.2%	44.7%
FY 2023 over FY 2022 (Current)	$31.4 M	$6.9 M	$38.3 M
	23.4%	4.2%	28.6%

Table V-4. Summary of Rhody Health Options Monthly Premiums

Rhody Health Options	**SFY 2021**	**SFY 2022**	**SFY 2023**	**FY22→FY23 Trend**
SPMI	$1,180	$1,127	$1,184	5.0%
I/DD	$213	$150	$158	5.0%
Community LTSS	$3,195	$3,560	$4,043	13.6%
Institutional LTSS	$3,195	$3,560	$4,043	13.6%
Community Non-LTSS	$299	$191	$201	5.0%
Composite	$811	$824	$1,048	27.2%
Average Member Months	12,839	12,887	13,428	4.2%

VI. Medicaid Expansion

Medicaid Expansion			
		All Funds	**General Revenue**
FY 2020	Final	$487,344,918	$42,855,710
FY 2021	Final	$642,002,150	$68,866,930
FY 2022	Enacted	$746,245,665	$80,008,459
	November Adopted	$790,000,000	$83,196,173
	Current	**$745,000,000**	**$78,820,688**
	Surplus over Adopted	*$45,000,000*	*$4,375,485*
FY 2023	November Adopted	$706,000,000	$75,433,701
	Current	**$835,500,000**	**$88,115,367**
	Deficit over Adopted	*($129,500,000)*	*($12,681,666)*

EOHHS' revised forecast for Expansion of $745.0 million for FY 2022 reflects a $45.0 million surplus compared to the Nov CEC. Overall, EOHHS forecasts an average fiscal year enrollment of 104,432 members in Expansion in FY 2022, an increase of 1,602 members compared to the caseload adopted in November.

For FY 2023, EOHHS' expenditures forecast for Expansion reflects a 12.1% increase over FY 2022 to $835.5 million. This revised estimate is equivalent to a $129.5 million deficit against November Adopted. The FY 2023 forecast includes an average enrollment of 102,670, a decrease of 1,762 over FY 2022 but a 14,626 increase over November Adopted for FY 2023. The increase in caseload and spending over November is attributed to the extension of the Public Health Emergency and continued enrollment of expansion-eligible members through at least August 2022.

The following tables summarize EOHHS' revised forecasts for Expansion for FY 2022 and FY 2023. **Table** VI-1 summarizes all expenditures by capitated payments by product line to the health plans as well as various fee-for-service payments. EOHHS' revised average caseload forecast and a comparison to prior estimates is summarized in **Table** VI-2 with additional month-by-month detail provided in **Attachment 5a** and **Attachment 5b**. **Table** VI-3 calculates the price and volume related changes for FY 2021 Final, FY 2022 Enacted and Revised and FY 2023 over FY 2022. The average monthly Expansion capitation rates, by pay level, are summarized in **Table** VI-4.

A five-year forecast that takes into consideration the impact of the changing FMAP rate for the Expansion population is presented in **Table** VI-5.

Medicaid Expansion Highlights – FY 2022

- The forecast reflects an overall surplus of $45.0 million when compared to Nov CEC.
- The primary drivers of the revised surplus are:
    - Gain share recoupments of $55.6 million, including in an additional $4.8 million for prior period collections not previously accrued based on revised reporting from the health plans
    - A $4.5 million increase in expected rebate collections based on invoicing to manufacturers through December 31, 2021
    - $2.2 million in FFS savings despite including an adjustment for $2.6 million in new spending on Covid-19 at-home testing.
- This surplus is mitigated by higher enrollment than what was reflected in November because of the continued extension of the moratorium on redeterminations through end of fiscal year. This contributes 18,180 member months and $15.3 million in additional capitation and withholds for Medicaid Expansion

- SOBRA payments are up by $2.6 million. This allocation of births to Expansion is based on proportion of deliveries by an Expansion mother over the past 9 months.
- The enhanced FMAP associated with the COVID-19 emergency period does not impact the Medicaid Expansion budget line

Medicaid Expansion Highlights – FY 2023

- The revised forecast of $835.5 million reflects a 12.1% inflation over FY 2022
- Compared to November CEC, EOHHS' revised forecast for FY 2023 reflects a $129.5 million deficit
- The deficit is driven primary by two factors:
    - Delay in redeterminations and the resulting 15,274 increase in average enrolled membership over the year compared to the prior estimate
    - Inclusion of new spending on Covid-19 At-Home testing adds $9.9 million in new spending
- EOHHS maintained the price trend of 5.0% for capitation previously assumed in November. These rates are presently being completed by the state's certifying actuary.
- These new costs are offset by:
    - anticipated savings of $1.3 million for Community Health Worker services. The anticipated savings (i.e., return on investment or ROI) are consistent with the Governor's proposal for FY 2022, which assumed an ROI of $2.25 for every dollar invested.

Previously Eligible Expansion-Eligible Members

Both FY 2022 and FY 2023 include an adjustment for Expansion members who would have been previously eligible for Medicaid under criteria in place prior to January 1, 2014 (e.g., individuals who meet specific disability standards but otherwise meet Expansion eligibility criteria). These members are not eligible for the enhanced 90% federal financial participation and Rhode Island must return any enhanced FMAP claimed on behalf of these members. Until the eligibility system is properly configured to prospectively identify these members, EOHHS fiscal staff must make adjusting entries at the end of each fiscal year. EOHHS' estimate includes $11.5 million and $11.9 million in FY 2022 and FY 2023, respectively, as being not eligible for 90/10 match.

Rite Smiles Adjustment

EOHHS' projections include spending on Rite Smiles for Expansion-eligible members in the Expansion budget line. EOHHS' estimate includes $1.9 million and $2.7 million in FY 2022 and FY 2023, respectively, based on current Rite Smiles spending allocated to the Expansion funding source. As the Rite Smiles program continues to enroll older young adults (up to age 25) a greater proportion of membership will be eligible as Expansion Adults.

This adjustment is modeled as a shift in funding sources for EOHHS' overall Rite Smiles enrollment.

Table VI-1. Summary of Medicaid Expansion Expenditures

	SFY 2021	SFY 2022			SFY 2023		
	Final	Nov CEC	Current	Surplus/ (Deficit)	Nov CEC	Current	Surplus/ (Deficit)
Payments to Plans							
Expansion	$ 650,511,732	$ 779,782,700	$ 794,838,907	($15.1 M)	$ 690,196,260	$ 821,455,661	($131.3 M)
RIte Smiles	1,082,672	1,709,646	1,886,140	(0.2 M)	1,638,267	2,750,989	(1.1 M)
SOBRA	9,033,335	8,316,468	10,875,381	(2.6 M)	8,746,582	11,476,315	(2.7 M)
Withhold	3,272,408	3,825,273	3,996,385	(0.2 M)	3,358,295	4,130,219	(0.8 M)
Risk Share/Stop Loss	(11,381,883)	0	(55,598,200)	55.6 M	0	0	0.0 M
ACA Health Insurer Fee	4,804,696	0	0	0.0 M	0	0	0.0 M
Subtotal - Payments to Plans	**657,322,960**	**793,634,086**	**755,998,613**	**37.6 M**	**703,939,404**	**839,813,185**	**(135.9 M)**
Other Payments							
Non-Emergency Transportation	$ 11,104,405	$ 12,679,844	$ 12,717,343	($0.0 M)	$ 11,320,271	$ 13,137,417	($1.8 M)
Expansion FFS	41,012,667	46,730,793	44,505,175	2.2 M	47,309,593	52,847,971	(5.5 M)
Rebates	(56,478,367)	(63,894,772)	(68,423,962)	4.5 M	(55,276,019)	(69,053,951)	13.8 M
FY22 Budget Inititaives	0	816,646	160,000	0.7 M	(1,305,641)	(1,305,641)	0.0 M
Subtotal - Other Payments	**(4,361,295)**	**(3,667,488)**	**(11,041,444)**	**7.4 M**	**2,048,204**	**(4,374,204)**	**6.4 M**
Subtotal - Expansion	**$ 652,961,665**	**$ 789,966,598**	**$ 744,957,169**	**$45.0 M**	**$ 705,987,608**	**$ 835,438,982**	**($129.5 M)**
Balance to RIFANS/CEC Rounding	(10,959,515)	33,402	42,831	(0.0 M)	12,392	61,018	(0.0 M)
Total - Expansion	**$ 642,002,150**	**$ 790,000,000**	**$ 745,000,000**	**$45.0 M**	**$ 706,000,000**	**$ 835,500,000**	**($129.5 M)**
General Revenue	*$ 68,866,930*	*$ 83,196,173*	*$ 78,820,688*	*$4.4 M*	*$ 75,433,701*	*$ 88,115,367*	*($12.7 M)*

Table VI-2. Summary Medicaid Expansion Average Enrollment

	SFY 2021	SFY 2022			SFY 2023		
	Final	Nov CEC	Current	Increase/ (Decrease)	Nov CEC	Current	Increase/ (Decrease)
Enrolled							
F 19-24	9,565	10,599	10,520	(79)	8,930	10,119	1,189
F 25-29	5,463	6,305	6,408	103	5,315	6,275	960
F 30-39	5,504	6,402	6,584	182	5,406	6,509	1,103
F 40-49	5,279	5,774	5,809	35	4,863	5,654	791
F 50-64	14,609	16,436	16,848	412	13,852	16,661	2,809
M 19-24	9,956	11,296	11,216	(80)	9,519	10,802	1,283
M 25-29	7,602	8,618	8,680	62	7,265	8,495	1,230
M 30-39	11,160	12,756	13,087	331	10,751	12,932	2,181
M 40-49	6,993	7,882	8,046	164	6,648	7,946	1,298
M 50-64	12,210	13,847	14,233	386	11,670	14,100	2,430
Subtotal - Enrolled	***88,341***	***99,916***	***101,431***	**1,515**	***84,219***	***99,493***	**15,274**
Rite Share	122	172	185	13	172	192	20
Remaining in FFS	3,609	2,742	2,816	74	3,653	2,985	(668)
Total - Expansion	92,072	102,830	104,432	1,602	88,044	102,670	14,626
Overall PMPM	*$581.07*	*$640.21*	*$594.49*	*($45.73)*	*$668.23*	*$678.14*	*$9.92*
% Enrolled in Managed Care	*96%*	*97%*	*97%*		*96%*	*97%*	
Other Caseload Factors							
Non-Emergency Transportation	89,490	99,873	103,495	3,622	84,918	101,822	16,904
SOBRA Births	679	51	799	748	51	803	752

Table VI-3. Expansion Price-Volume Comparison to May CEC and Prior SFY

	Price	Volume	Net
FY 2022 over FY 2021	$14.8 M	$88.2 M	$103.0 M
	2.3%	13.4%	16.0%
FY 2022: Current over Nov CEC	($56.4 M)	$11.4 M	($45.0 M)
	-7.1%	1.6%	-5.7%
FY 2023: Current over Nov CEC	$10.5 M	$119.0 M	$129.5 M
	1.5%	16.6%	-5.2%
FY 2023 over FY 2022 (Current)	$104.8 M	($14.3 M)	$90.5 M
	14.1%	-1.7%	12.1%

Table VI-4. Summary of Medicaid Expansion Effective Monthly Premiums

Expansion	SFY 2021	SFY 2022	SFY 2023	FY22→FY23 Trend
F 19-24	$322	$326	$342	5.0%
F 25-29	$460	$474	$498	5.0%
F 30-39	$685	$711	$746	5.0%
F 40-49	$894	$917	$963	5.0%
F 50-64	$830	$858	$900	5.0%
M 19-24	$221	$234	$246	5.0%
M 25-29	$409	$437	$459	5.0%
M 30-39	$602	$653	$686	5.0%
M 40-49	$787	$859	$902	5.0%
M 50-64	$882	$968	$1,016	5.0%
Composite	$617	$656	$692	5.4%
Average Member Months	88,336	101,428	99,486	-1.9%

5-Year Extended Forecast

- EOHHS' extended five-year forecast assumes only a modest reduction in FY 2024 relative to June 2023 (to allow for the full 12-months of redeterminations to complete following end of Public Health Emergency) followed by moderate growth of 2.5% in FY 2025 and FY 2026, respectively.
- The composite PMPM trend reflects a 5.0% overall price factor each year
- In January 2020, the FMAP rate transitioned to 90 percent for this population.

Table VI-5. Medicaid Expansion FY 2021 + Extended 5-Year Fiscal Year Forecast

	Eligible	PMPM	All Funds	FMAP	General Revenue
FY 2021 - Final	92,067	$581	$642.0 M	11%	$68.9 M
FY 2022 - Current	104,429	$594	$745.0 M	11%	$78.8 M
FY 2023 - Current	102,658	$678	$835.4 M	11%	$88.1 M
FY 2024	86,500	$712	$739.1 M	11%	$78.0 M
FY 2025	88,663	$748	$795.5 M	11%	$83.9 M
FY 2026	90,879	$785	$856.1 M	11%	$90.3 M

VII. Hospitals – Regular

Hospitals - Regular			
		All Funds	**General Revenue**
FY 2020	Final	$47,109,165	$20,116,400
FY 2021	Final	$50,377,187	$16,433,585
FY 2022	Enacted	$79,124,474	$29,353,909
	November Adopted	$76,000,000	$30,019,270
	Current	**$69,900,000**	**$25,894,166**
	Surplus over Adopted	*$6,100,000*	*$4,125,103*
FY 2023	November Adopted	$77,200,000	$34,024,583
	Current	**$68,400,000**	**$29,981,463**
	Surplus over Adopted	*$8,800,000*	*$4,043,120*

FY 2022

EOHHS' Hospital expenditure estimate of $69.9 million for FY 2022 reflects a $6.1 million surplus against November CEC. The surplus is driven by decline in inpatient FFS utilization over the first half of the current fiscal year. This decline (relative to the pre-Covid era) is not expected to rebound during the current fiscal year.

The current-year surplus is otherwise understated because the FY 2022 estimate includes payment for the prior-period appropriation of $2.5 million in GME payments to Rhode Island Hospital. This payment was included in the FY 2021 Enacted but not accepted in EOHHS' accruals. This payment has not yet been made to Rhode Island Hospital but absent direction by the state legislature will be paid once CMS approves EOHHS' outstanding State Plan Amendment allowing for the payment.

The inpatient hospital forecast is based on the July through December 2021 actual spend, adjusted by an IBNR factor. To this base EOHHS added a projection for the remaining six months based on the average monthly spend from March 2021 through December 2021, inflated by 2.4% to account for the July 1, 2021, hospital rate adjustment.[22]

The outpatient hospital forecast is based on the July through December 2021 actual spend, adjusted by an IBNR factor. To this base EOHHS added a projection for the remaining six months based on the average monthly spend from March 2021 through December 2021, inflated by 2.4% to account for the July 1, 2021, hospital rate adjustment, and a slight adjustment to account for increased utilization seen in recent claims data.

FY 2023

The hospital estimate for FY 2023 is $68.4 million, a surplus of $8.8 million over November Adopted. The FY 2023 projection takes the selected FY 2022 monthly average spend; annualizes the monthly average spend; and adjusts for the IBNR.

Inpatient. In FY 2023, the estimate assumes the projected FY 2022 average monthly spend, inflated by 2.7% to account for the projected FY 2023 Rate increase effective July 1, 2022: 2.7% represents "CMS Actual Regulation Inpatient Hospital PPS Market Basket" for FY22 as posted 9/14/2021.[23]

[22] 2.4% was the net Inpatient Market Basket (2.4%). Because the Productivity Adjustment was 0% the effective trend would be the same with or without a productivity adjustment

[23] Center for Medicare and Medicaid Services. Internet: https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/MedicareProgramRatesStats/MarketBasketData. (Accessed: September 14, 2021)

Inpatient Hospital PPS	SFY 2023 Proposed *Based on FFY 2022*
Market Basket Update	**2.7%**
Productivity Adjustment	0.7%
Market Basket Update less Productivity Adjustment	2.0%

Outpatient. In FY 2023, the estimate assumes the FY 2022 average monthly spend, inflated by 2.7% to account for the projected rate increase effective July 1, 2022. The 2.7% increase is a 0.3% increase above the Nov. adopted. The "CMS Actual Regulation Outpatient Hospital PPS Market Basket" for CY 2022 was updated after the Conferees adopted their estimate and is shown in the table below. [24]

Inpatient Hospital PPS	SFY 2023 Proposed *Based on CY 2021*
Market Basket Update	**2.7%**
Productivity Adjustment	0.7%
Market Basket Update less Productive Adjustment	2.0%

As directed by the conferees, EOHHS no longer reduces the market basket for the productivity adjustment for purposes of its testimony. The State Plan Amendment codifying this interpretation of state law is pending CMS approval. This approach is contrary to that annual reimbursement methodology taken by CMS/Medicare that applies the productivity adjustment as a discount to market basket.

A summary of the revised estimates for FY 2022 and FY 2023 are shown in **Table** VII-1. A summary of all price changes is included in **Table** VII-2.

Table VII-1. Summary of Hospital – Regular Expenditures

	SFY 2021	SFY 2022			SFY 2023		
	Final	Nov CEC	Current	Surplus/ (Deficit)	Nov CEC	Current	Surplus/ (Deficit)
Supplemental Payments							
Inpatient UPL [1]	$ 0	$ 21,401,168	$ 21,401,168	$0.0 M	$ 21,401,168	$ 21,401,168	$0.0 M
Outpatient UPL [1]	7,920,782	8,036,040	8,036,040	0.0 M	8,036,040	8,036,040	0.0 M
GME	0	2,000,000	4,518,257	(2.5 M)	2,000,000	2,000,000	0.0 M
Subtotal - Supplemental Payments	**7,920,782**	**31,437,208**	**33,955,465**	**(2.5 M)**	**31,437,208**	**31,437,208**	**0.0 M**
FFS Activity							
Inpatient FFS	$ 37,190,648	$ 38,618,785	$ 30,090,013	$8.5 M	$ 39,639,892	$ 30,902,443	$8.7 M
Outpatient FFS	5,643,007	5,943,017	5,806,356	0.1 M	6,085,649	5,963,128	0.1 M
Subtotal - FFS Activity	**$ 42,833,655**	**$ 44,561,802**	**$ 35,896,369**	**$8.7 M**	**$ 45,725,541**	**$ 36,865,571**	**$8.9 M**
Subtotal - Hospitals - Regular	**$ 50,754,437**	**$ 75,999,010**	**$ 69,851,834**	**$6.1 M**	**$ 77,162,749**	**$ 68,302,779**	**$8.9 M**
Balance to RIFANS/CEC Rounding	1,405,841	990	48,166	(0.0 M)	37,250	97,221	(0.1 M)
UPL Transfer (Expansion)	(1,783,091)						
Total - Hospitals - Regular	**$ 50,377,187**	**$ 76,000,000**	**$ 69,900,000**	**$6.1 M**	**$ 77,199,999**	**$ 68,400,000**	**$8.8 M**
General Revenue	*$ 16,433,585*	*$ 30,019,270*	*$ 25,894,166*	*$4.1 M*	*$ 34,024,583*	*$ 29,981,463*	*$4.0 M*

Note 1. UPL includes $6.8 million in each SFY 2022 and SFY 2023 at Expansion 90/10 FMAP rate.

[24] https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/MedicareProgramRatesStats/MarketBasketData . Accessed 4/1/2022.

Table VII-2. FY 2023 Hospital Trend Assumptions (Excludes Managed Care and Expansion FFS)

Hospitals (Excludes Expansion and Managed Care Lines)			
Price	**Percent**	**Dollar Impact**	**Source**
Inpatient	2.7%	$ 812,430	CMS FFY 2022 Inpatient Hospital PPS Market Basket Update
Outpatient	2.7%	$ 156,772	CMS CY 2022 Outpatient Hospital PPS Market Basket Update
		$ 969,202	
Utilization	**Percent**	**Dollar Impact**	**Source**
Inpatient	0.00%	$ -	EOHHS
Outpatient	0.00%	$ -	EOHHS
		$ -	
Subtotal, Price/Volume		**$ 969,202**	

Hospital Supplemental Payments – Upper Payment Limit (UPL)

FY 2022 UPL Payment

The FY 2022 Enacted included $7.9 million for outpatient and $18.5 million for inpatient UPL payments. EOHHS' testimony revises these to $8.0 million and $21.4 million, respectively. These amounts are unchanged from November CEC. **Table** VII-3 shows the FY 2022 Inpatient and Outpatient UPL payments made to each hospital.

Please note that CMS has not yet approved the State Plan amendment for inpatient UPL payments, therefore EOHHS has made no inpatient UPL payments in the current year. Once approved EOHHS will promptly process for the payments in arrears.

FY 2023 UPL Payment

The FY 2023 estimated UPL payments remain at the November adopted amount. EOHHS was unable to update these estimate as it had not received copies of the Medicare cost reports prior to its testimony. EOHHS staff will send an updated UPL model to House, Senate, and OMB fiscal staff in May.

Based on EOHHS' analysis of the proportion of hospital fee-for-service expenditures attributed to Expansion-eligible members, approximately one third of EOHHS outpatient UPL payments are eligible for 90% federal financial participation. This allocation is reflected in the state-federal splits for the Hospital budget line.

Hospital Supplemental Payments – Graduate Medical Education (GME)

FY 2021 GME Payment

For FY 2021, EOHHS submitted a SPA to increase the GME pool from $1.0 million to $2.5 million to better leverage the $1.0 million GR used in FY 2020. The Assembly earmarked this $2.5 million to Rhode Island Hospital.

EOHHS booked a FY 2021 accrual for this anticipated payment; however, this accrual was reversed by the Office of the Auditor General because the necessary SPA was not approved. The SPA remains unapproved, but EOHHS anticipates its eventual approval and once it is approved by CMS EOHHS will be obligated to make the GME payment to Rhode Island Hospital. EOHHS reflects this prior period liability in its FY 2022 revised estimate.

FY 2022 GME Payment

The SFY 2022 Enacted Budget authorized EOHHS to make GME payments using $2.0 million GR: $1.0 million each to Rhode Island Hospital and Women & Infants Hospitals. EOHHS submitted a SPA to CMS on August 13, 2021, and as a part of this SPA had to eliminate the federal match for the GME payments. The elimination of the federal match is necessary because when a state uses 100% of its Upper Payment Limit to reimburse hospitals there is no remaining federal match available for Medicaid-eligible GME payments. Once EOHHS receives approval, it will make payments in June 2022.

A summary of the payments expected to be made in FY 2022 for Graduate Medical Education, by hospital and original spending authority are summarized in **Table** VII-4.

FY 2023 GME Payment

Our caseload testimony assumes $2.0 million GR for GME: $1.0 million each to Rhode Island Hospital and Women & Infants Hospitals, the same as FY 2022.

Table VII-3. Revised Supplemental Payments by Hospital, FY 2022

Summary of FY 2022 Supplemental Payments

	UPL - Outpatient	UPL - Inpatient	GME	DSH [1]	Total
Rehab Hospital	$ 1,693	$ -	$ -	$ -	$ 1,693
Kent Hospital	709,592	1,290,414	-	6,661,302	8,661,308
Landmark Hospital	412,414	732,412	-	12,007,889	13,152,715
Miriam Hospital	1,192,885	1,638,425	-	9,635,105	12,466,415
Newport Hospital	261,889	369,447	-	5,498,955	6,130,291
Rhode Island Hospital	3,306,239	6,590,952	3,518,257	61,904,329	75,319,777
Roger Williams Medical Center	630,682	1,157,967	-	12,667,970	14,456,619
St Joseph Hospital	250,536	2,006,393	-	7,604,732	9,861,661
South County Hospital	174,566	114,567	-	4,042,460	4,331,593
Westerly Hospital	126,954	81,054	-	1,840,838	2,048,846
Women & Infants Hospital	968,590	7,419,537	1,000,000	20,630,400	30,018,527
Total	$ 8,036,040	$ 21,401,168	$ 4,518,257	$ 142,493,980	$ 176,449,445
General Revenue	*$ 3,060,676*	*$ 7,877,227*	*$ 3,000,000*	*$ 65,418,986*	*$ 79,356,889*

Note 1. DSH Payment reflects FFY 2021 Plan Year, paid in July 2021 (SFY 2022)

Table VII-4. Detail on GME Payments made in FY 2022

SFY 22 Payment GME Payment

	General Revenue	Federal Funds	All Funds
Rhode Island Hospital			
SFY 22 Payment	$ 1,000,000	$ -	$ 1,000,000
SFY 21 Payment [2]	$ 1,000,000	$ 1,518,257	$ 2,518,257
Subtotal Rhode Island Hospital	***$ 2,000,000***	***$ 1,518,257***	***$ 3,518,257***
Women & Infants			
SFY 22 Payment	$ 1,000,000	$ -	$ 1,000,000
Total FY 2022 GME Payments	**$ 3,000,000**	**$ 1,518,257**	**$ 4,518,257**

Note

[1] Assumes GME payment matched at June 2021 FMAP (60.29%)

VIII. Hospitals - DSH

Hospitals - DSH Payments			
		All Funds	**General Revenue**
FY 2020	Final	$142,083,257	$67,489,693
FY 2021	Final	$142,301,035	$66,290,193
FY 2022	Enacted	$142,493,980	$65,418,986
	November Adopted	$142,493,980	$56,584,359
	Current	**$142,493,980**	**$48,424,139**
	Surplus/Deficit over Adopted	*$0*	*$8,160,220*
FY 2023	November Adopted	$142,493,980	$64,293,284
	Current	**$145,079,877**	**$65,460,041**
	Deficit over Adopted	*($2,585,897)*	*($1,166,757)*

SFY 2021 Payment

As previously discussed in the major developments, the Office of the Attorney General reversed the accrual or FY 2021 due to the delayed publication of the adjustment to the federal allotment in the Federal Register. Having now been revised and officially communicated in the Federal Register, the associated prior period's savings of $8.2 million GR is being budgeted in FY 2022.

SFY 2022 Payment

EOHHS made its FY 2022 DSH payment in July 2021 at the Enacted level; however, the General Assembly may choose to increase these payments by an additional $140,526 due to an increase in Rhode Island's preliminary federal allotment to $85,994,344. This revised—though not yet final—amount was included in the March 2022 Federal Register.[25]

Table VIII-1 shows the variance between what EOHHS paid in July and what could be theoretically paid if the preliminary federal allocation becomes final and the General Assembly elected to increase its appropriation to the hospitals to the maximum allowed amount. The cost of this increase to Rhode Island's General Fund would be $55,803.

Table VIII-1. Potential SFY 2022 DSH Payments for Revised Federal Allocation

	SFY 2022 Paid	SFY 2022 Allowed	Variance
Kent Hospital	$ 6,661,302	$ 6,667,871	$ 6,569
Landmark Hospital	12,007,889	12,019,731	11,842
Miriam Hospital	9,635,105	9,644,607	9,502
Newport Hospital	5,498,955	5,504,378	5,423
Rhode Island Hospital	61,904,329	61,965,378	61,049
Roger Williams Medical Center	12,667,970	12,680,463	12,493
St Joseph Hospital	7,604,732	7,612,232	7,500
South County Hospital	4,042,460	4,046,447	3,987
Westerly Hospital	1,840,838	1,842,653	1,815
Women & Infants Hospital	20,630,400	20,650,745	20,345
Total	$ 142,493,980	$ 142,634,506	$ 140,526
General Revenue	*$ 56,584,359*	*$ 56,640,162*	*$ 55,803*

[25] Federal Register, Vol. 87, No. 51, March 16, 2022. https://www.federalregister.gov/documents/2022/03/16/2022-05459/medicaid-program-final-fy-2018-final-fy-2019-preliminary-fy-2020-and-preliminary-fy-2021.

FY 2023 Payment

The *Consolidated Appropriations Act for 2021*, delayed the Medicaid DSH allotment reductions originally included in the Affordable Care Act at least until FFY 2024 (i.e., EOHHS' SFY 2025 budget).

In January, EOHHS received its draft FFY 2022 (SFY 2023) "total computable amount" for DSH as $145,079,877, a 1.8% increase over the current payment. The computable amount reflects a federal allotment of $88,614,789 and the applicability of the enhanced FMAP to DSH. This amount has not yet been published in the Federal Register. If EOHHS was to make its DSH payment before the end of the current public health emergency and the expiration of the enhanced 6.20% FMAP the $145.1 million DSH payment would cost $56.5 million GR.

However, EOHHS is budgeting the full computable amount for SFY 2023 at the regular FMAP. This is consistent with EOHHS' general approach to its forecast that the PHE ends June 30, 2022.

Depending on the timing of the end of the Public Health Emergency and cessation of the enhanced 6.20% FMAP to the states, EOHHS may want to make this payment on June 30, 2022, to not lose out on the $9.0 million GR savings afforded by this FFY 2022 allocation.

IX. Nursing and Hospice Care

Nursing and Hospice Care			
		All Funds	**General Revenue**
FY 2020	Final	$344,084,010	$146,519,287
FY 2021	Final	$285,519,496	$94,305,153
FY 2022	Enacted	$348,745,776	$147,255,515
	November Adopted	$320,200,000	$130,225,340
	Current	**$319,900,000**	**$125,144,880**
	Surplus over Adopted	*$300,000*	*$5,080,460*
FY 2023	November Adopted	$305,000,000	$139,720,500
	Current	**$314,400,000**	**$144,026,640**
	Deficit over Adopted	*($9,400,000)*	*($4,306,140)*

FY 2022

EOHHS' FY 2022 revised estimate is $319.9 million, a $0.3 million surplus to the November CEC. The decrease is due to lower nursing facility utilization than previously budgeted.

For FY 2022, EOHHS' nursing facility baseline, EOHHS used the methodology below.

- July through December 2021 actual spend adjusted for an IBNR factor.
- To this amount, EOHHS utilized the average spend from October through December 2021, inflated by a 2.5% utilization increase for the remaining six months.

EOHHS utilized the October through December time-period as it captures the 10/1/2022 rate increase of 2.2% as well as the increases to the RUG weights for ventilator per diems.

The hospice estimate used the same methodology as above, except that no utilization increase was included.

After forecasting the baseline nursing facility and hospice spend, EOHHS adjusted its spending to account for passive enrollment of members transitioning to Rhody Health Options beginning in January 2022 and the new spending for the 0.5% rate increase associated with the new minimum staffing ratio requirement on nursing facilities.

Table IX-1: FFS FY 2022 Nursing Facility Adjustments

Item Name	All Funds	Notes
Minimum Staffing	$1,225,562	SPA pending CMS Approval (0.5% retro back to 10/1/2021)
Passive Enrollment	($3,162,290)	Began January 2022 and will end December 2022
TOTAL	($1,926,728)	

FY 2023

The FY 2023 estimate totals $314.4 million, an all funds increase of $9.4 million against the November. The increase is largely attributable to anticipated increases in nursing facility utilization.

The FY 2023 nursing facility estimate takes the monthly average from October 2021 to December 2021 and inflates it by the applicable rate increase (1.9% projected for 10/1/2022). EOHHS also included a 5% utilization increase. The hospice estimate used the same methodology as above, except that no utilization increase was included

Items not included in baseline claims trends were then added to the estimate. **Table** IX-2 details these items (RHO and RHP spend excluded)

Table IX-2: FFS FY 2023 Nursing Facility Budget Initiative Expenditures

Item	All Funds	Notes
Minimum Staffing	$2,825,711	SPA pending CMS Approval (1.0% effective 10/1/2022)
Passive Enrollment	($33,204,245)	Began January 2022 and will end December 2022
BH Rate Increase	$2,740,126	Delayed until 7/1/2022
TOTAL	($24,970,048)	

For FY 2023, the nursing facility and hospice estimate assumes a 1.9% rate increase. The 1.9% represents the CMS Actual Regulation Skilled Nursing Facility PPS Market Basket for FFY 2022 as posted on the CMS Market Basket Data website[26] and summarized in **Table** IX-5 below. The published table clarified that the 2.7% as previously published was in error, and should be reduced by 0.8%, for a net market basket without productivity adjustment of 1.9%. The official regulation detailing the forecast error is available in the Federal Register.[27] At the direction of the conferees' interpretation of current law, EOHHS will no longer utilize a productivity adjustment. Rhode Island's SPA codifying this interpretation is pending CMS approval.

Comments on Nursing Facility Estimates

- The components of this estimate are summarized in **Table** IX-3
- **Table** IX-4 shows the average nursing facility per diem
- Rate and utilization assumptions used as presented in **Table** IX-6
- Additional information on paid days is presented in **Attachments 4**

Table IX-3: Summary of Nursing Home and Hospice Expenditures

	SFY 2021	SFY 2022			SFY 2023		
FFS Activity	Final	Nov CEC	Current	Surplus/ (Deficit)	Nov CEC	Current	Surplus/ (Deficit)
Hospice	$ 29,872,491	$ 30,887,104	$ 26,827,459	*$4.1 M*	$ 31,523,657	$ 27,336,294	*$4.2 M*
Nursing Home	274,086,368	297,651,278	294,915,444	2.7 M	320,614,902	314,610,861	6.0 M
FY22 Budget Initiatives - Savings	*n/a*	*(7,230,931)*	*0*	(7.2 M)	*(14,409,850)*	*0*	(14.4 M)
FY22 Budget Initiatives - Investments	*n/a*	4,703,553	1,225,562	3.5 M	9,215,796	5,565,857	3.6 M
Subtotal FFS	**$ 303,958,859**	**$ 326,011,004**	**$ 322,968,465**	**$3.0 M**	**$ 346,944,505**	**$ 347,513,012**	**($0.6 M)**
RHO Passive Enrollment - Hospice	n/a	(505,890)	(254,120)	($0.3 M)	(3,613,789)	(2,668,360)	($0.9 M)
RHO Passive Enrollment - Nursing	n/a	(5,373,270)	(2,908,170)	(2.5 M)	(38,380,789)	(30,535,885)	(7.8 M)
Balance to RIFANS/CEC Rounding	(18,439,363)	68,156	93,825	(0.0 M)	50,072	91,233	(0.0 M)
Grand Total - Nursing and Hospice Care	**$ 285,519,496**	**$ 320,200,000**	**$ 319,900,000**	**$0.3 M**	**$ 305,000,000**	**$ 314,400,000**	**($9.4 M)**
General Revenue	*$ 94,305,153*	*$ 130,225,340*	*$ 125,144,880*	*$5.1 M*	*$ 139,720,500*	*$ 144,026,640*	*($4.3 M)*

[26] Actual Regulation Market Basket Updates, Summary Web Table – Actual 2021Q2. Internet: https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/MedicareProgramRatesStats/MarketBasketData (Accessed October 22, 2021)
[27] Internet: https://www.federalregister.gov/documents/2021/08/04/2021-16309/medicare-program-prospective-payment-system-and-consolidated-billing-for-skilled-nursing-facilities (Accessed October 22, 2021)

Table IX-4. Nursing Home Medicaid Per Diem (Average)

Rate Effective Date	Average Per Diem	Less Patient Share
1-Oct-20	$239	$198
1-Oct-21	$245	$205
1-Oct-22	$250	$209

Table IX-5. Skilled Nursing Facility PPS Market Basket Data

Skilled Nursing Facility PPS	SFY 2023 Proposed *Based on FFY 2022*
(A) Market Basket Update	2.7%
(B) Productivity Adjustment	0.7%
(C) CMS Forecast Error	0.8%
Market Basket Update less CMS Forecast Error (A - C)	**1.9%**

Table IX-6. FY 2023 Nursing and Hospice Care Trend Assumption

	Percent	Dollar Impact	Source
Price Factor	1.90%	$4,804,286	FFY 2022 Skilled Nursing Facility PPS
Utilization	5.00%	$14,981,470	EOHHS
Total		**$19,785,755**	

Note that this is the value of the rate change in the base FFS estimate. The rate change was built into all below the line estimates but is not reflected in the table above.

Typically, in EOHHS' testimony "Price" in this table illustrates the impact of the annual rate increase to the State and not the value of the rate increase received by the nursing facility. All else equal, the component of the rate paid by Medicaid (i.e., not paid by the beneficiary) will increase by a larger percentage than the rate increase seen by the facility, as patient share collections do not necessarily increase by the same percentage as the nursing home rate increase each year.

In consideration of the 5.9% Social Security (and SSI) cost of living adjustment for CY 2022 and unchanged since our October testimony, EOHHS' estimates eliminate this complexity, recognizing that patient share collections should increase due to this adjustment. EOHHS assumes that both the cost to the state and the rate increase seen by the nursing facilities will be equivalent, i.e., that patient share collections will increase proportionately (by the same percentage) to the increase in payments to the nursing facilities. We carry this assumption through both FY 2022 and FY 2023.

X. Home and Community Care

Home and Community Care			
		All Funds	**General Revenue**
FY 2020	Final	$82,506,503	$34,704,126
FY 2021	Final	$90,670,254	$30,487,484
FY 2022	Enacted	$102,715,462	$43,405,421
	November Adopted	$100,100,000	$40,710,670
	Current	**$98,700,000**	**$38,727,985**
	Surplus over Adopted	*$1,400,000*	*$1,982,685*
FY 2023	November Adopted	$136,300,000	$62,439,030
	Current	**$140,900,000**	**$64,546,290**
	Deficit over Adopted	*($4,600,000)*	*($2,107,260)*

FY 2022

EOHHS is projecting Home and Community Based Services (HCBS) expenditures in FY 2022 to total $98.7 million, a surplus of $1.4 million compared to the Nov. CEC. This is largely due to the reduced cost ($1.1 million) of the behavioral health certification FY 2022 enacted budget initiative. Based on provider certification, less than two percent of claims are eligible for the enhanced rates (EOHHS originally assumed 50% would be eligible).

The FY 2022 base data reflects the incorporation of rate adjustments to certain providers consistent with FY 2022 budget initiatives and a significant reduction to the impact of passive enrollment into Rhody Health Options that is assumed to be reflected in base experience. As a result, the below-the-line reductions is less compared to November CEC.

In general, EOHHS' continues to see increased HCBS utilization across its HCBS budget lines. Except for Adult Day Services the more recent experience (i.e., March 2021 through December 2021) is higher now than the pre-Covid 19 period (i.e., October 2019 through March 2020) claims experience. The current year methodology used in EOHHS' estimate is:

- July 2021 through December 2021 reflects actual spend adjusted for services incurred but not reported (IBNR)
- For the remaining six months of the FY, EOHHS used the recent experience for all service categories except for Adult Day Services that reflect the higher of pre-COVID monthly average
    - For Adult Day Services, EOHHS has seen average monthly spending fluctuate throughout the pandemic: from a low of less than $0.1 million at its onset to $0.29 million in early Summer 2021. Claims data show increased expenditures since September 2021 and therefore, EOHHS used the pre-Covid period of $0.35 million per month as it appears members' behavior are moving toward pre-COVID utilization.

The exception to the above periodization of the data is the Shared Living budget line. Because EOHHS increased these rates by 10% on July 1, 2021, the current experience period was derived using average monthly experience from July 2021 through December 2021 so to fully reflect price adjustment.

Please note that no utilization increase was added to this estimate as the higher of the pre-Covid or current trend monthly spend captures a slight increase in utilization. The General Assembly did not include a rate increase for SFY 22 as the New England Consumer Price Index for Medical Care was negative at the time of EOHHS' April 2021 testimony; therefore, our estimate assumes no rate increase for HCBS in SFY 22.

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Once EOHHS estimate baseline HCBS spending, it factored in LTSS FY 2022 Investments detailed in the **Table** X-1 below. These values **exclude** non-EOHHS spend and non-FFS Line Sequence spend, such as RHO).

Table X-1: FFS FY 22 HCBS Budget Initiative Expenditures

Item	All Funds	Notes
Behavioral Health Certification	$23,126	As of April, only two providers are eligible for the enhancement. Based on these providers' claim experience, they represent less than 2% of all monthly claims. SPA pending CMS approval. Once approved, retro adjustment back to each provider's date of eligibility.
Shift Differential Increase	$319,355	SPA pending CMS approval. Once approved, retro adjustment back to 7/1/2021.
Assisted Living Tiered Increases	$348,896	Reflects January through June spend not reflected in base claims data.
TOTAL	**$691,377**	

Program of All Inclusive Care for the Elderly (PACE) FY 2022

EOHHS' revised forecast for PACE of $17.2 million for FY 2022 reflects a deficit of $0.6 million compared to November CEC. Overall, EOHHS forecasts an average fiscal year enrollment of 357 members in PACE in FY 2022, an increase of 10 members per month on average (120 member months) compared to the November CEC.

As was the case in November, EOHHS assumes that the PACE rates for FY 2022 will remain unchanged compared to FY 2021. While the FY 2022 rates have not been finalized, we are confident they will not exceed the FY 2021 rates. As such, under the maintenance of effort provisions for HCBS providers contained in Section 9817 of the American Rescue Plan Act of 2021 (P.L. 117-2), PACE will receive the FY 2021 rates for the duration of FY 2022.

Under EOHHS' approved SPA for PACE[28], the rates are rebased every 3 years, and trended by the change in the CMS Home Health Agency Market Basket during the intervening years. This rebasing was due to occur with rates effective 7/1/2021 (FY 2022). Under the CMS methodology[29], rates for PACE organizations are set based on an estimate of the amount the state otherwise would have paid (AWOP), had the PACE program not existed. Starting in FY 2022, this amount must be calculated based on what Medicaid would have paid for these members under Medicaid Fee for Service. The prior rates were based on what the State would have paid under Rhody Health Options I, but that is no longer an option as the program no longer exists. The current CMS demonstration, RHO II, cannot be used because those rates are also based on what Medicaid would otherwise have paid, which as of FY 2022 is also Medicaid FFS. To be clear, the CMS methodology has not changed, but Rhode Island's AWOP program has changed.

Table X-2 below shows the summary of Home and Community Care Expenditures over FY 2022 and FY 2023 versus the November CEC. **Table** X-3 summarizes changes in authorizations for HCBS services. Please note that the count of people authorized for HCBS and is not equivalent to number of members utilizing LTSS services. EOHHS derives its fee-for-service estimates from actual utilization and spending with prospective adjustments applied in the aggregate—as opposed to on a PMPM basis as EOHHS does for its managed care estimates—for any anticipated changes in price and/or utilization.

[28] https://www.medicaid.gov/sites/default/files/State-resource-center/Medicaid-State-Plan-Amendments/Downloads/RI/RI-18-007.pdf
[29] https://www.medicaid.gov/sites/default/files/2019-12/pace-medicaid-capitation-rate-setting-guide.pdf

Table X-2. Summary of Home and Community Care Expenditures

	SFY 2021	SFY 2022			SFY 2023		
	Final	Nov CEC	Current	Surplus/ (Deficit)	Nov CEC	Current	Surplus/ (Deficit)
PACE	$ 16,602,220	$ 16,640,101	$ 17,233,023	*($0.6 M)*	$ 17,477,514	$ 18,249,685	*($0.8 M)*
FFS Activity							
Personal Care	$ 40,821,818	$ 42,340,802	$ 41,610,880	*$0.7 M*	$ 40,916,137	$ 42,650,817	*($1.7 M)*
Adult Day	1,431,557	4,150,543	4,052,424	*$0.1 M*	4,150,543	4,150,543	*$0.0 M*
Assisted Living	10,067,982	11,275,922	13,516,346	*($2.2 M)*	11,275,922	14,203,299	*($2.9 M)*
Personal Choice	8,255,596	9,599,825	11,638,515	*($2.0 M)*	9,599,825	11,638,515	*($2.0 M)*
Shared Living	4,466,176	4,628,881	5,532,179	*($0.9 M)*	4,628,881	5,532,179	*($0.9 M)*
Other HCBS	3,254,223	3,314,594	4,397,696	*($1.1 M)*	3,314,594	4,326,290	*($1.0 M)*
Subtotal FFS	**$ 68,297,352**	**$ 75,310,568**	**$ 80,748,041**	**($5.4 M)**	**$ 73,885,903**	**$ 82,501,644**	**($8.6 M)**
Perry Sullivan	0	0	0	0.0 M	38,600,000	38,600,000	0.0 M
FY22 Budget Initiatives	0	10,363,699	691,376	9.7 M	12,290,241	1,550,990	10.7 M
Subtotal - Home and Community Care	**$ 84,899,572**	**$ 102,314,367**	**$ 98,672,440**	**$3.6 M**	**$ 142,253,657**	**$ 140,902,319**	**$1.4 M**
RHO Passive Enrollment	0	(2,258,995)	(1,785)	($2.3 M)	(5,959,500)	(18,743)	($5.9 M)
Balance to RIFANS/CEC Rounding	5,770,682	44,628	29,345	0.0 M	5,843	16,424	(0.0 M)
Total - Home and Community Care	**$ 90,670,254**	**$ 100,100,000**	**$ 98,700,000**	**$1.4 M**	**$ 136,300,000**	**$ 140,900,000**	**($4.6 M)**
General Revenue	*$ 30,487,484*	*$ 40,710,670*	*$ 38,727,985*	*$2.0 M*	*$ 62,439,030*	*$ 64,546,290*	*($2.1 M)*

Table X-3. PACE and FFS Home and Community Based Services Authorizations

	SFY 2021	SFY 2022			SFY 2023		
	Final	Nov CEC	Current	Increase/ (Decrease)	Nov CEC	Current	Increase/ (Decrease)
PACE	354	347	357	10	347	372	25
Remaining in FFS							
Assisted Living	524	570	576	6	579	611	32
Shared Living	189	227	242	15	230	276	46
Personal Choice	351	467	464	(3)	470	480	10
Home Care	2,439	2,822	2,803	(19)	2,862	2,879	17
Other HCBS	42	29	35	6	29	36	7
Subtotal HCBS	***3,545***	***4,115***	***4,120***	**5**	***4,170***	***4,282***	**112**

Note 1. Approximately one-third of LTSS-authorized members in the community are enrolled in Rhody Health Options and not reflected herein.
Note 2. Authorizations are not equivalent to the number of monthly users. Further, authorizations do not include anticipated increase associated with LTSS diversions.
Note 3. Independent Provider authorizations included in Personal Choice authorization. Also, members with a Preventive Only authorizations not reflected herein.

FY 2023

The FY 2023 forecast of $140.9 million is $4.6 million higher than Nov CEC. The most significant factor for the increase over FY 2022 is the inclusion of a $38.6 million supplemental appropriation for Perry Sullivan. For additional discussion of this appropriation see **Major Developments**.

This deficit relative to November Adopted is primarily driven by EOHHS' re-assessment of the number of members who are expected to be passively enrolled into Rhody Health Options. EOHHS' November estimate assumed 20 HCBS members per month (beginning January 2022) would transition from fee for service to managed care. This resulted in a below-the-line adjustment to the HCBS expenditures for both years. As all new transitions since January 2022 have involved nursing facility residents and the number of HCBS members enrolled has remained stable, EOHHS is not applying this adjustment to the FFS experience. The result is an increase in the HCBS budget line but an offsetting surplus in Rhody Health Options.

For all HCBS categories, except Adult Day, the FY 2023 estimate annualizes the monthly average of the projected FY 2022 spend adjusted for any necessary price factor. The Adult Day estimate for FY 2023 annualizes the pre-Covid monthly average based on assumption that utilization will continue to increase and return to its pre- Covid level.

Certain HCBS services are eligible for an annual rate increase on July 1, 2022. Pursuant to the FY 2022 Enacted and EOHHS' proposed SPA, EOHHS uses the March release, containing the February data, of the New England CPI-U for Medical Care. The estimated rate increase is projected to be 2.43% based on data reflected in **Table** X-4. **Table** X-5 shows the value of the price increase.

After estimating the baseline HCBS spending EOHHS factored in LTSS FY 2022 Investments detailed **Table** X-6 and not yet reflected in the selected base experience. These values exclude non-EOHHS spend and non-FFS spending included in Rhody Health Options.

Table X-4. Calculation of Price Factor for Personal Care Services

Series Title	Medical care in new England, all urban consumers, not seasonally adjusted		
Series ID	CUUR0110SAM		
Year	**Period**	**Label**	**Observation Value**
2021	M02	2021 Feb	110.291
2022	M02	2022 Feb	112.967
		Annual Trend:	**2.43%**

Table X-5. FY 2023 HCBS Trend Assumptions

	Percent	**Dollar Impact**	**Source**
Personal Care			
Price Factor	2.43%	$1,039,937	New England CPI-U for Medical Care (March 2022 Release)
Utilization	0.00%	$0	EOHHS
Total		**$1,039,937**	

Table X-6. FFS FY 2023 HCBS Budget Initiative Expenditures

Initiative	**All Funds**	**Notes**
Behavioral Health Certification	$369,811	As of April, EOHHS projects that seven total providers will be eligible for the enhancement during SFY 23. These providers represent 11% of monthly claims, but we estimated 15% to account for providers who may enroll.
Shift Differential Increase	$231,021	SPA pending CMS approval. Once approved, retro adjustment back to 7/1/2021.
Assisted Living Tiered Increases	$950,157	Annualization of expenditures not already in base claims data.
TOTAL	**$1,550,989**	

Program of All Inclusive Care for the Elderly (PACE) FY 2023

EOHHS' forecast for PACE of $18.2 million for FY 2023 reflects an increase of $0.7 million over Nov CEC. Overall, EOHHS forecasts average fiscal year enrollment of 372 members in PACE, an increase of 25 members per month over FY 2022. Enrollment in PACE has increased modestly in recent months (as noted above) and EOHHS expects this trend to continue through the end of FY 2022 before leveling off for the duration of FY 2023.

Further, EOHHS has revised the assumed PMPM in FY 2023 to reflect a modest increase. Under the methodology proscribed in the State Plan, the rates in FY 2023 will be equal to the rebased FY 2022 rebased rates (as discussed in the earlier section) inflated by the change in the CMS Home Health Agency Market Basket. Based on recent conversations with the State's certifying actuary, it is possible that the rates in FY 2023 will see a very modest (less than 0.5%) increase over FY 2021. These rates remain in development.

Table X-7. Summary of PACE Monthly Premiums

PACE	SFY 2021	SFY 2022	SFY 2023	FY22→FY23 Trend
Medicaid Only	$6,907	$6,907	$6,928	0.3%
Dual, 55-64 y.o.	$3,834	$3,834	$3,846	0.3%
Dual, 65+ y.o.	$3,673	$3,673	$3,684	0.3%
Composite	$3,981	$4,036	$4,057	0.5%
Average Member Months	348	356	375	5.3%

Note. The FY 2022 remain preliminary and do not reflect actuarially certified rates. However, requirements for ARPA Enhanced FMAP require the rates to be no less than the rates as of April 1, 2021.

XI. Pharmacy

Pharmacy			
		All Funds	**General Revenue**
FY 2020	Final	($2,611,387)	($819,557)
FY 2021	Final	($449,343)	$437,348
FY 2022	Enacted	$100,000	$42,220
	November Adopted	($300,000)	$163,100
	Current	**$100,000**	**$92,220**
	Deficit over Adopted	*($400,000)*	*$70,880*
FY 2023	November Adopted	($300,000)	$132,570
	Current	**$300,000**	**$187,430**
	Deficit over Adopted	*($600,000)*	*($54,860)*

FY 2022

EOHHS' revised forecast for FY 2022 of $0.1 million is $0.4 million above November CEC but consistent with the Enacted. EOHHS' pharmacy projections take actual July 2021 through December 2021 spend adjusted for services incurred but not reported (IBNR). For the remaining six months of the fiscal year, EOHHS used the more recent monthly average (i.e., March 2021 through December 2021).

FY 2023

EOHHS projects $0.3 million, a deficit of $0.6 million compared to the November CEC. The EOHHS estimate annualizes the monthly average in FY 2022. Although EOHHS is not statutorily required to apply an inflationary index, an inflationary factor for the budget year due to the fluctuation of drug costs is reasonable for budgeting purposes. The FY 2023 forecast assumes a 3.4% increase, based on the IHS Markit 2021 Q4 forecast for pharmacy in CY 2023 Q2, which corresponds to the end of FY 2023.

Revised FY 2022 and FY 2023 pharmacy expenditures and rebates are presented in **Table** XI-1 as well as in **Major Developments**.

Generally, rebate fluctuates due to several reasons:

(1) CMS' rebate formula, which, for certain drugs, can compensate for significant price changes
(2) Medicaid being entitled to the full rebate amount even if it only pays a portion of a drug claim (excluding Part D drugs); and
(3) the Pharmacy budget line reflects J-Code rebates collected against pharmaceuticals delivered in an outpatient hospital setting which may vary dramatically with acuity of patient and amount of FFS utilization

Table XI-1. Summary of Pharmacy Expenditures

	SFY 2021	SFY 2022			SFY 2023		
	Final	Nov CEC	Current	Surplus/ (Deficit)	Nov CEC	Current	Surplus/ (Deficit)
FFS Activity	$ 6,047,301	$ 6,107,094	$ 6,213,673	*($0.1 M)*	$ 6,278,460	$ 6,411,834	*($0.1 M)*
Rebates							
DRE	(4,646,116)	(4,780,854)	(4,691,006)	*($0.1 M)*	(4,919,499)	(4,691,006)	*($0.2 M)*
J-Code	(1,511,621)	(1,555,458)	(1,388,453)	*($0.2 M)*	(1,600,567)	(1,388,453)	*($0.2 M)*
Subtotal - Pharmacy	**$ (110,437)**	**$ (229,218)**	**$ 134,214**	**($0.1 M)**	**$ (241,605)**	**$ 332,375**	**($0.6 M)**
Balance to RIFANS/CEC Rounding	(338,907)	(70,782)	(34,214)	(0.0 M)	(58,395)	(32,375)	(0.0 M)
Grand Total - Pharmacy Clawback	**$ (449,343)**	**$ (300,000)**	**$ 100,000**	**($0.4 M)**	**$ (300,000)**	**$ 300,000**	**($0.6 M)**
General Revenue	*$ 437,348*	*$ 163,100*	*$ 92,220*	*$0.1 M*	*$ 132,570*	*$ 187,430*	*($0.1 M)*

XII. Pharmacy Claw Back (Medicare Part D)

Pharmacy Claw Back (Medicare Part D)			
		All Funds	**General Revenue**
FY 2020	Final	$64,978,689	$64,978,689
FY 2021	Final	$64,561,261	$64,561,261
FY 2022	Enacted	$69,100,000	$69,100,000
	November Adopted	$72,200,000	$72,200,000
	Current	**$68,800,000**	**$68,800,000**
	Surplus over Adopted	*$3,400,000*	*$3,400,000*
FY 2023	November Adopted	$86,900,000	$86,900,000
	Current	**$90,000,000**	**$90,000,000**
	Deficit over Adopted	*($3,100,000)*	*($3,100,000)*

EOHHS' revised FY 2022 estimate of $68.8 million for Pharmacy Claw Black is $3.4 million below November CEC. The surplus position reflects savings from the Public Health Emergency that reduced the clawback multiplier from $171 PMPM to $148 PMPM for the last quarter of the fiscal year. Caseload remains on target. This revised forecast is based on actual invoices through March 2022.

The increase in FY 2023 over FY 2022 is attributed to the elimination of the enhanced COVID-19 FMAP for the fiscal year. Unlike general enrollment among the Aged, Blind, and Disabled population, the caseload for Part D reimbursement has increased steadily throughout the Public Health Emergency and this is expected to remain so through FY 2023 without being impacted in a meaningful way by the resumption of routine redeterminations.

Table XII-1. Summary of Pharmacy Claw Back Expenditures

	SFY 2021	SFY 2022			SFY 2023		
	Final	Nov CEC	Current	Surplus/ (Deficit)	Nov CEC	Current	Surplus/ (Deficit)
Part D Premium Payments	$ 64,806,305	$ 72,140,730	$ 68,730,937	*$3.4 M*	$ 86,817,174	$ 89,917,144	*$3.1 M*
Balance to RIFANS/CEC Rounding	(245,044)	59,270	69,063	(0.0 M)	82,826	82,856	(0.0 M)
Grand Total - Pharmacy Clawback	**$ 64,561,261**	**$ 72,200,000**	**$ 68,800,000**	**$3.4 M**	**$ 86,900,000**	**$ 90,000,000**	**$3.1 M**
				Change			Change
Part D Muliplier	*$ 141*	*$ 151*	*$ 144*	*$ (7)*	*$ 177*	*$ 181*	*$ 4*
July - September	*$ 141*	*$ 141*	*$ 141*		*$ 171*	*$ 171*	
October - December	*$ 137*	*$ 138*	*$ 138*		*$ 171*	*$ 171*	
January - June	*$ 141*	*$ 165*	*$ 148*		*$ 179*	*$ 179*	
Average Enrollment	38,229	39,818	39,817	(1)	40,901	41,493	592

Table XII-2. Pharmacy Claw Back Price-Volume Comparison

	Price	Volume	Net
FY 2022 over FY 2021	$1.8 M	$2.7 M	$4.6 M
	2.8%	4.2%	7.1%
FY 2022: Current over Nov CEC	($3.4 M)	($0.0 M)	($3.4 M)
	-4.7%	0.0%	-4.7%
FY 2023: Current over Nov CEC	$1.8 M	$1.3 M	$3.1 M
	2.1%	1.4%	3.6%
FY 2023 over FY 2022 (Current)	$17.6 M	$3.6 M	$21.2 M
	25.5%	4.2%	30.8%

XIII. Other Medical Services

Other Medical Services			
		All Funds	**General Revenue**
FY 2020	Final	$125,511,027	$42,899,404
FY 2021	Final	$134,670,795	$23,449,534
FY 2022	Enacted	$183,143,907	$87,936,128
	November Adopted	$170,400,000	$48,040,546
	Current	**$147,800,000**	**$44,875,986**
	Surplus over Adopted	*$22,600,000*	*$3,164,560*
FY 2023	November Adopted	$162,700,000	$57,571,662
	Current	**$157,200,000**	**$55,896,906**
	Surplus over Adopted	*$5,500,000*	*$1,674,756*

FY 2022

EOHHS' FY 2022 revised forecast for **Other Medical Services** totals $147.8 million, a surplus of $22.6 million All Funds and $3.2 general revenue compared to November CEC. The All Funds surplus is largely driven by a reduction of $14.2 for the anticipated costs of COVID-19 vaccine administration. In November, EOHHS estimated the full cost of vaccinating 100% of the State's non-Dual Medicaid membership. In total, EOHHS assumed nearly 600,000 doses administered through end of the current fiscal year and another 270,00 doses to be administered in FY 2023 at a cost of $24.5 million and $11.2 million, respectively. As previously detailed in **Major Developments**, EOHHS revised this estimate downward based on RIDOH reported vaccine data which resulted in the cost savings.

EOHHS' revised fee-for-service estimates used the higher of the pre-COVID (October 2019 to March 2020) or current trend (March 2021 to December 2021) average monthly spend, adjusted for INBR and annualized. BHDDH Medical Services and Other Practitioners reflect current spending trends; all other spending types DME, physician services, refugee program, rehab and TCM, and Tavares, reflect pre-COVID spending trends. This baseline already incorporates the implementation of the Medicare cost avoidance for Opioid Treatment Programs as discussed at the November CEC. Medicare Premiums, Non-Emergency Transportation and Recoveries estimates were added to these estimates.

Once EOHHS established a baseline, it made several adjustments including a $3.6 million state only payment to return the federal share for refugee-related claims for which EOHHS didn't have the authority to claim 100% FMAP. Another state only payment of $71,406 is included for audit finding related to The Fogarty Center. Offsetting these adds, is a $13,425 reduction for passive enrollment.

FY 2023

The FY 2023 forecast of $157.2 million is a $5.5 million surplus compared to the November CEC. The surplus is largely driven by reduced expenditures for NEMT, additional recoveries, and decreased costs related to in COVID-19 vaccine administration. Reduced expenditures in nearly all Other Services claims lines also contribute to the surplus. For the EOHHS' claims estimate, EOHHS took the selected FY 2022 monthly average spend; annualizes the monthly average spend; and adjusts for the IBNR.

Several adjustments are also included in FY 2023 estimate: $2.6 million for home stabilization; $1.6 million for the MHPRR $525 rate; and $38,000 for the NF $175 FY 2022 enacted budget initiative (unchanged from Nov CEC). Offsetting these additions is a $140,963 reduction for passive enrollment.

Please note that the $516,000 included in the summary table as "State Only" for FY 2023 is for regular Medicaid benefits. The amount reflects a return of federal funds for services previously classified as Ryan White. Instead of being eligible for 100% federal financing these expenses are eligible for regular FMAP.

A summary of expenditures for both FY 2022 and FY 2023, by type of service, is presented in **Table** XIII-1**. Table** XIII-2 summarizes all Other Medical Services expenditures subject to a non-regular matching rate.

Medicare Part A/B Premium Payments

For FY 2022 total premium payments are projected to be $79.6 million increasing to $85.3 million in FY 2023. For Part A, EOHHS' revised forecast assumes average Part A enrollment of 1,243 in FY 2022, increasing to an average of 1,320 in FY 2022. For Part B, EOHHS' forecast assumes average Part B enrollment of 39,490 in FY 2022 and 39,516 in FY 2023. EOHHS is not adjusting the realized trends for the resumption of redeterminations for two reasons. First, the aged, blind and disability population did not experience the same growth as observed among Expansion and Children and Families populations. Second, it is reasonable to assume that many Medicaid members who lose full coverage would retain their supplemental Medicare coverage from Medicaid as they move from a full benefits eligibility group to a QMB Only, SLMB or QI-1 eligibility group.

See **Table** XIII-3 for summary of EOHHS' average monthly caseload and composite PMPM for Part A and Part B.

Recoveries

The revised FY 2022 forecast for recoveries is $16.0 million is favorable compared to Nov CEC. The increase in recoveries to $17.0 million in FY 2023 reflects full savings for enhanced Third Part Liability collections and improved program integrity.

Table XIII-1. Summary of Other Medical Services Expenditures

	SFY 2021	SFY 2022			SFY 2023		
	Final	Nov CEC	Current	Surplus/ (Deficit)	Nov CEC	Current	Surplus/ (Deficit)
Medicare Premium Payments							
Part A	$ 6,443,587	$ 6,979,257	$ 7,005,579	($0.0 M)	$ 7,796,852	$ 7,873,775	($0.1 M)
Part B	70,430,474	74,463,784	72,553,243	1.9 M	79,152,769	77,429,344	1.7 M
Subtotal - Supplemental Payments	**76,874,062**	**81,443,041**	**79,558,822**	**1.9 M**	**86,949,621**	**85,303,118**	**1.6 M**
Non-Emergency Transportation	6,882,271	7,266,787	6,039,468	1.2 M	7,359,870	5,948,554	1.4 M
Recoveries	(14,198,291)	(14,050,000)	(16,000,000)	1.9 M	(15,750,000)	(17,000,000)	1.3 M
FFS Activity							
BHDDH Medical Services	$ 23,284,143	$ 23,101,784	$ 22,064,372	$1.0 M	$ 23,101,784	$ 22,064,372	$1.0 M
Rehab & TCM	14,990,057	16,316,859	16,047,021	0.3 M	16,316,859	16,047,021	0.3 M
Tavares	7,225,877	7,497,607	7,455,370	0.0 M	7,700,043	7,556,018	0.1 M
Physician Services	9,333,425	12,028,988	10,794,010	1.2 M	10,781,358	10,666,473	0.1 M
Other Medical Services	6,745,502	10,363,353	7,863,002	2.5 M	10,879,353	12,810,835	(1.9 M)
Refugee Program	98,979	638,688	0	0.6 M	638,688	411,957	0.2 M
FY 2022 Budget Initiatives	0	1,213,663	0	1.2 M	3,404,650	3,137,450	0.3 M
State Only	0	0	3,634,114	(3.6 M)	0	0	0.0 M
COVID-19 Vaccinations (Federal Only)	0	24,500,000	10,252,179	14.2 M	11,250,000	10,189,252	1.1 M
Subtotal - FFS Activity	**61,677,983**	**95,660,944**	**78,110,068**	**17.6 M**	**84,072,736**	**82,883,377**	**1.2 M**
Subtotal - Other Services	**$ 131,236,025**	**$ 170,320,772**	**$ 147,708,359**	**$22.6 M**	**$ 162,632,227**	**$ 157,135,049**	**$5.5 M**
Balance to RIFANS/CEC Rounding	2,724,824	79,228	91,641	(0.0 M)	67,773	64,951	0.0 M
Total - Other Services	**$ 133,960,849**	**$ 170,400,000**	**$ 147,800,000**	**$22.6 M**	**$ 162,700,000**	**$ 157,200,000**	**$5.5 M**
General Revenue	*$ 23,449,534*	*$ 48,040,546*	*$ 44,875,986*	*$3.2 M*	*$ 57,571,662*	*$ 55,896,906*	*$1.7 M*

Table XIII-2. General Impact of Non-Regular FMAP Sources of Funds Applied to Other Medical Services

	SFY 2021	SFY 2022			SFY 2022		
	Final	Nov CEC	Current	Surplus/ (Deficit)	Nov CEC	Current	Surplus/ (Deficit)
Restricted - Children's Health Account	$ 9,679,544	$ 9,527,796	$ 9,500,000	$0.0 M	$ 9,500,000	$ 9,295,000	$0.2 M
Restricted - Organ Transplant Fund	10,214	15,000	15,000	0.0 M	15,000	15,000	0.0 M
100% Federal - COVID-19 Vaccination	0	0	10,252,179	(10.3 M)	11,250,000	10,189,252	1.1 M
100% Federal - Qualifying Individual (Medicare	(1,270,358)	(1,750,000)	(1,350,000)	(0.4 M)	(1,750,000)	(1,750,000)	0.0 M
100% State - Breast & Cervical Cancer Program	(184,233)	(250,000)	(185,000)	(0.1 M)	(250,000)	(200,000)	(0.1 M)
100% State - Refugee Adjustment	0	0	3,634,114	(3.6 M)	0	0	0.0 M

Table XIII-3. Medicare Monthly Part A and Part B Premiums

	SFY 2021	SFY 2022			SFY 2022		
	Final	Nov CEC	Current	Increase/ (Decrease)	Nov CEC	Current	Increase/ (Decrease)
Part A PMPM	$ 455.44	$ 468.11	$ 469.67	$ 1.56	$ 486.79	$ 497.08	$ 17.12
Part A Enrollment	1,179	1,247	1,243	(4)	1,335	1,320	92
Part B PMPM	$ 147.94	$ 153.73	$ 153.10	$ (0.63)	$ 164.05	$ 163.29	$ 10.95
Part B Enrollment	39,674	39,929	39,490	(439)	40,207	39,516	717

XIV. Attachment