

**FY 2022 Budget Initiatives**  
(Excludes non-EOHHS items and EOHHS Central Management Expenditures)

Items Listing	Budgeted in Enacted		FY22 Projected		Increase/(Decrease) over Enacted		Status	Explanation of variance	Regulation		SPA/Waiver amendment		FY23 Projected	
	GR	AF	GR	AF	GR	AF			Needed?	Submitted	Needed?	Submitted?	GR	AF
<b>LTSS investments</b>														
Home Care Behavioral Health Enhancement	469,589	1,040,755	531,183	1,177,268	61,594	136,513	In Progress	On track for budgeted effective date of 1/1/22. Change from rebasing.	No	No	SPA	Yes	1,078,613	2,354,535
Increase Shift Differential for Home Care	263,411	623,900	259,747	615,258	(3,664)	(8,642)	In Progress	On track for budgeted effective date of 7/1/21. Change from rebasing.	No	No	SPA	Yes	281,850	615,258
Increase Maintenance of Need Allowance	1,123,967	2,662,167	410,760	961,538	(713,207)	(1,700,629)	In Progress	Delayed two months from 7/1 to 9/1 effective date.	Yes	Yes	No (bc only rate change)	No	528,577	1,153,846
Tiered Payment for Assisted Living	1,700,154	3,948,948	1,332,295	3,122,718	(367,859)	(826,230)	In Progress	Delayed from 10/1 to 11/1 effective date for Tiers A and B. Tier C delayed from 10/1/2021 to January 2022. Change from delay and rebasing.	No	No	No (bc only rate change)	No	2,177,733	4,753,837
Shared Living 10% Stipend Increase	121,275	354,969	158,321	375,012	37,046	20,043	In Progress	FFS implemented; MCO will be implemented with effective date of 7/1/21. Change due to rebasing.	No	No	No (bc only rate change)	No	171,793	375,012
Increased HCBS Utilization	2,616,564	6,197,451	2,722,452	6,448,635	105,888	251,184	In Progress	Change in HCBS PMPM from rebasing.	No	No	No	No	2,954,120	6,448,635
Net NF Utilization Reduction	(2,958,554)	(6,976,254)	(2,627,667)	(7,230,931)	330,887	(254,677)	In Progress	Assumes same 192 reduction in avg. daily census as May, with delay assumed by conferees.	No	No	No	No	(6,601,152)	(14,409,850)
<b>Other investments</b>														
Home Stabilization Rate Increase	612,190	1,450,000	306,095	725,000	(306,095)	(725,000)	Complete	Implemented with budgeted effective date of 7/1; however, not as much utilization see as budgeted. Takes savings of 50% of the additional funding added to reflect lower initial utilization.	No	No	No (bc only rate change)	No	664,245	1,450,000
Community Health Workers Benefit	1,162,407	2,659,687	\$1,283,040	\$2,943,518	120,633	283,831	In Progress	On track for budgeted effective date of 7/1	No	No	SPA	Yes	(\$1,774,378)	(\$4,905,863)
Douglas Benefit	189,840	478,022	\$271,641	\$684,000	81,801	205,978	In Progress	On track for budgeted effective date of 7/1	No	No	SPA	Yes	\$246,394	\$574,422
Nursing Facility Rate Increase for Minimum Staffing 0.5% increase	668,763	1,507,582	531,417	1,219,686	(137,346)	(287,896)	In Progress	On track for budgeted effective date of 10/1	Not for this	No	SPA	In Public Comment	183,441	406,562
Nursing Facility Rate Increase for Minimum Staffing 1.0% increase	-	-	-	-	-	-	In Progress		Not for this	No	SPA	In Public Comment	1,146,984	2,491,278
Graduate Medical Education Expansion	2,000,000	2,000,000	2,000,000	2,000,000	-	-	In Progress	On track for budgeted effective date of 7/1	No	No	SPA	Yes	2,000,000	2,000,000
Inpatient Upper Payment Limit Expansion	6,832,814	18,539,217	9,035,573	21,401,168	2,202,759	2,861,951	In Progress	On track for budgeted effective date of 7/1	No	No	SPA	Yes	11,597,293	21,401,168
<b>EOHHS Savings</b>														
Third Party Liability (TPL) optimization	(536,405)	(1,270,500)	-	-	536,405	1,270,500	In Progress	Delayed from 7/1 to FY23	No	No	No	No	(582,016)	(1,270,500)
Program Integrity Optimization	(518,189)	(1,227,355)	-	-	518,189	1,227,355	In Progress	Delayed from 7/1 to FY23	No	No	No	No	(562,251)	(1,227,355)
<b>Neutral Changes</b>														
NF Re-weighting towards Behavioral Health	-	-	-	-	-	-	Complete	Implemented with budgeted effective date of 10/1	No	No	No	No	-	-
Silver Diamine Fluoride Benefit for Rite	-	-	-	-	-	-	Complete	Implemented with budgeted effective date 7/1	No	No	No	No	-	-
<b>Other</b>														
Vent Rates for NF	377,244	893,520	1,233,440	2,921,460	856,196	2,027,940	Complete	Moved up from 11/1/2021 to 10/1/2021	No	No	No	No	1,812,782	3,957,175
MHPRR Enhanced Rates	1,483,241	3,513,125	404,520	958,125	(1,078,721)	(2,555,000)	In Progress	Delayed from budgeted effective date of 8/1/21 to 4/1/22. Change due to delay and rebasing.	No	No	SPA	No	1,755,668	3,832,500
NF Enhanced Rates for BH - New Census	1,074,320	2,544,575	292,996	693,975	(781,323)	(1,850,600)	In Progress	Delayed from budgeted effective date of 8/1/21 to 4/1/22.. Change due to delay and rebasing.	No	No	SPA	No	1,271,640	2,775,900
	<b>16,682,631</b>	<b>38,939,809</b>	<b>18,145,814</b>	<b>39,016,430</b>	<b>1,463,183</b>	<b>76,621</b>							<b>18,351,333</b>	<b>32,776,561</b>

Note 1: these all assume the 6.2% PHE enhanced FMAP is effective through December 31, 2021. If the conferees make another assumption, the GR needs to be revised.

Note 2. Doula amount reflects the annualized cost. This is not the amount added "below the line" because the draft MCO rates already include the cost of this initiative at the original reimbursement rate of \$850/pregnancy. Savings assumed in FY 2023 consistent with Governor Recommend.

November 2021 CEC  
Attachment 7b

Rate Changes - FY 2023

Item	%	Program [5]	FY 2022 Estimate	FY 2023 Estimate	Rate Increase Only [1]:	
			All Funds	All Funds	All Funds	General Revenue
Nursing Home and Hospice[2]	1.90%	Fee-for Service	\$345,487,682	\$368,127,638	\$5,172,116	\$2,346,313
		Managed Care	\$853,487	\$864,838	\$12,151	\$5,566
		Expansion	\$4,167,667	\$3,871,880	\$54,399	\$5,440
		Partners	\$3,381,086	\$3,505,023	\$49,245	\$22,559
		RHO II	\$48,323,648	\$65,904,884	\$925,950	\$424,178
		<b>Total</b>	<b>\$402,213,570</b>	<b>\$442,274,264</b>	<b>\$6,213,861</b>	<b>\$2,804,056</b>
HCBS Personal Care [3]	0.00%	Fee-for Service	\$42,266,137	\$42,266,137	\$0	\$0
		Managed Care	\$11,911,982	\$12,070,399	\$0	\$0
		Expansion	\$115,104	\$106,935	\$0	\$0
		Partners	\$381,392	\$395,373	\$0	\$0
		RHO II	\$34,048,527	\$46,436,151	\$0	\$0
		<b>Total</b>	<b>\$88,723,142</b>	<b>\$101,274,995</b>	<b>\$0</b>	<b>\$0</b>
Hospital Inpatient Rates [4]	2.70%	Fee-for Service	\$96,981,398	\$98,795,015	\$2,597,337	\$1,000,628
		Managed Care	\$156,674,998	\$158,758,619	\$3,112,914	\$1,426,026
	2.00%	Expansion	\$163,728,458	\$152,108,368	\$2,982,517	\$298,252
		Partners	\$71,028,045	\$73,631,653	\$1,443,758	\$661,385
		RHO II	\$6,446,757	\$8,792,233	\$172,397	\$78,975
		<b>Total</b>	<b>\$494,859,656</b>	<b>\$492,085,888</b>	<b>\$10,308,923</b>	<b>\$3,465,266</b>
Hospital Outpatient Rates [4]	2.40%	Fee-for Service	\$13,413,731	\$13,735,661	\$321,930	\$107,036
		Managed Care	\$174,287,586	\$176,605,437	\$4,139,190	\$1,896,163
	2.40%	Expansion	\$160,819,120	\$149,405,510	\$3,501,692	\$350,169
		Partners	\$55,609,102	\$57,647,513	\$1,351,114	\$618,945
		RHO II	\$4,370,133	\$5,960,086	\$139,690	\$63,992
		<b>Total</b>	<b>\$408,499,672</b>	<b>\$403,354,207</b>	<b>\$9,453,614</b>	<b>\$3,036,305</b>

Notes:

[1] Impact of price change only.

[2] Nursing and Hospice Care rate increase reflect 3/4 of year. Details value of the rate increase to baseline FFS estimate, prior to all below the line adjustments.

[3] HCBS component of capitation rates as proxy.

Adjustment.

FFS based on this same index, excluding the productivity adjustment. Inpatient based on FFY 2022 index, Outpatient based on CY 2021 ( the SFY 2023 outpatient rate adjustment will be based on the CY 2022 value of the index, which is not yet available).

[5] Fee-for Service amounts reflect all FFS Activity, including expenditures made on behalf of members in the pre-enrollment period. Managed care amounts reflect the estimated share of capitation payments made for the service type.