EOHHS Medicaid

November 2021 CEC

EOHHS responses to questions from Conferees on October 27, 2021

1. Please share the details of the vaccine administration costs by assumptions on number of people.

   EOHHS' estimate assumes that all Medicaid eligible members between 12 and 64 who are not Duals will eventually be fully vaccinated with two doses and 1 booster by end of FY 2023. Similarly, all children under 12 will be vaccinated and half will have had one booster.

   Depending on the efficacy of the booster, the FDA and CDC may recommend/approve a second booster at some later date.

   Please note, at present, vaccinations are not recommended for children under 5. However, our estimate does not exclude our youngest members as this recommendation could change in the future.

   Also, please note, the FY 2022 estimate includes any expenditures associated with vaccinations in CY 2021 (i.e., inclusive of FY 2021 activity). As of June 30, 2021, EOHHS had not reimbursed any managed care for vaccination and did not accrue anything for, and so full potential costs are reflected here.

2. What does CMS require in terms of post-PHE renewals? Can RI take 18 months instead of 12 to complete renewals?

   In August 2021, CMS updated their guidance to allow for 12 months (previously 6) post-PHE to renew eligibility for all of the Medicaid population. The 12-month period begins the month following the month in which the PHE ends.

   To quote the guidance here https://www.medicaid.gov/federal-policy-guidance/downloads/sho-21-002.pdf:

   > *Stakeholders have also raised concerns that eligible beneficiaries are at risk of losing coverage if states must complete pending work in a compressed timeframe because states would have less time to conduct outreach and implement strategies to facilitate accurate redeterminations that reduce burden for beneficiaries. In addition, less time to complete the growing backlog of pending work may result in states providing beneficiaries less time to respond to requests for needed information, resulting in increased inappropriate terminations of eligibility for procedural reasons […]*
   >
   > *The December 2020 SHO encouraged states to work through their backlog as expeditiously as possible and would have provided states with up to 6 months after the month in which the PHE ends to complete pending post-enrollment verifications, redeterminations based on changes in circumstances, and renewals (see pages 28-29 of the December 2020 SHO). Under our revised guidance, states may take up to 12 months after the month in which the PHE ends to complete pending verifications,*

redeterminations based on changes in circumstances, and renewals. CMS believes the additional time is appropriate given the increased program enrollment and to ensure states can reestablish a renewal schedule that is sustainable in future years.

EOHHS' interpretation of the above is that RI has 12 months to complete the process.

3. Provide an update Attachment 2.

*See **"Attachment 2 (corrected)."** Please note, the variance for the UPL payment was not included in the variance column in the original version and so the grand total was understated.*

4. Update model to account for impact of continuation of PHE on Clawback.

EOHHS' model has been updated to adjust the multiplier for the impact of an extension to the Public Health Emergency and the continuation of the enhanced 6.20% FMAP.

Please note, the continuation of the enhanced 6.20% FMAP into Q3 will reduce EOHHS' clawback expenditures (state only) by $2.8 million. If the PHE is extended into Q4, the savings will increase to $5.6 million.

5. How will implementation of the pay for performance program impact Medicaid utilization?

Medicaid impact would not be seen until FY 2025 at the earliest; but would be expected in FY 2026 after 24 months of services while housed based on the timeline below.

A $6 million Pay for Success pilot to create permanent supportive housing with wraparound services for 125 chronically homeless individuals was approved in the FY 2022 budget. EOHHS, in collaboration with the RI Coalition to End Homelessness (RICEH) and General Assembly, will administer the program. The Rhode Island Coalition to End Homelessness is they key community partner implementing this work. The Coalition received the planning grant through HUD. With the passing of the pilot, HUD released approx. $870,000 for the Coalition to implement this work. The budget provided to EOHHS within the pilot is for the government to repay investors, contingent upon if the program is proven successful. The Coalition is working to reschedule the Executive Planning Summit by end of the calendar year. It was rescheduled due to the changing COVID conditions. Additionally, the Coalition is working to being onboard Social Finance to assist with implementation (see Feasibility Study), re-engage partners who provide the wraparound services, find investors, identify the target population (homeless, high-utilizers, reincarceration risk) and work with State partners on the identification of the housing units—or building of housing units—needed to complete this pilot. Implementation of this pilot is contingent upon the following: identification and development of housing capital and subsidies, identification of the target population, and development and provision of the wraparound services.

These three items, particularly the capital and subsidies, are likely to take FY 2022, FY 2023, and perhaps FY 2024 to be ready given the housing crisis and lack of units but may be expedited based on decisions related to Rhode Island 2030, Make It Happen, and SRF ARPA decisions.

6. Provide support for Perry Sullivan appropriation.

See below:

Perry-Sullivan Calculation				
			SFY 2020	**SFY 2021**
Monthly LTSS Authorizations				
Medicare			2,750	2,393
Medicaid (i.e. Custodial)			58,965	52,661
Subtotal			61,715	55,054
% Authorizations in FFS			90.6%	91.5%
Fee-for-Service Nursing Home Days (Paid @100%)				
Medicare Free Days			17,238	19,467
Medicare Co-Pay Days			16,855	13,326
Medicaid Custodial Days			1,592,356	1,418,892
Total Days			1,626,449	1,451,685
Days per Authorization - Custodial Only			*29.8*	*29.4*
Imputed Custodial Days (inc. RHO)			*1,756,803*	*1,568,980*
Change in Custodial Days FY20→FY21			*(187,823)*	
Change in Average Daily Census			*(515)*	
1-Oct-20 per Diem			*$239.00*	
1-Oct-21 per Diem			*$244.26*	
FY 2023 Rate Increase			*1.90%*	
1-Oct-22 per Diem			$248.90	
Avg Patient Share			*17.0%*	
Effective per FY23 per Diem			$205.62	
Perry-Sullivan Appropriation			$ 38,620,766	
General Revenue			*$ 17,692,173*	

7. How many people have used housing stabilization services?

Between February and June of 2021, EOHHS reimbursed $21,000 for home stabilization services for 57 distinct members, at a rate of $145.84 per unit.

This is significantly less than the $1.87 million included in FY 2022 and $2.59 million in FY 2023 in EOHHS testimony. The reason for the variance between actual experience and EOHHS' estimate is that the rate that existed prior to FY 2022 was deemed insufficient by many providers to

sustain delivery of this new service. Accordingly, EOHHS believes that participation in FY 2021 was artificially depressed. Now that the rate has been doubled, EOHHS expects participation in the program to grow exponentially between now and the end of the current fiscal year.

*Please note, the home stabilization budget appears in Row 279 of the "**summary**" tab. However, if the conferees wish to use the model to consider alternate estimates, EOHHS recommends the conferee make either the adjustment(s) in the aggregate and reflect the net change in the appropriate highlighted cells in "principal estimates" (i.e., Other Services for a change to Home Stabilization) or to the specific cell in the summary tab. Reflecting the same change in both tabs will double count the impact.*

The model is intended to provide transparency to the conferees and be an aid in determining their estimates. If assistance on its use is needed, please reach out to EOHHS to set up a brief tutorial.

8. Include exhibit quantifying impact of price changes for FY 2023.

   *See "**Rate Changes.**"*