



May 2025

CASELOAD ESTIMATING CONFERENCE

Medical Assistance Testimony

APRIL 25, 2025

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Attachments

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I. General Considerations

		Medical Benefits	
		All Funds	General Revenue
FY 2024	Revised Enacted	\$3,314,538,872	\$1,226,923,273
	Final	\$3,321,048,695	\$1,220,192,908
	<i>Deficit over Revised Enacted</i>	<i>(\$6,509,823)</i>	<i>\$6,730,365</i>
FY 2025	Enacted	\$3,667,919,390	\$1,358,081,619
	Nov 2024 CEC Adopted	\$3,596,738,872	\$1,331,205,602
	Current	\$3,609,738,872	\$1,336,491,402
	<i>Deficit over Nov CEC</i>	<i>(\$13,000,000)</i>	<i>(\$5,285,800)</i>
FY 2026	Nov 2024 CEC Adopted	\$3,917,038,872	\$1,418,653,511
	Current	\$3,894,232,872	\$1,415,407,990
	<i>Surplus over Nov CEC</i>	<i>\$22,806,000</i>	<i>\$3,245,521</i>

For FY 2025, the Medicaid program (Medicaid) anticipates benefits expenditures of **\$3.610 billion**, including **\$1.336 billion in General Revenue (GR)**, among the Caseload Estimating Conference budget lines. This is a **\$13.0 million deficit**, including a **\$5.3 million GR deficit**, compared to the November CEC Adopted (Nov. CEC).

For FY 2026, Medicaid projects expenditures to increase by 7.8% to \$3.894 billion, including **\$1.415 billion GR**. Compared to the Nov. CEC. this is a surplus of \$22.8 million, including \$3.2 million GR.

Table I-1 compares Medicaid’s all funds closing position for FY 2024 and the revised forecasts for FY 2025 and FY 2026. The FY 2024 field in tables throughout the testimony are the audited close. Medicaid ended the prior fiscal year with a \$6.7 million GR surplus, or 0.5% of the FY 2025 Revised Enacted Budget.

Table I-2 compares these estimates by fund source.

Attachments 1a and 1b summarize Medicaid’s current forecast by budget program/category and funding source and include a comparison against FY 2024 Final.

Table I-3 shows Medicaid’s revised FY 2025, average enrollment; a decrease of clients with Full Medical Assistance Benefits from **317,397** to **313,742**.¹ This is a decline of 3,655 members, including 1,847 enrolled in managed care. The average monthly enrollment in FY 2026 is expected to decrease by 2,441 members, or 0.8%, to **311,301**. This is a decrease of 2.5% from the Nov. CEC.

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

Details of Medicaid’s revised caseload forecast for FY 2025 and FY 2026 are included in **Attachments 5b and 5c**, respectively. Also included are historical caseload metrics in **Attachment 5a** and a new summary of month-end actuals in **Attachment 5d**. Trend assumptions are included in **Major Developments**.

¹ The comparative enrollment figures for the Nov. CEC reflect a downward adjustment for the closures realized in November 2024, but not included in Medicaid’s Nov. testimony. Savings attributed to a reduction of 6,196 clients—equivalent to half of the net closures in November 2024—were applied to the conferees’ adopted estimate. This equals 4,488 and 5,983 average member months in FY 2025 and FY 2026, respectively, on a full-time equivalent average member month basis. These reductions are consistent with savings the Conferees’ adopted estimate.

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

	SFY 2024		SFY 2025		SFY 2026			FY25 → FY26
	Final	Nov CEC	Current	Surplus/ (Deficit)	Nov CEC	Current	Surplus/ (Deficit)	
CEC Budget Line								
Managed Care	\$ 1,007,366,165	\$ 1,058,500,000	\$ 1,037,600,000	\$20.9 M	\$ 1,134,100,000	\$ 1,100,600,000	\$33.5 M	\$63.0 M
Rhody Health Partners	292,912,685	309,700,000	311,400,000	(1.7 M)	340,300,000	330,100,000	10.2 M	18.7 M
Rhody Health Options	176,765,466	214,600,000	212,400,000	2.2 M	234,900,000	225,200,000	9.7 M	12.8 M
Expansion	702,835,229	688,100,000	705,100,000	(17.0 M)	725,400,000	731,400,000	(6.0 M)	26.3 M
Hospitals - Regular	354,175,364	351,400,000	341,600,000	9.8 M	370,500,000	364,200,000	6.3 M	22.6 M
Hospitals - DSH	14,738,872	21,738,872	21,738,872	0.0 M	21,738,872	21,738,872	0.0 M	0.0 M
Nursing and Hospice Care	354,530,496	421,000,000	428,700,000	(7.7 M)	467,800,000	478,294,000	(10.5 M)	49.6 M
Home and Community Care	164,738,168	228,500,000	248,600,000	(20.1 M)	270,500,000	302,400,000	(31.9 M)	53.8 M
Pharmacy	1,734,617	1,900,000	2,700,000	(0.8 M)	2,000,000	4,500,000	(2.5 M)	1.8 M
Clawback	91,920,942	91,900,000	92,200,000	(0.3 M)	98,400,000	98,700,000	(0.3 M)	6.5 M
Other Services	159,330,693	209,400,000	207,700,000	1.7 M	251,400,000	237,100,000	14.3 M	29.4 M
Subtotal - CEC Benefits	\$ 3,321,048,695	\$ 3,596,738,872	\$ 3,609,738,872	(\$13.0 M)	\$ 3,917,038,872	\$ 3,894,232,872	\$22.8 M	\$284.5 M
Health System Transformation Project	18,428,303	3,524,773	5,417,762	(1.9 M)	0	0	0.0 M	(5.4 M)
Special Education	19,476,156	29,450,000	30,500,000	(1.1 M)	29,450,000	34,000,000	(4.6 M)	3.5 M
ARPA HCBS Investments	900,459	1,600,000	64,430	1.5 M	0	0	0.0 M	(0.1 M)
Total - Benefits	\$ 3,359,853,613	\$ 3,631,313,645	\$ 3,645,721,064	(\$14.4 M)	\$ 3,946,488,872	\$ 3,928,232,872	\$18.3 M	\$282.5 M

Table I-2. Summary of Rhode Island Medicaid - Caseload Medical Benefits, by Funding Source

	SFY 2024		SFY 2025		SFY 2026			FY25 → FY26
	Final	Nov CEC	Current	Surplus/ (Deficit)	Nov CEC	Current	Surplus/ (Deficit)	
Funding Source								
General Revenue	\$ 1,220,192,908	\$ 1,331,205,602	\$ 1,336,491,402	(\$5.3 M)	\$ 1,418,653,511	\$ 1,415,407,990	\$3.2 M	\$78.9 M
Federal Funds	2,123,667,241	2,288,844,327	2,298,914,869	(10.1 M)	2,519,520,361	2,505,459,882	14.1 M	206.5 M
Restricted Receipts	15,993,464	11,263,716	10,314,792	0.9 M	8,315,000	7,365,000	1.0 M	(2.9 M)
Total - Benefits	\$ 3,359,853,613	\$ 3,631,313,645	\$ 3,645,721,063	(\$14.4 M)	\$ 3,946,488,872	\$ 3,928,232,872	\$18.3 M	\$282.5 M

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

	SFY 2024		SFY 2025		SFY 2026			FY25 → FY26
	Final	Nov CEC	Current	Change	Nov CEC	Current	Change	
Enrolled - Full Benefits:								
Rite Care Core	175,491	161,005	160,659	-346	161,703	159,850	-1,853	-809
Rite Care CSHCN	10,229	9,918	9,746	-172	10,159	9,906	-253	160
Expansion	93,185	80,780	79,870	-910	79,848	77,020	-2,828	-2,850
Rhody Health Partners	13,272	12,677	12,792	115	12,956	12,772	-184	-20
Rhody Health Options (Phase II)	12,843	11,754	11,405	-349	11,857	11,269	-588	-136
PACE	408	433	429	-4	470	459	-11	30
Rite Share	2,080	1,581	1,400	-181	2,777	2,049	-728	649
Subtotal Enrolled	307,508	278,148	276,301	-1,847	279,770	273,325	-6,445	-2,976
Remaining in FFS - Full Benefits:								
Children and Families	4,823	3,822	2,574	-1,248	2,940	2,009	-931	-565
Children with Special Healthcare Needs	1,953	1,811	1,541	-270	1,887	1,556	-331	15
Expansion	4,128	4,395	4,371	-24	4,552	4,552	0	181
Aged, Blind, and Disabled	29,529	29,221	28,955	-266	30,271	29,859	-412	904
Subtotal Fee-for-Service	40,433	39,249	37,441	-1,808	39,650	37,976	-1,674	535
Grand Total - Full Benefits:	347,941	317,397	313,742	-3,655	319,420	311,301	-8,119	-2,441
Composite PMPM	\$795	\$944	\$959	\$15	\$1,022	\$1,042	\$20	\$83

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

	SFY 2024		SFY 2025		SFY 2026			FY25 → FY26
	Final	Nov CEC	Current	Change	Nov CEC	Current	Change	
Other Capitated Arrangements:								
Rite Smiles	141,230	134,646	135,469	823	136,670	138,870	2,200	3,401
Rite Care EFP	1,074	2,129	2,098	-31	2,204	2,155	-49	57
SOBRA	4,297	4,416	4,214	-202	4,622	4,207	-415	-7
Transportation Broker	345,874	312,208	311,944	-264	315,316	309,941	-5,375	-2,003
Medicare Premium Payments:								
Part A (Hospital)	3,340	3,400	3,471	71	3,470	3,601	131	130
Part B (Professional Services)	40,378	40,681	40,659	-22	41,606	41,502	-104	843
Part D (Prescription Drugs)	42,036	38,359	38,500	141	39,081	39,203	122	703

II. Major Developments

This section highlights major developments having meaningful fiscal or policy changes or involving programs that cross several CEC budget lines.

A. FY 2024 Final

Table II-1. Summary of Variances Between Revised Enacted and Final, by Budget Line – FY 2024

CEC Budget Line	SFY 2024		Surplus/ (Deficit)
	Revised	Final	
Managed Care	\$ 1,040,500,000	\$ 1,007,366,165	\$33.1 M
Rhody Health Partners	292,200,000	292,912,685	(0.7 M)
Rhody Health Options	176,200,000	176,765,466	(0.6 M)
Expansion	688,600,000	702,835,229	(14.2 M)
Hospitals - Regular	352,000,000	354,175,364	(2.2 M)
Hospitals - DSH	14,738,872	14,738,872	(0.0 M)
Nursing and Hospice Care	334,700,000	354,530,496	(19.8 M)
Home and Community Care	157,500,000	164,738,168	(7.2 M)
Pharmacy	(500,000)	1,734,617	(2.2 M)
Clawback	92,300,000	91,920,942	0.4 M
Other Services	166,300,000	159,330,693	7.0 M
Subtotal - CEC Benefits	\$ 3,314,538,872	\$ 3,321,048,695	(\$6.5 M)
Health System Transformation Project	17,130,047	18,428,303	(1.3 M)
Special Education	20,000,000	19,476,156	0.5 M
ARPA HCBS Investments	13,151,814	900,459	12.3 M
Total - Benefits	\$ 3,364,820,733	\$ 3,359,853,613	\$5.0 M

Table II-2. Summary of Variance Between Revised Enacted and Final, by Funding Source – FY 2024

Funding Source	SFY 2024		Surplus/ (Deficit)
	Revised	Final	
General Revenue	\$ 1,226,923,273	\$ 1,220,192,908	\$6.7 M
Federal Funds	2,117,224,103	2,123,667,241	(6.4 M)
Restricted Receipts	20,673,357	15,993,464	4.7 M
Total - Benefits	\$ 3,364,820,733	\$ 3,359,853,613	\$5.0 M

Medicaid’s preliminary close was a deficit of \$29.7 million, including \$22.8 million GR. Medicaid is aware that technical and estimation errors overstated its deficits. During Nov. testimony, Medicaid revised its preliminary deficit to \$2.7 million GR. After subsequent audit adjustments, Medicaid’s GR position improved to a \$6.7M surplus and all funds surplus of \$5.0 million. Medicaid has implemented additional controls to minimize the risk of future technical errors; however, the unpredictability of high-cost claims, delays in rebate collections, and changes in health plan reporting can still affect the accrual process. The FY 2024 figures included in each of the following sections are the audited fiscal close and reflect activities that incurred within the fiscal year. These estimates offer a basis for comparison for Medicaid’s revised FY testimony.

B. Medicaid’s Revised Forecasts Compared to Nov CEC

Medicaid’s estimates for FY 2025 and FY 2026 are consistent with its prior estimates and are within 0.5% of the Nov. CEC. Despite the 0.5% variance, there remain significant offsetting fiscal changes that are outlined below and in the following tables. **Table II-3** summarizes the FY 25 variances, and **Table II-4** summarizes FY 2026. **Table II-5** summarizes the composite price-volume variance of Medicaid’s revised estimate for FY 2025 compared to the Nov. CEC and to FY 2024.

Reduced Capitation Attributed to Reduced Caseload (Despite Higher Rates)

Capitated payments are below the prior estimates, with net savings of \$14.0 million in FY 2025. This net change in capitation varies by product and is summarized in **Table II-3**.

When Medicaid staff and the Conferees discussed an adjustment for the 10,000+ member decrease in Nov., the Conferees took savings equivalent to half of what would have been the continued cost of these clients in FY 2025 and FY 2026. That expectation assumed a certain volume of these clients would return, thereby reducing the savings. The Conferees noted that closures would likely necessitate an upward rating adjustment which further reduced the maximum potential savings. Compared to Nov., Medicaid captured the Conferees' estimate by reducing enrollment and not increasing the PMPM. Both assumptions proved correct: enrollment declined and PMPM increased. The state reissued its FY 2025 capitation rates that accounted for emerging experience and increased acuity. The revised rate adjustments increased the composite rates by upwards of 2.25% and increased total capitation payments by \$35.6 million. See **Table II-6** for change attributed to rating adjustment by product. The net results of the contradictory price and volume related changes was a reduction in total capitation.

Increased LTSS Spending

Both home care and nursing facility costs are higher than the Nov. CEC. The primary drivers are: (a) higher utilization of home care services following the adoption of the OHIC rate increases for home care agencies, and (b) higher acuity among nursing facility residents.

By FY 2026, when the full impact of the OHIC rate increase is annualized, total payments to home care providers in Medicaid FFS are now expected to be nearly 120% more than in FY 2024. The spending growth in managed care is expected to be comparable. Some of this growth is due to the application of the updated market basket applied to home care rates that is 7.61% vs. 5.59% in Nov.

Medicaid also projects increased expenditures of \$7.7 million in FY 2025 and \$10.5 million in FY 2026 for nursing facility and hospice spend. A small change in the number of nursing home residents can contribute to an increase in costs. For example, an increase of 90 nursing home residents over the final quarter of FY 2025 could cost an additional \$1.0 million GR in the current year and \$4.0 million GR in FY 2026. With over 1,750 Rhode Islanders being admitted or re-admitted to a nursing home every month, some may transition to long-term stay. Similarly, an increase in the average acuity of nursing home residents also impacts net costs.

Additional information on LTSS spending is provided in the **Nursing and Hospice Care** and **Home and Community Care** sections.

Increased State-Only Expenditures

Some anticipated state only expenditures also contribute to the current year GR deficit.

- Cover All Kids program (CAK) expenditures totaling \$16.1 million compared to \$10.3 million in Nov. The increase in CAK is carried forward into FY 2026.
- A potential liability (\$1.6 million) owed to NHPRI for member assignment to rate categories.

Table II-3. Summary of variances for FY 2025 compared to Nov CEC (excludes non-CEC)

	FY 2025:		
	Nov CEC	Current	Surplus/(Deficit)
Favorable Variances			
Rite Care	\$893.1 M	\$878.1 M	\$14.9 M
NICU FFS	\$34.2 M	\$30.4 M	\$3.9 M
Other FFS (Excl. NH/HCBS/NICU)	\$299.6 M	\$294.8 M	\$4.8 M
RHO II	\$211.6 M	\$209.5 M	\$2.1 M
Drug Rebates	(\$152.4 M)	(\$153.6 M)	\$1.2 M
PACE/Rite Smiles/NEMT/Rite Share	\$95.1 M	\$94.0 M	\$1.0 M
SOBRA	\$82.9 M	\$79.5 M	\$3.4 M
Subtotal Favorable	\$1,464.1 M	\$1,432.7 M	\$31.4 M
Unfavorable Variance			
HCBS FFS	\$204.5 M	\$220.8 M	(\$16.2 M)
Nursing Home & Hospice FFS	\$420.9 M	\$428.6 M	(\$7.7 M)
Expansion	\$660.9 M	\$666.3 M	(\$5.3 M)
RHP	\$336.0 M	\$337.6 M	(\$1.7 M)
Medicare Premium Payments	\$201.1 M	\$201.9 M	(\$0.8 M)
Other/Miscellaneous	(\$11.9 M)	\$0.8 M	(\$12.6 M)
Supplemental Hospital Payments	\$321.1 M	\$321.1 M	(\$0.0 M)
Subtotal Unfavorable	\$2,132.7 M	\$2,177.1 M	(\$44.4 M)
Total	\$3,596.7 M	\$3,609.7 M	(\$13.0 M)
By Funding Source:			
General Revenue	\$1,331.2 M	\$1,336.5 M	(\$5.3 M)
Federal Funds	\$2,257.0 M	\$2,264.7 M	(\$7.7 M)
Restricted Receipts	\$8.5 M	\$8.5 M	\$0.0 M
Total	\$3,596.7 M	\$3,609.7 M	(\$13.0 M)

Table II-4. Summary of variances for FY 2026 compared to Nov CEC (excludes non-CEC)

	FY 2026:		
	Nov CEC	Current	Surplus/(Deficit)
Favorable Variances			
Rite Care	\$948.5 M	\$928.4 M	\$20.1 M
RHP	\$363.6 M	\$355.7 M	\$7.9 M
Expansion	\$692.3 M	\$691.2 M	\$1.1 M
RHO II	\$231.9 M	\$222.3 M	\$9.5 M
SOBRA	\$91.1 M	\$87.3 M	\$3.8 M
PACE/Rite Smiles/NEMT/Rite Share	\$105.9 M	\$102.3 M	\$3.6 M
NICU FFS	\$37.7 M	\$32.1 M	\$5.6 M
Other FFS (Excl. NH/HCBS/NICU)	\$346.7 M	\$332.5 M	\$14.2 M
Subtotal Favorable	\$2,817.7 M	\$2,751.9 M	\$65.9 M
Unfavorable Variance			
HCBS FFS	\$251.7 M	\$274.5 M	(\$22.8 M)
Nursing Home & Hospice FFS	\$467.8 M	\$478.3 M	(\$10.5 M)
Drug Rebates	(\$157.7 M)	(\$155.0 M)	(\$2.7 M)
Medicare Premium Payments	\$215.6 M	\$216.6 M	(\$1.0 M)
Other/Miscellaneous	(\$15.4 M)	(\$13.3 M)	(\$2.1 M)
Supplemental Hospital Payments	\$337.3 M	\$341.3 M	(\$4.0 M)
Subtotal Unfavorable	\$1,099.3 M	\$1,142.4 M	(\$43.1 M)
Total	\$3,917.0 M	\$3,894.2 M	\$22.8 M
By Funding Source:			
General Revenue	\$1,418.7 M	\$1,415.4 M	\$3.2 M
Federal Funds	\$2,490.1 M	\$2,471.5 M	\$18.6 M
Restricted Receipts	\$8.3 M	\$7.4 M	\$1.0 M
Total	\$3,917.0 M	\$3,894.2 M	\$22.8 M

Table II-5 Summary of price-volume analysis, All Funds

	Price	Volume	Net
FY 2025: Current over Nov CEC	\$55.5 M 1.6%	(\$41.4 M) -1.2%	\$14.1 M 0.4%
FY 2025 over FY 2024	\$616.2 M 20.6%	(\$326.4 M) -9.8%	\$289.8 M 8.7%
FY 2026: Current over Nov CEC	\$76.8 M 2.0%	(\$99.6 M) -2.5%	(\$22.8 M) -0.6%
FY 2026 over FY 2025	\$311.5 M 8.7%	(\$28.1 M) -0.8%	\$283.4 M 7.8%

Table II-6. Impact of Amendment to SFY 2025 Rates

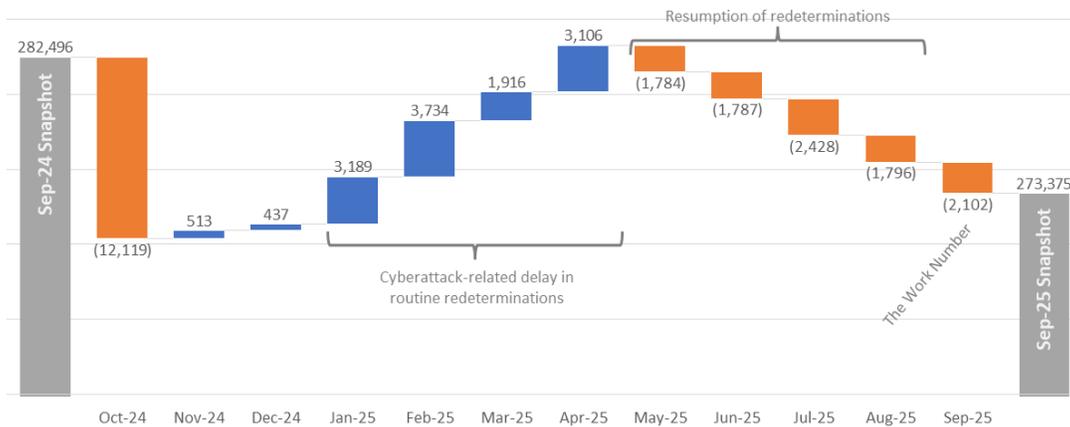
	Oct-Jun Rates	Jul-Sep Rates	Total
RC Core	\$1,276,817	\$9,980,817	\$11,257,634
RC CSHCN	\$87,464	\$278,872	\$366,336
Expansion	\$2,574,517	\$20,632,842	\$23,207,360
RHP	\$51,031	\$749,611	\$800,643
Subtotal	\$3,989,830	\$31,642,143	\$35,631,973
<i>General Revenue</i>	<i>\$894,201</i>	<i>\$7,033,984</i>	<i>\$7,928,184</i>

C. Temporary Impact of Cyberattack on Caseload

In December, Rhode Island's eligibility system for Medicaid and other public benefits experienced a cyberattack. Throughout this period, members could still apply for Medicaid by phone, mail, and in person at a DHS office. The State also halted redetermination-related closures that would have otherwise been effective January through April 2025. The State continued to close cases for clients that moved-out-of-state, voluntarily disenrolled, or died. Full functionality of the online customer portal was restored in January. Medicaid assumes this enrollment spike is temporary and assumes that the average monthly increase (3,115) in managed care products will occur once more in April. As closures recommence, 75% of the net increase (12,257) that occurred between January and April will be closed between May and August.

Figure II-1 summarizes the aggregate estimated changes in managed care caseload between September 2024 and September 2025 attributable to both the resumption of SWICA income validation and the cyberattack. July's reduction is attributed to closure of parents/caretakers with incomes exceeding 133% FPL.

Figure II-1. Changes in Managed Care Caseload Since Medicaid's October 2024 Testimony



D. Caseload Growth and Trend Development

Rhode Island reached a peak enrollment of 373,333 clients with full Medicaid benefits in May 2023. The first closures associated with the State's Return to Normal Operations (RTNO) and resumption of redetermination took effect in April 2024. A net total of 67,785 clients lost coverage through December 2024. The data breach in December reversed some of this decline, although enrollments remain well below recent peaks.

Medicaid now anticipates a June enrollment snapshot of 316,973 that is marginally higher than the Nov. estimate for the same month. However, average monthly enrollment in FY 2025 (313,751) is 3,655 below the Conferees' adopted forecast. The reduction compared to the Nov. CEC is largely attributable to the reduction of members in October 2024. Managed care enrollment jumped 3,189 in January and 3,734 in February due to the postponing of redeterminations. During these months, there were gross closures of only 313 and 1,164, respectively, significantly below what would have occurred had households been subject to routine redetermination. Despite these increases, the preliminary enrollment forecast for March is a net increase of 117, with an additional 1,916 members moving into a capitated arrangement. For April, Medicaid estimates a net increase of 3,106 clients enrolled in managed care. This represents the three-month average monthly growth within managed care between January and March. While the data breach and pause on routine redeterminations led to enrollment rebounding, Medicaid assumes that most of the resulting net increase will be closed by August 2025.

At the request of OMB, Medicaid will provide the Conferees with a partial revision to this forecast prior to May 1. The revision will include an update to Medicaid's caseload forecast that is inclusive of updated April managed care enrollment and information on closures pending for April 30, which will result in reduced enrollment in May. Medicaid will carry-forward all underlying assumptions related to caseload trends—discussed below—and FFS spend and update strictly assumptions related to actual enrollment. Unlike with the October adjustment, any unanticipated change in enrollment will not impact the capitation rates.

Underlying Trend Factor

Medicaid's forecast assumes an underlying growth rate of 1.5% for FY 2025 Q4 and throughout FY 2026. This is consistent with the Nov. CEC, and aligns with the Congressional Budget Office and CMS' Office of the Actuary's trend projections. Medicaid applied the 1.5% linearly across all eligibility groups and managed care products with underlying enrollment increasing by 0.12% each month.

Offsets to Underlying Trend

Medicaid's prospective caseload forecast is affected by several factors.

- The cyberattack impact and temporary cessation of redeterminations which caused an increase of 12,213 clients between December 2024 and April 2025.
- The resulting cleanup of this growth between May and August—equivalent to 75% of the prior growth, or 9,160 clients.
- The delayed implementation of The Work Number (TWN) expected to begin in August 2025 vs. the February start date assumed in Nov. Medicaid assumes a reduction of 2,463 in August 2025 and another 2,463 in February 2026—distributed across Rite Care Core, Rhody Health Partners, and Expansion.
- A reduction of 850 parents/caretakers due to correcting the eligibility criteria from 141% to 138% of FPL effective 7/1/2025.
- The continued transition of 60 members per month from Rite Care Core into Rite Share. (The volume of clients per month is reduced since the Nov. estimate.)

Figure II-2 provides enrollment snapshots since 2020.

Figure II-3 shows the increase in enrollment and costs for the Cover All Kids program since its implementation in FY 2023.

Figure II-4 compares Medicaid's current estimate vs. the Nov. CEC.

Medicaid's projections are in **Attachment 5b** and **Attachment 5c**. These reflect full-time equivalent members and not distinct members as they have been adjusted for partial month enrollment.

Figure II-2. Select Caseload Snapshots between February 2020 and June 2026

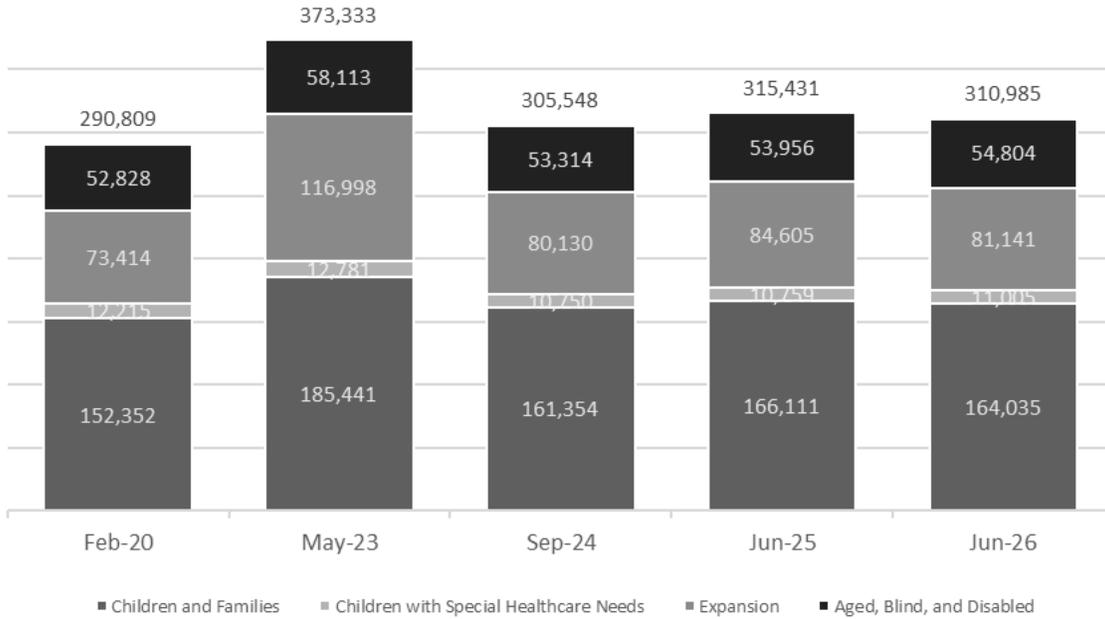


Figure II-3. Cover All Kids Eligibility and State Only Costs (Capitation and FFS Activity)

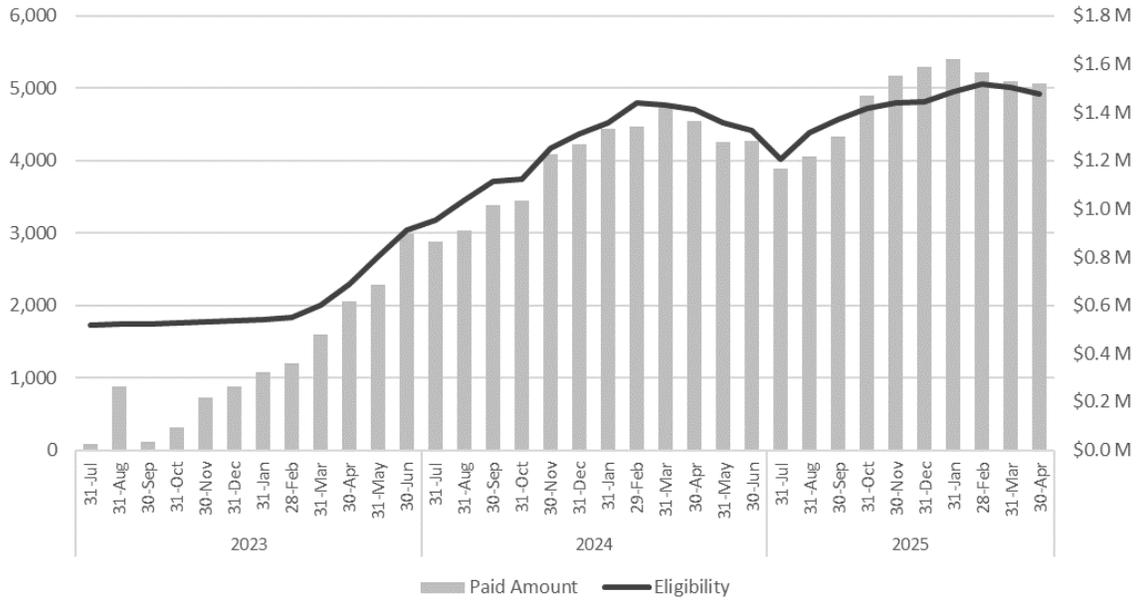
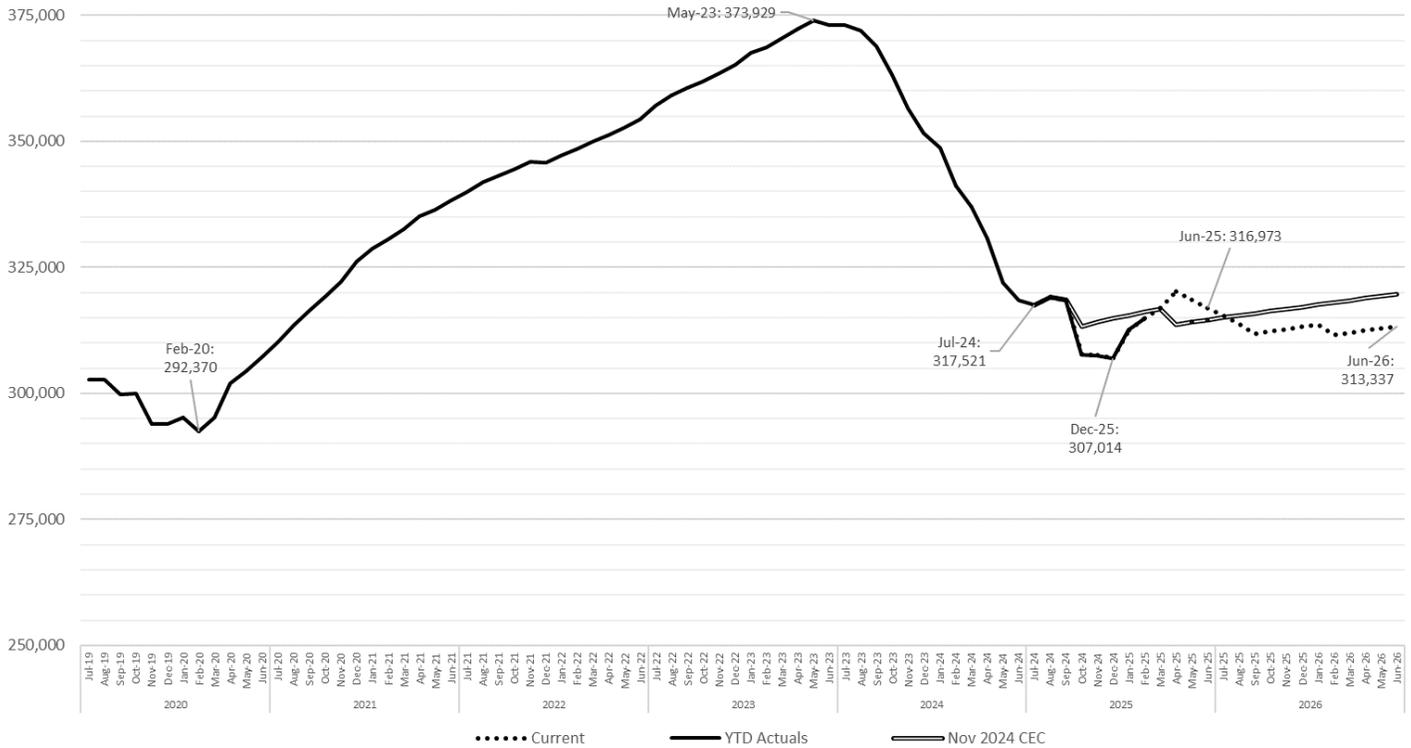


Figure II-4. Current Full Medicaid Forecast Compared to Nov 2024 CEC²



National Forecasts of Medicaid Enrollment/Expenditures

The Congressional Budget Office (CBO) has not yet released updated projections since Medicaid’s Nov. testimony. CBO projects stable average monthly enrollment for most populations between FY 2026 and FY 2030. The average monthly enrollment growth across populations is a 1% annual increase. The five-year projection for federal spending on benefit payments per enrollee shows growth across all populations. Except for a 2% increase in 2026, the CBO forecasts a steady 5% average annual growth rate. The projected growth rates vary among the different populations.

- Aged and blind/disabled: 1% to 4% annually, reflecting moderate adjustments in response to service needs.
- Children: between 4% and 5% annually.
- Traditional adult eligibility: 3% to 5% annually
- Expansion Adult This group has the highest projected annual growth, between 4% and 7%, due to anticipated increases in service utilization and policy adjustments.

This forecast reflects anticipated stabilization in enrollment and varied growth in spending across population groups, driven by differing healthcare needs and policy influences within each demographic.

The CBO’s forecast is generally consistent with projections published by CMS’ Office of the Actuary in June 2024, which estimated a 11.2% reduction in 2024 and a further decline of 0.2% in 2025. These downward trends associated with ending continuous coverage protections and the RTNO are expected to be followed by average

² Monthly enrollment included in Figure II-4 are used internally during trend development and for comparison to prior estimates (and alternative scenarios). The figures are not adjusted for any full-time equivalency (FTE) factor nor are the figures adjusted for rounding. As such explicit month-end snapshots will differ from other figures and attachments.

annual enrollment growth of 0.9% in composite across all populations. CMS estimates that per member expenditures will grow 5.8% in 2026 and 5.2% per year through 2032.³

Forecasting the Overall Price Factors

Medicaid’s estimate is driven by its price factors in the managed care and fee for service delivery systems.

Medicaid’s managed care estimate includes updated rates for FY 2025 and estimated rates for FY 26. Managed care rates must be certified as actuarially sound. Medicaid’s April testimony has traditionally predated the provision of initial rates from its actuary. However, Medicaid’s current projections include composite rates by product based on its actuary’s draft assumptions. These rates are not final and may be adjusted for emerging experience when updated for any legislative changes. The FY 26 budget reflects a composite increase between 3.5% and 5.0% across the product lines and a 10% increase for SOBRA.

The composite rates in **Table II-7** reflect composite price changes given changes in the underlying enrollment mix.

Attachment 7 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.

For the FFS estimates, current market baskets were applied to the relevant provider-based activities. The value of these market basket increases given current utilization are reflected in **Attachment 8**.

Table II-7. FY 2024 through FY 2026: Caseload and Composite PMPM with Trends

	Caseload:			Price:			Caseload Trend		Price Trend	
	2024	2025	2026	2024	2025	2026	FY24 → FY25	FY25 → FY26	FY24 → FY25	FY25 → FY26
Full Benefits:										
Rite Care Core	175,491	160,659	159,850	\$332	\$368	\$384	-8.5%	-0.5%	11.0%	4.4%
Rite Care CSHCN	10,229	9,746	9,906	\$1,314	\$1,431	\$1,602	-4.7%	1.6%	8.9%	12.0%
Expansion	93,185	79,870	77,020	\$640	\$695	\$748	-14.3%	-3.6%	8.7%	7.6%
Rhody Health Partners	13,272	12,792	12,772	\$2,031	\$2,232	\$2,366	-3.6%	-0.2%	9.9%	6.0%
CMS Demonstration	12,843	11,405	11,269	\$1,149	\$1,519	\$1,644	-11.2%	-1.2%	32.2%	8.2%
PACE	408	429	459	\$4,206	\$5,492	\$6,026	5.1%	7.0%	30.6%	9.7%
Rite Share [1]	2,080	1,400	2,049	\$79	\$125	\$131	-32.7%	46.4%	58.9%	5.0%
Subtotal	307,508	276,301	273,325	\$569	\$641	\$683	-10.1%	-1.1%	12.7%	6.6%
Other Capitated Arrangements:										
Rite Smiles	141,230	135,469	138,870	\$18	\$18	\$18	-4.1%	2.5%	-0.5%	2.2%
Rite Care EFP	1,074	2,098	2,155	\$17	\$14	\$14	95.3%	2.7%	-19.6%	3.5%
SOBRA Payment	358	351	351	\$18,551	\$18,858	\$20,746	-2.0%	0.0%	1.7%	10.0%
Non-Emergency Transportation [2]	345,874	311,944	309,941	\$9	\$9	\$10	-9.8%	-0.6%	7.4%	3.2%
Medicare Premium Payment:										
Part A (Hospital)	3,340	3,464	3,562	\$477	\$490	\$514	3.7%	2.8%	2.7%	5.0%
Part B (Professional Services)	40,378	40,680	41,539	\$173	\$183	\$192	0.7%	2.1%	5.8%	5.0%
Part D (Prescription Drugs)	42,036	38,362	38,848	\$184	\$199	\$210	-8.7%	1.3%	8.7%	5.1%

E. Procurement of Managed Care Contracts

On June 20, 2024, Medicaid announced the selection of two Managed Care Organizations (MCOs) to serve Rhode Island Medicaid members beginning on July 1, 2025. After tentative award, bid protests were filed, requiring all planning work to cease until the protests were completed. On October 16, 2024, the Department of Administration Director decided that the Request for Proposal (RFP) would go through the review process again without again opening the RFP.

On February 4, Medicaid announced the cancelation of RFP 24003614: “EOHHS – Medicaid Managed Care Services.” Medicaid decided to draft a new RFP because Rhode Island Medicaid can no longer meet CMS’ approved readiness timeline for implementing the new managed care contract on July 1, 2025. Additionally, the model contract must be redrafted to align with new CMS regulatory guidance and any additional federal changes the new administration enacts. The canceled RFP was originally drafted in 2023, based on CMS rules and regulations at that time. CMS has since issued numerous Final Rules, which means that the procurement no longer aligned with federal regulations.

³ See <https://www.healthaffairs.org/doi/10.1377/hlthaff.2024.00469>

Medicaid extended the current managed care contracts with Neighborhood Health Plan of Rhode Island (NHPRI), Tufts, and UnitedHealthcare through June 30, 2026. This testimony does not reflect the shift to the new contracts, previously anticipated to begin in FY 2026.

Regarding the Medicare Medicaid Program for Dual eligible clients (i.e., Rhody Health Options Phase II or CMS Demonstration), Medicaid anticipates a new contract with NHPRI and is actively engaged with its certifying actuary to establish rates effective January 1, 2026.

F. FY 2025 Budget Initiative Implementation

Status updates since November are detailed below for initiatives that have been delayed or are still in progress to implement.

- **Rite Share.** *In progress.* Estimated savings in FY 2025 have been adjusted downward to 60 members moving to Rite Share each month from March through June. Total savings anticipated in FY 2025 are \$0.3 million (\$0.1 million GR). Savings in FY 2026 are projected at \$1.9 million, including \$0.8 million GR. Coupled with 240 members transitioned in FY 2025 and additional 720 transitioned in FY 2026, Medicaid estimates a total of 6,840 member months of savings in FY 2026. The savings were adjusted downward due to delays resulting from data breach and hiring. As of April, all five positions have been hired.
- **The Work Number (TWN).** *Delayed.* Estimated savings have been eliminated in FY 2025 and adjusted for FY 2026 to reflect the delayed implementation of TWN and use of additional data sources for reviewing household incomes for purpose of annual renewals and post eligibility verifications. Medicaid’s forecast assumes additional income verification checks beginning in August 2025 (this requires that a data run be completed in July with closures scheduled for July 31, 2025.) This process will subsequently run on a quarterly basis. After the initial one-time savings, Medicaid assumes any ongoing savings will be achieved through cost avoidance and depressing month-over-month growth. This is reflected in Medicaid’s forecast with the application of a caseload growth factor of 1.5%.

To mitigate risk due to uncertainty of both the volume of closures and imperfect matching of data to new data sources, Medicaid assumes only half of the previously estimated clean-up (in terms of count of individuals whose income may exceed eligibility thresholds) will occur in August 2025. Additional reductions will occur six months later in February.

The estimated number of impacted clients is 4,927. The number of reduced member months of enrollment is 39,959. Savings total \$21.5 million all funds and \$5.8 million GR.

- **Certified Community Behavioral Health Clinics (CCBHCs).** *Implemented.* Rhode Island was approved for the CCBHC Demonstration in June 2024.⁴ The Demonstration authorizes the program and grants the State an enhanced matching rate (CHIP rate) on CCBHC services not eligible for the Expansion FMAP. The Demonstration lasts for four years, and the State must follow all Demonstration rules.

Medicaid estimates \$115.7 million in FY 2025, an increase of \$2.5 million above the Nov. CEC. This increase is due to reduced third party liability (TPL) collections—from \$4.8 million to \$1.0 million. The enhanced FMAP provides \$11.9 million GR savings.⁵

For FY 2026, Medicaid estimates \$160.9 million, a \$27.1 million reduction compared to the Nov. CEC. This includes a 2.3% Medicare Economic Index adjustment as required by the Demonstration. The enhanced FMAP will provide \$16.1 million GR savings. The overall reduction is attributable to:

- eliminating the assumption of expansion to additional locations;
- lower utilization than originally anticipated (although growth is still assumed); and,

⁴ Source: <https://www.hhs.gov/about/news/2024/06/04/biden-harris-administration-expands-access-mental-health-substance-use-services-addition-10-new-states-ccbhc-medicare-demonstration-program.html> (Accessed April 17, 2025).

⁵ Medicaid noticed that the GR savings attributed to the enhanced FMAP in its written Nov. testimony was overstated at \$14.9 million. The enhanced FMAP was inadvertently applied to all CCBHC spending, including Expansion. The enhanced FMAP is only applied to the non-Expansion activity. The error did not impact the Nov. adopted estimate, testimony exhibits, or attachments calculating the agency’s overall GR position.

- the removal of separate risk corridor payments for CCBHC-related activities within managed care.

Offsetting the surplus is lower TPL collections from \$7.5 million to \$3.0 million. CCBHCs must pursue TPL collections for Medicaid clients. Medicaid recoups these collections as an offset to the PPS-2 payment made on behalf of Medicaid client, but actual collections for FY 2025 Q1 are lower than anticipated.

- **Adult Dental to MC Plans. *Delayed.*** The authority to bring adult dental in plan is under review in the 1115 Waiver renewal. Given the delay in waiver approval and status of the core managed care procurement, Medicaid submitted a request to extend the current Rite Smiles contract for an additional year. If granted, a new contract with the addition of adult dental services would be effective on July 1, 2026.
- **DSH Payment – Eleanor Slater Hospital (ESH). *In process.*** Medicaid submitted a State Plan amendment (SPA) to CMS on March 26th. On April 10th, Medicaid had a call with CMS to answer questions related to the SPA; CMS did not express any specific concerns. Medicaid anticipates making a DSH payment to ESH in June 2025 and June 2026.
- **Conflict Free Case Management (FY 2024). *In process.*** The revised estimate for FY 2025 totals \$5.6 million, \$0.8 million less than the Nov. CEC. The revised estimate assumes 12,234 beneficiaries may be eligible for CFCM with 3,530 people receiving services by June 2025. The decrease is due to 278 fewer DD clients, and 4,877 fewer non-DD clients billing Medicaid by June. The Nov. estimate assumed that nearly all non-DD clients would be receiving CFCM services by June with a more rapid build-up in SFY 25 Q4. This will not materialize due to available case managers. The estimate excludes 1,201 DD clients who will receive case management through BHDDH staff and Independent Facilitators.

In FY 2026, Medicaid projects \$13.5 million, a \$6.9 million reduction from the Nov. CEC. The estimate assumes 10,367 people will receive CFCM services by June 2026, including 2,101 DD clients and 8,266 non-DD clients. The decrease is due to 1,098 fewer DD clients billing Medicaid than originally anticipated and slower phase-in of the non-DD clients. The model excludes 768 clients who are still expected to be managed by BHDDH FTEs.

G. Disproportionate Share Hospital Payments

FFY 2021 DSH Audit

The independent audit of Rhode Island’s FFY 2021 DSH payments was completed in December 2024. The audit found that Landmark Hospital received a DSH payment that exceeded its total eligible uncompensated care costs (UCC). Estimated UCC 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 overpayment.

The Medicaid State Plan requires that Medicaid recoup from Landmark the amount by which the DSH payment exceeded eligible UCC and redistribute this amount to the other qualifying hospitals. CMS mandates that the recoupment and redistribution be completed within one year of discovery, which is December 20, 2025. Medicaid entered into a legal agreement with Landmark to recoup the overpayment in nine monthly installments, between February and October 2025. CMS will not permit the State to redistribute the money to the remaining hospitals until the overpayment is fully recouped.

Table II-8. FFY 2021 DSH Recoupment and Redistribution

Hospital	Recoupment	Redistribution
Kent Hospital	\$ -	\$ 1,428,361
Landmark Hospital	(10,871,201)	-
Miriam Hospital	-	671,917
Newport Hospital	-	299,647
Rhode Island Hospital	-	4,527,090
Roger Williams Medical Center	-	912,112
Our Lady of Fatima Hospital	-	644,184
South County Hospital	-	293,699
Westerly Hospital	-	367,612
Women & Infants Hospital	\$ -	1,726,579
	\$ (10,871,201)	\$ 10,871,201

FY 2025 DSH Allotment

CMS sent Medicaid its preliminary SFY 25 allotment in December 2024. The preliminary allotment of \$93.4 million allows for a maximum DSH payment of \$165.8 million. Medicaid retained the Nov. CEC amount of \$21.7 million. **Table II-9** summarizes the FY 2025 DSH amounts.

Table II-9. FFY 2025 / FY 2025 DSH Summary

	SFY 25	Federal Funds	General Revenue	Total DSH	General Revenue vs. Enacted	Total DSH vs. Adopted	Effective FMAP
Nov. Adopted	\$ 12,241,159	\$ 9,497,713	\$ 21,738,872	\$ -	\$ -	56.31%	
May Testimony: Current Law	12,241,159	9,497,713	21,738,872	-	-	56.31%	
Max DSH: No Reduction	\$ 93,361,193	\$ 72,437,409	\$ 165,798,602	\$ 62,939,696	\$ 144,059,730	56.31%	

FY 2026 Allotment and Reductions

The Full-Year Continuing Appropriations and Extension Act, 2025 (enacted on March 15, 2025) eliminated the fiscal year (FY 2025) DSH allotment reductions required under section 1923(f)(7)(A) of the Social Security Act (the Act). Currently, the DSH allotment reductions required under section 1923(f)(7)(A) of the Act are in effect for FY 2026 through FY 2028, at \$8 billion for each fiscal year. Medicaid has not yet received its preliminary FFY 2026 federal allotment or anticipated reduction. The Medicaid estimate retains the SFY 25 adopted amount of \$21.7 million, adjusted for the FFY 26 FMAP.

H. 1115 Waiver Update

In December 2022, Rhode Island submitted an extension request for its Demonstration 1115 Waiver (Demonstration). Section 1115 Waivers are utilized to implement experimental, pilot, or demonstration projects found likely to assist in promoting the objectives of the Medicaid program. Rhode Island’s Demonstration has been in place since 2009 and offers a complete array of services, including medical, behavioral health, and home and community-based services to multiple eligibility groups. Medicaid requested federal approval to provide several new services, subject to state authorization and appropriations.

In July 2023, CMS alerted Medicaid of a delay in its Demonstration and issued a 12-month extension of the State’s current 1115 Demonstration Waiver, ensuring maintenance of all authorities during CMS review. Medicaid identified priority items for which the State requested approval on an earlier timeline. In September 2024, Medicaid submitted a Demonstration amendment to allow for the provision of personal care services to HCBS-eligible members while they are in an acute inpatient hospital setting, consistent with the directive included in Article 9 of 2024-H5200 Sub A, as amended. CMS approved the Demonstration amendment on March 21, 2024, that includes the state’s priority items from the December 2022 submission and the personal care services. The approved priority items are listed below.

1. Delivery of personal care services to recipients in acute hospital settings.

2. Permanent retention of certain “Attachment K” HCBS authorities first granted during the PHE, including for parents/guardians of (adult) self-direction participants to provide services to these participants; to conduct certain personal care and case management services via telehealth; to conduct level of care evaluations, functional assessments, and person-centered planning meetings remotely rather than in-person; and to use electronic signatures for person-centered plans.
3. Authority for a new HCBS service, Remote Monitoring and Support, which was added in relation to the BHDDH Consent Decree.
4. Changes to the education requirement for Home Stabilization providers, to facilitate greater access to the service.
5. Changes to waiver language to reflect the 12-month postpartum continuous eligibility policy established in the Medicaid State Plan.
6. Increase of the income eligibility threshold (from 300% to 400% of the SSI benefit rate) for adults with disabilities who are at risk of needing institutional care to access a limited set of HCBS services.

Medicaid used the time since the CMS delay to develop an addendum, submitted May 2024, to the original renewal request to maximize the state’s opportunities arising from more recent federal guidance. The following is a list of RI’s outstanding waiver renewal requests.

1. Housing Supports. Expanded eligibility for home stabilization to include all beneficiaries who are homeless or at risk for homelessness and to expand the home stabilization benefit to include one-time transitional supports, including move-in costs as well as up to six months of rent payment.
2. Medical Respite/Recuperative Care for Homeless Individuals. Creation of a Recuperative Care Pilot Program to provide short term residential care to individuals experiencing homelessness to allow individuals the opportunity to rest and recover from illness or injury in a safe environment while accessing medical care and other supportive services. Medicaid began a pilot program using federal ARPA Enhanced FMAP funds; waiver authority would support program sustainability after June 2025 (if state appropriation is made).
3. Pre-Release Supports for Incarcerated Individuals. Medicaid coverage, including enrollment in managed care, to incarcerated individuals before their release to support reintegration and improve access to care upon release. While Medicaid originally requested 30 days of pre-release coverage, other states have received approval for 90 days and stakeholders have identified that this is operationally and fiscally highly favorable for the state. For those reasons, in the Request Addendum currently posted for public comment, Medicaid requests to update the addendum to 90 days.
4. Managed Dental Benefits for Adults. Inclusion of adult dental benefits into the existing Rite Smiles managed care program. The request is limited to the nature of the delivery system (managed care rather than FFS) and does not propose to change the scope of adult dental benefits.
5. Nutrition Services. Provision of Healthy Food Prescriptions and Medically Tailored Meals to targeted populations.
6. Contingency Management. Behavioral intervention to treat substance-use disorders, including opioid and stimulant use disorders. (This program is currently operational, funded with Opioid Settlement funds. Waiver support would enhance sustainability by bringing in new federal funds.)

Both the December 2022 request and the May 2024 Addendum seek to make technical changes to the waiver to align with current program operations and enhance transparency.

In November 2024, CMS alerted Medicaid that additional review delays will push the renewal date to late June 2025. CMS issued a formal six-month extension to allow the Demonstration to continue with the authorities that were in place in March 2024, effective through June 2025. CMS paused all direct engagement with Medicaid in December 2024.

As of March 2025:

- CMS formally rescinded its past guidance related to Health-Related Social Needs and stated that all waiver requests related to such services would instead be reviewed on a case-by-case basis. This may impact RI’s ability to get approval for Housing Supports, Medical Respite, and Nutrition Services.

- CMS reopened negotiations with Medicaid and sent a list of waiver renewal-related questions, with responses due in April. CMS questions leave open the possibility that the waiver requests for a) Medicaid expenditures for incarcerated beneficiaries 90 days before their release, and b) medical respite/recuperative care for homeless beneficiaries may still be approved for FY 2026. The associated costs of such services expansions are not assumed in Medicaid’s revised forecast and would require additional appropriations to be approved by Rhode Island’s legislature.

I. Federal Changes

Federal changes may impact RI’s Medicaid program, and Medicaid is preparing for possible changes. Medicaid’s FY 25 and FY 26 estimates do not reflect any changes that are actively being discussed at the federal level as no federal budget decisions have been made which affect our spending projections.

- **Increasing staff awareness of possible changes.** Medicaid staff attend weekly calls to understand federal updates and actions.
 - National Association of Medicaid Directors (NAMD) Medicaid Director call
 - NAMD Medicaid CFO call
 - National Academy for State Health Policy call
- **Policy and financial preparedness**
 1. Cataloging possible federal changes detailed in federal House and Senate documents
 2. Building models using SFY 26 Gov. Rec as a base.
 - Provider tax (hospitals, nursing facilities, MCOs)
 - Expansion FMAP
 - Administrative Claiming match and impacts to state agencies (including APDs and personnel)
- **Interagency communication and collaboration**
 1. Biweekly meetings with Medicaid, HSRI, DOA, and Governor’s Office
 2. Coordination with DOR for tax modeling

J. Sickle Cell Therapies

Sickle Cell Disease (SCD) is a painful condition that disproportionately affects African Americans more often than others. SCD has limited treatment options, which can result in high healthcare costs. Nationally, Medicaid covers around half of SCD patients. In December 2023, the FDA approved the first cell and gene therapy treatment for SCD.⁶ In January 2024, the Biden-Harris Administration announced that SCD would be the first focus of the Cell and Gene Therapy (CGT) Access Model, led by CMS.⁷ The CGT Access Model is a voluntary model for states and manufacturers that tests whether a CMS-led approach to developing and administering outcomes-based agreements for cell and gene therapies improves Medicaid beneficiaries’ access to innovative treatment, improves their health outcomes, and reduces health care costs and burdens to state Medicaid programs. Under the program, CMS will negotiate outcome-based agreements with manufacturers, linking pricing to health outcomes, and provide states with an option to access these drugs at a negotiated rate. On March 25, 2024, Medicaid signed a non-binding letter of intent to explore participation in the CGT Access Model.⁸ The application process for the CGT Access Model is ongoing.

There was an average of 250 Rhode Islanders enrolled in Medicaid over the last three years with SCD, with an annual total cost of care of approximately \$29,000 each.⁹ Medicaid has identified eight enrollees with costs exceeding \$0.1 million. Between FY 2023 and the third quarter of FY 2025, 57 Medicaid beneficiaries (11 FFS and 46 MCO) qualified for new gene therapy treatments. There are two treatments for SCD: Casgevy (\$2.2 million per

⁶ <https://www.fda.gov/news-events/press-announcements/fda-approves-first-gene-therapies-treat-patients-sickle-cell-disease#:~:text=Casgevy%2C%20a%20cell%2Dbased%20gene,type%20of%20genome%20editing%20technology.>

⁷ <https://www.cms.gov/newsroom/press-releases/biden-harris-administration-announces-action-increase-access-sickle-cell-disease-treatments>

⁸ <https://www.cms.gov/priorities/innovation/innovation-models/cgt#:~:text=The%20CGT%20Access%20Model%20is%20a%20voluntary%20model,care%20costs%20and%20burdens%20to%20state%20Medicaid%20programs.>

⁹ Based on application of the Chronic Conditions Data Warehouse (CCW) algorithm for identifying people with SCD. The CCW algorithm classifies people as having SCD if they had at least 3 claims with a diagnosis of SCD over a 5-year period.

patient) and Lyfgenia (\$3.1 million per patient). This cost is not inclusive of transportation, lodging, and other medical costs associated with the treatment. To treat all potential patients in a single fiscal year at the Lyfgenia rate would cost \$167.4 million, plus additional supporting costs. If RI is approved for the CGT Access Model, RI would be entitled to rebate and any outcomes-based rebate for clients included in the model. For non-model beneficiaries, supplemental rebates for Lyfgenia would be secured.

The current managed care rates do not include an explicit provision for these drugs. Medicaid is actively monitoring plan experience and working with the state’s certifying actuary regarding the treatment of these drugs’ costs. Like RI’s treatment of new Hepatitis C treatment, it may be prudent for Medicaid to establish a separate stop-loss arrangement or other risk mitigation strategy. In anticipation of potential treatment costs, Medicaid budgeted \$1.5 million in FY 2025 and \$6.6 million in FY 2026— the former in Pharmacy and the latter split between Expansion (at 90% FMAP) and Pharmacy (at regular FMAP). Costs could materialize in different budget lines depending on implementation.

K. Cross Budget Line Summaries: Rebates and NEMT

Drug Rebates and J-Code Collections

Rebates on prescriptions provided in a pharmacy (DRE) and in an outpatient setting (J-Code) offset the federal and state costs of most prescription drugs dispensed to Medicaid patients. Medicaid’s rebate collections reduce the program’s gross pharmacy spend by over 40%. **Table II-10** summarizes Medicaid’s DRE and J-Code invoices for FY 2024 through FY 2026. DRE rebates total \$146.0 million and J-Codes total \$7.5 million in FY 25. Medicaid projects a total of \$147.4 million in DRE rebates and \$7.7 million in J-Code rebates for FY 2026. The decline in FY 2025 over FY 2024 was attributed to the unwinding of the PHE and reduction in caseload. Due to general uncertainty in this estimate, no price factor was applied.

Medicaid derived its forecast by dividing the average quarterly rebate amounts invoiced to the drug manufacturers in the four quarters through FY 2025 Q3 by the average managed care enrollment for the same period. The resulting PMPM multiplier, calculated by product line, was applied to the FY 25 and FY 26 enrollment forecasts.

The health plans also maintain their own financial arrangements with the pharmaceutical manufacturers. These rebates are not included in Medicaid’s direct collections and are reflected as offsets to the health plans’ medical expenses used to establish their capitation rates. These collections have totaled approximately \$16.5 million per year over the past several fiscal years. FFS rebates and J-Code are not converted to a PMPM and are instead treated as a monthly average that is adjusted for increasing unit cost and, therefore, increased rebate collections.

Table II-10. Summary of Drug Rebate Collections

	SFY 2024	SFY 2025	SFY 2026					FY25 → FY26
	Final	Nov CEC	Current	Surplus/ (Deficit)	Nov CEC	Current	Surplus/ (Deficit)	
DRE								
Managed Care	\$ (44,845,134)	\$ (43,638,900)	\$ (42,826,414)	(\$0.8 M)	\$ (45,056,435)	\$ (43,725,427)	(\$1.3 M)	(\$0.9 M)
Rhody Health Partners	(35,530,652)	(34,019,791)	(35,180,665)	1.2 M	(35,629,897)	(36,004,544)	0.4 M	(0.8 M)
Expansion	(65,449,300)	(60,218,190)	(61,608,845)	1.4 M	(61,864,380)	(60,897,976)	(1.0 M)	0.7 M
Fee-for-Service	(6,534,387)	(6,614,911)	(6,431,720)	(0.2 M)	(6,948,439)	(6,757,008)	(0.2 M)	(0.3 M)
Subtotal DRE	\$ (152,359,473)	\$ (144,491,792)	\$ (146,047,644)	\$1.6 M	\$ (149,499,151)	\$ (147,384,955)	(\$2.1 M)	(\$1.3 M)
J-Code								
Managed Care	(2,903,341)	(2,500,474)	(2,416,974)	(0.1 M)	(2,581,231)	(2,468,196)	(0.1 M)	(0.1 M)
Rhody Health Partners	(1,317,130)	(1,295,066)	(1,063,755)	(0.2 M)	(1,355,865)	(1,088,167)	(0.3 M)	(0.0 M)
Expansion	(3,108,646)	(2,767,027)	(2,817,828)	0.1 M	(2,844,223)	(2,781,953)	(0.1 M)	0.0 M
Fee-for-Service	(1,325,280)	(1,332,481)	(1,243,900)	(0.1 M)	(1,416,683)	(1,315,005)	(0.1 M)	(0.1 M)
Subtotal J-Code	\$ (8,654,397)	\$ (7,895,048)	\$ (7,542,457)	(\$0.4 M)	\$ (8,198,002)	\$ (7,653,321)	(\$0.5 M)	(\$0.1 M)
Total Rebates	\$ (161,013,870)	\$ (152,386,840)	\$ (153,590,101)	\$1.2 M	\$ (157,697,153)	\$ (155,038,276)	(\$2.7 M)	(\$1.4 M)
QROA								
Managed Care	1,275,000	1,350,211	1,350,211	0.0 M	1,394,075	1,378,550	0.0 M	\$0.0 M
Rhody Health Partners	1,100,000	973,980	973,980	0.0 M	1,020,077	996,789	0.0 M	0.0 M
Expansion	500,000	459,309	459,309	0.0 M	471,865	454,009	0.0 M	(0.0 M)
Fee-for-Service	0	313,379	313,379	0.0 M	332,761	331,254	0.0 M	0.0 M
QROA	\$ 2,875,000	\$ 3,096,879	\$ 3,096,879	\$0.0 M	\$ 3,218,778	\$ 3,160,602	\$0.1 M	\$0.1 M

Non-Emergency Medical Transportation (NEMT)

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 Temporary Assistance for Needy Families (TANF) recipients. Medicaid retained MTM as its transportation broker after a competitive RFP with the new contract effective July 1, 2023.

The original rates included rates with annual inflationary factors applied, but with the proviso that they remain subject to change in future years based on enrollment and utilization. Medicaid allocates spending for the members in its Aged, Blind, and Disabled eligibility groups based on enrollment in Rhody Health Options, Rhody Health Partners, or FFS. After reviewing emerging experience in the second half of FY 2024 and consideration of the impact of the unwinding on reasonability of the rates, Medicaid determined that no change beyond that stipulated within the contract was warranted for FY 2025.

The NEMT services forecast is in **Table II-11** and average monthly enrollment is in **Table II-12**.

Table II-11. Non-Emergency Transportation - Capitation

Budget Line	SFY 2024	SFY 2025			SFY 2026			FY25 → FY26
	Final	Nov CEC	Current	Surplus/ (Deficit)	Nov CEC	Current	Surplus/ (Deficit)	
Managed Care	\$ 12,148,266	\$ 9,879,069	\$ 9,814,606	\$0.1 M	\$ 10,342,065	\$ 10,060,738	\$0.3 M	\$ 246,132
Expansion	14,294,650	12,798,318	12,262,654	0.5 M	13,193,235	12,200,242	1.0 M	(62,411)
Rhody Health Partners	3,131,238	3,108,599	3,149,329	(0.0 M)	3,265,115	3,228,395	0.0 M	79,067
Rhody Health Options	3,033,781	2,898,023	2,808,569	0.1 M	3,011,943	2,850,560	0.2 M	41,991
Other Services	6,641,108	6,667,448	6,873,852	(0.2 M)	7,012,476	7,431,450	(0.4 M)	557,598
Subtotal	\$ 39,249,044	\$ 35,351,456	\$ 34,909,009	\$0.4 M	\$ 36,824,834	\$ 35,771,385	\$1.1 M	\$ 862,377
TANF Charge Back	(500,000)	(500,000)	(500,000)	0.0 M	(500,000)	(500,000)	0.0 M	0
MTM Liquidated Damages	(500,000)	0	0	0.0 M	0	0	0.0 M	0
Subtotal Medicaid	\$ 38,249,044	\$ 34,851,456	\$ 34,409,009	\$0.4 M	\$ 36,324,834	\$ 35,271,385	\$1.1 M	(\$0.9 M)

Table II-12. Non-Emergency Transportation - Average Monthly Enrollment

Medicaid	SFY 2024	SFY 2025			SFY 2026			FY25 → FY26
	Final	Nov CEC	Current	Change	Nov CEC	Current	Change	
Children and Families	194,684	174,888	175,889	1,001	177,413	175,396	-2,017	-493
Expansion	95,912	85,445	82,878	-2,567	85,250	80,117	-5,133	-2,761
Rhody Health Partners	13,219	12,452	12,771	319	12,665	12,726	61	-45
Rhody Health Options	12,807	11,609	11,389	-220	11,683	11,237	-446	-152
Other ABD	28,036	26,708	27,875	1,166	27,200	29,295	2,094	1,420
Subtotal Medicaid	344,657	311,102	310,802	-300	314,211	308,771	-5,440	-2,031
<i>Overall PMPM</i>	<i>\$9.25</i>	<i>\$9.22</i>	<i>\$9.23</i>	<i>\$0.00</i>	<i>\$9.63</i>	<i>\$9.52</i>	<i>(\$0.11)</i>	<i>\$0.29</i>
Department of Human Services								
OHA Co-Pay	1,217	1,119	1,142	23	1,104	1,170	66	28
Elderly Transportation Program	\$393.8k per month	\$412.5k per month	\$412.5k per month		\$431.5k per month	\$431.5k per month		

III. Managed Care

Managed Care			
		All Funds	General Revenue
FY 2024	Revised Enacted	\$1,040,500,000	\$445,737,338
	Final	\$1,007,366,165	\$425,365,444
	<i>Surplus over Revised Enacted</i>	<i>\$33,133,835</i>	<i>\$20,371,894</i>
FY 2025	Enacted	\$1,070,082,576	\$456,944,195
	Nov 2024 CEC Adopted	\$1,058,500,000	\$450,282,658
	Current	\$1,037,600,000	\$444,347,574
	<i>Surplus over Nov CEC</i>	<i>\$20,900,000</i>	<i>\$5,935,085</i>
FY 2026	Nov 2024 CEC Adopted	\$1,134,100,000	\$468,387,769
	Current	\$1,100,600,000	\$458,092,776
	<i>Surplus over Nov CEC</i>	<i>\$33,500,000</i>	<i>\$10,294,993</i>

FY 2025

The FY 25 revised all funds forecast of \$1.038 billion is a \$20.9 million surplus, including \$5.9 million GR, over the Nov. CEC. Medicaid forecasts an average enrollment of 170,405 Rite Care eligible members in FY 2025, a decrease of 518 members compared to the Nov. CEC. This includes 160,659 members enrolled in Rite Care Core, 9,746 in Rite Care CSHCN. There are another 1,400 enrolled in Rite Share, and an average of 4,114 remaining in FFS each month.

The current year surplus is primarily attributed to the following forecast changes. Supporting details are included in **Table III-1** through **Table III-3**:

- \$14.9 million reduction in net premium payments for Rite Care Core and Rite Care CSHCN primarily attributable to an enrollment decrease of 346 monthly members in Rite Care Core and 172 in Rite Care CSHCN.
 - This net expenditure reduction includes a shift in spending to the state-only CAK program that experienced an increase of \$5.8 million and is a reason for the low GR surplus relative to the all funds surplus in this budget line.
- \$4.6 reduction in Rite Care SOBRA premiums payments.
 - Current projections forecast a drop in the number of Rite Care SOBRA births by 262. This decrease is offset by an increase of \$1.2 million in the Expansion budget line.
- \$3.9 million reduction in NICU payments.
 - Current projections forecast a drop in overall NICU stays by 38, and NICU stay cost decrease of \$2,606, from \$72,410 to \$69,803.
- \$2.2 million reduction in “Other FFS Payments” for Early Intervention.
 - These are costs attributed to the Early Intervention CNOM and clients not yet enrolled.

The savings are partially offset by a \$3.8 million increase in Rite Care Core FFS for MAGI eligible clients not yet enrolled in Rite Care Core that could be attributed to higher costs associated with churn among FFS population, and a \$0.9 million decrease in rebate collections.

FY 2026

Medicaid estimates \$1.101 billion, including \$458.1 million in GR. This is a \$33.5 million all funds increase, including a \$10.3 million GR increase, above the Nov. CEC. The drivers behind the changes in spending, compared to Nov. CEC, are summarized below and in **Table III-1** through **Table III-4**.

- \$20.9 million reduction in premium payments for Rite Care (Core and CHSCN) primarily attributed to an enrollment decrease of 2,107 monthly members.
- \$5.6 million reduction in NICU payments.
 - Current projections forecast a drop in overall NICU stays by 29, noting the updated cost of a NICU stay decreased by \$7,481, with application of a unit cost factor of 3.5% applied to the lower unit cost of FY 2025.
- \$5.5 million decrease in Rite Care SOBRA premiums payments.
 - Current projections forecast a drop in overall number of Rite Care SOBRA births by 483, noting the updated cost of a SOBRA birth increased by \$1,038 based on preliminary rates from actuary
- \$2.8 million reduction in FFS payments for Early Intervention.

Savings were partially offset by the items below.

- \$4.0 million increase in Rite Care Core FFS. Spending on Core FFS (i.e., MAGI eligible clients not yet enrolled in Rite Care Core) exceeded the Nov. CEC by 9.2%.
- \$4.0 million increase in Rite Care CSHCN premiums paid to the plans, an increase of 2.1%.
- \$1.4 million decrease in Rebates collected (1.7%).

Table III-1 summarizes expenditures to the health plans by product line and FFS payments made on behalf of members eligible for managed care.

Medicaid’s revised average caseload forecast and a comparison to prior estimates is summarized in **Table III-2**.

The forecast for the number of births and NICU stays are in **Table III-3**.

Table III-4 shows variances between Medicaid’s price and volume forecasts.

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 2026 capitation rates, compared to Oct. 2024 rates, are a 3.5% composite price trend for Rite Care Core and a 10.0% price trend for Rite Care CSHCN. These increases reflect the draft rates from the state’s certifying actuary.

Table III-7 and **Table III-8** identify changes to total CHIP and family planning claiming activities that contribute to a slight deficit when compared to the November CEC.

Table III-9 identifies changes to CCBHC claiming activities that contribute to a slight increase above the Nov. CEC.

Additional month-by-month details are provided in **Attachment 5**.

Table III-1. Summary of Managed Care Expenditures

	SFY 2024		SFY 2025		SFY 2026			FY25 → FY26
	Final	Nov CEC	Current	Surplus/ (Deficit)	Nov CEC	Current	Surplus/ (Deficit)	
Payments to Plans								
Rite Care Core	\$ 688,376,745	\$ 707,722,189	\$ 689,738,940	\$18.0 M	\$ 746,021,083	\$ 716,009,728	\$30.0 M	\$26.3 M
Rite Care Cover-All-Kids	9,361,193	10,313,700	16,100,000	(5.8 M)	10,829,385	16,905,000	(6.1 M)	0.8 M
Rite Care CSHCN	160,438,838	169,277,533	166,538,664	2.7 M	185,560,627	189,514,629	(4.0 M)	23.0 M
Rite Care EFP	221,785	344,871	348,408	(0.0 M)	374,815	370,486	0.0 M	0.0 M
Rite Care SOBRA	73,815,026	78,794,739	74,225,263	4.6 M	85,533,022	80,017,874	5.5 M	5.8 M
Withhold	4,289,632	4,449,889	4,384,179	0.1 M	4,753,405	4,635,546	0.1 M	0.3 M
Risk Share	13,335,381	0	1,500,000	(1.5 M)	1,525,022	0	1.5 M	(1.5 M)
Rite Smiles	28,050,110	26,651,423	26,688,429	(0.0 M)	28,444,932	27,943,080	0.5 M	1.3 M
Subtotal - Payments to Plans	\$ 977,888,711	\$ 997,554,344	\$ 979,523,883	\$18.0 M	\$ 1,063,042,291	\$ 1,035,396,342	\$27.6 M	\$55.9 M
CCBHC (reflected in "Payments to Plans")	0	21,735,332	22,168,639	(0.4 M)	30,500,443	30,780,195	(0.3 M)	8.6 M
Other Payments								
Non-Emergency Transportation	\$ 12,148,266	\$ 9,879,069	\$ 9,814,606	\$0.1 M	\$ 10,342,065	\$ 10,060,738	\$0.3 M	\$0.2 M
TANF Offset	(500,000)	(500,000)	(500,000)	0.0 M	(500,000)	(500,000)	0.0 M	0.0 M
Liquidated Damages	(500,000)	0	0	0.0 M	0	0	0.0 M	0.0 M
Rite Share	1,960,871	2,296,266	2,096,309	0.2 M	4,235,659	3,222,008	1.0 M	1.1 M
Premium Assistance Program	39,625	42,125	45,190	(0.0 M)	0	50,000	(0.1 M)	0.0 M
Core FFS	38,360,903	49,567,981	53,334,000	(3.8 M)	54,275,641	58,294,000	(4.0 M)	5.0 M
CSHCN FFS	2,978,560	4,057,130	2,898,000	1.2 M	4,484,840	2,669,000	1.8 M	(0.2 M)
Early Intervention FFS	3,192,256	6,600,818	4,356,000	2.2 M	7,339,758	4,586,000	2.8 M	0.2 M
NICU	30,686,476	34,249,828	30,364,437	3.9 M	37,711,016	32,077,410	5.6 M	1.7 M
State Only FFS (Non Medicaid)	942,033	950,000	1,000,000	(0.1 M)	950,000	1,000,000	(0.1 M)	0.0 M
Rebates	(47,748,475)	(46,139,374)	(45,243,388)	(0.9 M)	(47,637,666)	(46,193,623)	(1.4 M)	(1.0 M)
Premium Collection	(51,000)	(51,000)	(50,000)	(0.0 M)	(50,000)	(50,000)	0.0 M	0.0 M
Tax Intercept	(105,000)	(105,000)	(105,000)	0.0 M	(100,000)	(100,000)	0.0 M	0.0 M
Subtotal - Other Payments	\$ 41,404,515	\$ 60,847,844	\$ 58,010,154	\$2.8 M	\$ 71,051,314	\$ 65,115,533	\$5.9 M	\$7.1 M
Subtotal - Managed Care	\$ 1,019,293,226	\$ 1,058,402,188	\$ 1,037,534,037	\$20.9 M	\$ 1,134,093,605	\$ 1,100,511,875	\$33.6 M	\$63.0 M
Balance to RIFANS/Rounding	(11,927,061)	97,812	65,963	0.0 M	6,395	88,125	(0.1 M)	0.0 M
Total - Managed Care	\$ 1,007,366,165	\$ 1,058,500,000	\$ 1,037,600,000	\$20.9 M	\$ 1,134,100,000	\$ 1,100,600,000	\$33.5 M	\$63.0 M
General Revenue	\$425.4 M	\$450.3 M	\$444.3 M	\$5.9 M	\$468.4 M	\$458.1 M	\$10.3 M	\$13.7 M
Federal Funds	\$582.0 M	\$608.2 M	\$593.3 M	\$15.0 M	\$665.7 M	\$642.5 M	\$23.2 M	\$49.3 M

Table III-2. Average Managed Care Caseload

	SFY 2024		SFY 2025		SFY 2026			FY25 → FY26
	Final	Nov CEC	Current	Change	Nov CEC	Current	Change	
Full Benefits by Delivery System								
Rite Care Core	175,491	161,005	160,659	-346	161,703	159,850	-1,853	-809
Rite Care CSHCN	10,229	9,918	9,746	-172	10,159	9,906	-253	160
Rite Share	2,080	1,581	1,400	-181	2,777	2,049	-728	649
Remaining in FFS - Core	4,823	3,822	2,574	-1,248	2,940	2,009	-931	-565
Remaining in FFS - CSHCN	1,953	1,811	1,541	-271	1,887	1,556	-331	16
Total - Full Benefits	194,575	178,137	175,919	-2,218	179,466	175,370	-4,097	-549
Overall PMPM	\$431	\$492	\$492	(\$1)	\$527	\$523	(\$4)	\$31
% Enrolled in Managed Care	95.4%	96.0%	96.9%		95.8%	96.8%		
Other Caseload Factors								
EFP Only	1,074	2,129	2,098	-31	2,204	2,155	-48	58
Rite Smiles	141,230	134,646	135,469	822	136,670	138,870	2,200	3,401
Non-Emergency Transportation	194,684	174,888	175,889	1,001	177,413	175,396	-2,017	-493

Table III-3. Medicaid Births and NICU Stays

	SFY 2024		SFY 2025		SFY 2026			FY25 → FY26
	Final	Nov CEC	Current	Change	Nov CEC	Current	Change	
SOBRA Births								
Rite Care	3,979	4,198	3,936	-262	4,340	3,857	-483	-79
Expansion	318	218	278	60	282	350	68	72
Total - SOBRA Births	4,297	4,416	4,214	-202	4,622	4,207	-415	-7
Cost per SOBRA Birth	\$18,551	\$18,770	\$18,858	\$88	\$19,708	\$20,746	\$1,038	\$1,888
NICU Stays								
Rite Care	455	473	435	-38	473	444	-29	9
Cost per NICU Stay	\$67,443	\$72,410	\$69,803	-\$2,606	\$79,727	\$72,246	-\$7,481	\$2,443

Table III-4. Managed Care Price-Volume Comparison to Enacted and Prior FY

	Price	Volume	Net
FY 2025: Current over Nov CEC	(\$1.4 M) -0.1%	(\$19.5 M) -1.8%	(\$20.9 M) -2.0%
FY 2025 over FY 2024	\$126.8 M 13.9%	(\$96.6 M) -9.6%	\$30.2 M 3.0%
FY 2026: Current over Nov CEC	(\$7.6 M) -0.7%	(\$25.9 M) -2.3%	(\$33.5 M) -3.0%
FY 2026 over FY 2025	\$66.2 M 6.4%	(\$3.2 M) -0.3%	\$63.0 M 6.1%

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

Rite Care Core	SFY 2024	SFY 2025		SFY 2026	FY24 → FY25 (Oct-24)	FY25 (Oct-24) → FY26
		Jul-24 - Sep-24	Oct-24 - Jun-25			
MF < 1 y.o.	\$772	\$864	\$866	\$896	12.1%	3.5%
MF 1-4 y.o.	\$235	\$292	\$303	\$314	28.9%	3.5%
MF 5-14 y.o.	\$225	\$236	\$247	\$256	9.9%	3.5%
M 15-44 y.o.	\$270	\$290	\$307	\$318	13.9%	3.5%
F 15-44 y.o.	\$408	\$437	\$465	\$482	14.1%	3.5%
MF 45+ y.o.	\$620	\$644	\$689	\$713	11.1%	3.5%
Composite	\$332	\$351	\$367	\$384	10.8%	4.5%
Average Enrollment	175,491	162,394	162,878	159,850	-7.2%	-1.9%
Rite Care CSHCN						
Substitute Care	\$935	\$997	\$1,064	\$1,171	13.8%	10.0%
SSI <15	\$2,045	\$2,304	\$2,455	\$2,700	20.0%	10.0%
SSI 15-20	\$1,338	\$1,522	\$1,631	\$1,795	21.9%	10.0%
Katie Beckett	\$4,471	\$4,274	\$4,415	\$4,856	-1.2%	10.0%
Adoption Subsidy	\$860	\$771	\$812	\$893	-5.7%	10.0%
Composite	\$1,314	\$1,364	\$1,453	\$1,602	10.6%	10.2%
Average Enrollment	10,229	9,771	9,738	9,906	-4.8%	1.7%
SOBRA Payment	\$18,015	\$18,852	\$18,860	\$20,746	4.7%	10.0%
EFP Only	\$17	\$14	\$14	\$14	-18.2%	3.5%
Katie Beckett - Care Management	\$119	\$119	\$119	\$131	0.0%	10.0%
Rite Share	\$61	\$125	\$125	\$131	103.9%	5.0%

Table III-6. Summary of Rite Smiles Monthly Premiums

Rite Smiles	SFY 2024	SFY 2025	SFY 2026	FY24 → FY25	FY25 → FY26
MF 0-2	\$4	\$4	\$5	-2.9%	3.9%
MF 3-5	\$15	\$15	\$16	-1.3%	7.7%
MF 6-10	\$23	\$22	\$23	-3.9%	3.7%
MF 11-15	\$25	\$25	\$25	-0.8%	1.4%
MF 16-19	\$17	\$17	\$17	3.6%	-0.1%
MF 20+	\$17	\$17	\$17	3.6%	-0.1%
Composite	\$18	\$18	\$18	-0.5%	2.1%
Average Enrollment	141,230	135,469	138,870	-4.1%	2.5%

Table III-7. CHIP Offsets

CHIP Offset	SFY 2024	SFY 2025		Change	SFY 2026	Surplus/ (Deficit)	FY25 → FY26
	Final	Nov CEC	Current		Nov CEC		
	\$ 137,203,838	\$ 133,382,152	\$ 133,375,768	(\$0.0 M)	\$ 139,936,791	\$ 140,036,266	\$0.1 M
Additional GR Relief	\$18.2 M	\$17.7 M	\$17.7 M	(\$0.0 M)	\$18.0 M	\$18.0 M	\$0.3 M
CHIP FMAP	69.03%	69.03%	69.03%		70.04%	70.04%	
Regular FMAP	55.75%	55.75%	55.75%		57.20%	57.20%	

Note 1. CHIP offset does not reflect additional CHIP claiming against State Directed Payment that is reflected in Hospitals - Regular.

Table III-8. EFP Claiming

Family Planning Offset	SFY 2024	SFY 2025		Surplus/ (Deficit)	SFY 2026	Surplus/ (Deficit)	FY25 → FY26
	Final	Nov CEC	Current		Nov CEC		
	\$ 10,908,729	\$ 9,300,000	\$ 9,100,000	(\$0.2 M)	\$ 9,800,000	\$ 9,300,000	(\$0.5 M)
Additional GR Relief	\$3.3 M	\$3.2 M	\$3.1 M	(\$0.1 M)	\$3.3 M	\$3.2 M	(\$0.2 M)
Family Planning FMAP	90.00%	90.00%	90.00%		90.00%	90.00%	
Regular FMAP	60.09%	55.75%	55.75%		55.99%	55.99%	

Table III-9. CCBHC Claiming

	SFY 2024		SFY 2025		SFY 2026		FY25 → FY26	
	Final	Nov CEC	Current	Surplus/ (Deficit)	Nov CEC	Current		Surplus/ (Deficit)
CCBHC Offset		\$ 21,735,332	\$ 22,168,639	\$0.4 M	\$ 30,500,443	\$ 30,780,195	\$0.3 M	\$8.6 M
<i>Additional GR Relief</i>		\$2.9 M	\$2.9 M	\$0.1 M	\$3.9 M	\$4.0 M	\$0.0 M	\$1.0 M
<i>CHIP FMAP</i>		69.03%	69.03%		70.04%	70.04%		
<i>Regular FMAP</i>		55.75%	55.75%		57.20%	57.20%		

Note 1. CCBHC offset does not reflect all enhanced claiming available to Rhode Island under the CCBHC Demonstration. See also Rhody Health Partners and Other Services.

IV. Rhody Health Partners

Rhody Health Partners			
		All Funds	General Revenue
FY 2024	Revised Enacted	\$292,200,000	\$130,398,500
	Final	\$292,912,685	\$128,710,656
	<i>Deficit over Revised Enacted</i>	<i>(\$712,685)</i>	<i>\$1,687,844</i>
FY 2025	Enacted	\$338,533,764	\$150,069,004
	Nov 2024 CEC Adopted	\$309,700,000	\$133,084,914
	Current	\$311,400,000	\$133,700,651
	<i>Deficit over Nov CEC</i>	<i>(\$1,700,000)</i>	<i>(\$615,737)</i>
FY 2026	Nov 2024 CEC Adopted	\$340,300,000	\$140,186,619
	Current	\$330,100,000	\$136,414,957
	<i>Surplus over Nov CEC</i>	<i>\$10,200,000</i>	<i>\$3,771,663</i>

FY 2025

The Rhody Health Partners (RHP) forecast of \$311.4 million in FY 2025 is a \$1.7 million all funds deficit, including \$0.6 million from GR, compared to the Nov. CEC. The deficit is primarily attributable to a \$1.7 million increase in premiums payments. Partially offsetting the deficit is a \$0.9 million increase in rebate collections.

Medicaid forecasts an average fiscal year enrollment of 12,792 in FY 2025, an increase of 115 average members per month over the Nov. CEC. This includes a projected increase of 80 in the SSI 21-44 rate cell and an increase of 68 the I/DD rate cell.

FY 2026

The RHP forecast of \$330.1 million is a decrease of \$10.2 million (3.0%), including \$3.8M GR, compared to the Nov. CEC. The surplus is largely due to a \$8.0 million decrease in premium payments and a \$2.3 million decrease in risk share.

Medicaid forecasts an average fiscal year enrollment of 12,726; a decrease of 184 compared to the Nov. CEC. This includes a decrease of 208 in the SSI 45+ rate cell, and a decrease of 13 in the SPMI rate cell. These rate cells are the two most expensive rate cells in RHP with monthly premiums of \$2,410 and \$3,863, respectively.

Table IV-1 details expenditures to the health plans by product line and shows FFS payments made on behalf RHP eligible members.

Medicaid's revised average caseload forecast is in **Table IV-2. RHP Average Enrollment**, with additional month-by-month detail provided in **Attachment 5a** and **Attachment 5b**.

Table IV-3 summarizes the price and volume variances for FY 2024 through FY 2026.

The average monthly RHP capitation rate by pay level is shown in **Table IV-4**.

Table IV-1. Summary of RHP Expenditures

	SFY 2024		SFY 2025		SFY 2026			FY25 → FY26
	Final	Nov CEC	Current	Surplus/ (Deficit)	Nov CEC	Current	Surplus/ (Deficit)	
Payments to Plans								
Rhody Health Partners	\$ 321,841,296	\$ 339,174,067	\$ 340,872,733	(\$1.7 M)	\$ 368,807,850	\$ 360,835,865	\$8.0 M	\$20.0 M
Withhold	1,617,281	1,699,212	1,712,837	(0.0 M)	1,863,448	1,813,261	0.1 M	0.1 M
Risk Share	1,665,312	0	750,000	(0.8 M)	2,258,692	0	2.3 M	(0.8 M)
Subtotal - Payment to Plans	\$ 325,123,889	\$ 340,873,279	\$ 343,335,570	(\$2.5 M)	\$ 372,929,990	\$ 362,649,126	\$10.3 M	\$19.3 M
CCBHC (reflected in "Payments to Plans")	0	31,727,542	32,730,825	(1.0 M)	45,173,832	45,674,707	(0.5 M)	12.9 M
Other Payments								
Non-Emergency Transportation	3,131,238	3,108,599	3,149,329	(0.0 M)	3,265,115	3,228,395	0.0 M	0.1 M
FFS	960,388	1,030,000	1,088,000	(0.1 M)	1,056,000	1,218,000	(0.2 M)	0.1 M
Rebates	(36,847,782)	(35,314,857)	(36,244,420)	0.9 M	(36,985,762)	(37,092,711)	0.1 M	(0.8 M)
Subtotal - Other Payments	\$ (32,756,156)	\$ (31,176,259)	\$ (32,007,091)	\$0.8 M	\$ (32,664,647)	\$ (32,646,316)	(\$0.0 M)	(\$0.6 M)
Subtotal - Rhody Health Partners	\$ 292,367,733	\$ 309,697,021	\$ 311,328,479	(\$1.6 M)	\$ 340,265,343	\$ 330,002,810	\$10.3 M	(\$18.7 M)
Balance to RIFANS/Accruals/Rounding	544,952	2,979	71,521	(0.1 M)	34,657	97,190	(0.1 M)	0.0 M
Total - Rhody Health Partners	\$ 292,912,685	\$ 309,700,000	\$ 311,400,000	(\$1.7 M)	\$ 340,300,000	\$ 330,100,000	\$10.2 M	\$18.7 M
General Revenue	\$128.7 M	\$133.1 M	\$133.7 M	(\$0.6 M)	\$140.2 M	\$136.4 M	\$3.8 M	\$2.7 M
Federal Funds	\$164.2 M	\$176.6 M	\$177.7 M	(\$1.1 M)	\$200.1 M	\$193.7 M	\$6.4 M	\$16.0 M

Table IV-2. RHP Average Enrollment

	SFY 2024		SFY 2025		SFY 2026			FY25 → FY26
	Final	Nov CEC	Current	Change	Nov CEC	Current	Change	
Rhody Health Partners								
SSI 21-44	3,628	3,473	3,553	80	3,600	3,563	-37	11
SSI 45+	6,434	6,147	6,123	-24	6,297	6,089	-208	-34
SPMI	2,179	2,017	2,008	-9	2,012	1,999	-13	-8
I/DD	1,032	1,040	1,108	68	1,047	1,120	73	12
Total	13,272	12,677	12,792	115	12,956	12,772	-184	-20
Composite RHP PMPM	\$2,041	\$2,241	\$2,237	-\$5	\$2,399	\$2,366		\$129
Overall PMPM (incl. of Other Payments)	\$1,839	\$2,037	\$2,029	-\$9	\$2,189	\$2,154	-\$35	\$125
Other Caseload Factors								
Non-Emergency Transportation	13,219	12,606	12,771	165	12,665	12,726	61	-45

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

	Price	Volume	Net
FY 2025: Current over Nov CEC	(\$1.3 M)	\$3.1 M	\$1.7 M
	-0.4%	1.0%	0.5%
FY 2025 over FY 2024	\$29.1 M	(\$10.6 M)	\$18.5 M
	10.3%	-3.6%	6.3%
FY 2026: Current over Nov CEC	(\$5.4 M)	(\$4.8 M)	(\$10.2 M)
	-1.6%	-1.4%	-3.0%
FY 2026 over FY 2025	\$19.2 M	(\$0.5 M)	\$18.7 M
	6.2%	-0.2%	6.0%

Table IV-4. RHP Monthly Premiums

Rhody Health Partners	SFY 2024	SFY 2025		SFY 2026	FY24 → FY25 (Oct-24)	FY25 (Oct-24) → FY26
		Jul-24 - Sep-24	Oct-24 - Jun-25			
SSI 21-44	\$1,377	\$1,501	\$1,683	\$1,742	22.2%	3.5%
SSI 45+	\$1,940	\$2,155	\$2,328	\$2,410	20.0%	3.5%
SPMI	\$2,885	\$3,187	\$3,732	\$3,863	29.4%	3.5%
I/DD	\$1,435	\$1,307	\$1,394	\$1,442	-2.9%	3.5%
Composite	\$2,031	\$2,073	\$2,284	\$2,366	12.5%	3.6%
Average Member Months	13,272	12,706	12,820	12,772	-3.4%	-0.4%

V. Rhody Health Options

Rhody Health Options			
		All Funds	General Revenue
FY 2024	Revised Enacted	\$176,200,000	\$77,968,500
	Final	\$176,765,466	\$77,747,428
	<i>Deficit over Revised Enacted</i>	<i>(\$565,466)</i>	<i>\$221,072</i>
FY 2025	Enacted	\$220,508,737	\$96,965,547
	Nov 2024 CEC Adopted	\$214,600,000	\$94,445,460
	Current	\$212,400,000	\$94,373,080
	<i>Surplus over Nov CEC</i>	<i>\$2,200,000</i>	<i>\$72,380</i>
FY 2026	Nov 2024 CEC Adopted	\$234,900,000	\$100,537,200
	Current	\$225,200,000	\$96,385,600
	<i>Surplus over Nov CEC</i>	<i>\$9,700,000</i>	<i>\$4,151,600</i>

FY 2025

The Rhody Health Options (RHO) forecast of \$212.4 million is an all-funds surplus of \$2.2 million below the Nov. CEC, due to reduced enrollment in the current fiscal year. Medicaid forecasts an average enrollment of 11,405, a decrease of 349 members per month. Most of the reduction is from a decline of 276 members enrolled in the Community Non-LTSS rate cell.

FY 2026

Medicaid forecasts \$225.2 million; a \$9.7 million all funds and \$4.2 million GR surplus compared to the Nov. CEC. The primary driver of the surplus is a \$9.1 million (4.1%) decrease in premium payments. This is due to a decline of 588 clients in FY 2026 and an average decrease of 136 clients in FY 2025. The estimate assumes no passive enrollment into the existing product and/or its substitute.

Medicaid anticipates a new contract with NHPRI and is actively engaged with its certifying actuary to establish rates effective January 1, 2026. The FY 2026 assumes current RHO costs through FY 2026 with a rate increase effective January 2025. The composite rate increase is as that is equivalent to 5.0%. Please note that due to existing 18-month contract the year-over-year change is less than 5.0% (as the current rates are effective through December 31, 2025). Medicaid will update the conferees in October 2025, once rates are established.

Table VI-1 summarizes RHO expenditures.

Medicaid's revised average caseload forecast 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 2024 and FY 2026.

The average monthly RHO capitation rates by pay level are summarized in **Table V-4**.

Table V-1. RHO Expenditures

	SFY 2024		SFY 2025		SFY 2026				FY25 → FY26
	Final	Nov CEC	Current	Surplus/ (Deficit)	Nov CEC	Current	Surplus/ (Deficit)		
Payments to Plans									
CMS Demonstration (RHO II)	\$ 172,273,744	\$ 203,139,144	\$ 201,189,484	\$1.9 M	\$ 222,586,301	\$ 213,447,924	\$9.1 M	\$12.3 M	
Withhold	7,083,972	8,480,580	8,316,470	0.2 M	9,299,238	8,894,102	0.4 M	0.6 M	
Subtotal - Payment to Plans	\$ 179,357,716	\$ 211,619,724	\$ 209,505,954	\$2.1 M	\$ 231,885,540	\$ 222,342,026	\$9.5 M	\$12.8 M	
Other Payments									
Non-Emergency Transportation	\$ 3,033,781	\$ 2,898,023	\$ 2,808,569	\$0.1 M	\$ 3,011,943	\$ 2,850,560	\$0.2 M	\$0.0 M	
Rebates	0	0	0	0.0 M	0	0	0.0 M	0.0 M	
Subtotal - Other Payments	\$ 3,033,781	\$ 2,898,023	\$ 2,808,569	\$0.1 M	\$ 3,011,943	\$ 2,850,560	\$0.2 M	\$0.0 M	
Subtotal - Rhody Health Options	\$ 182,391,498	\$ 214,517,747	\$ 212,314,523	\$2.2 M	\$ 234,897,482	\$ 225,192,586	\$9.7 M	\$12.9 M	
Balance to RIFANS/Accruals/Rounding	(5,626,032)	82,253	85,477	(0.0 M)	2,518	7,414	(0.0 M)	(0.1 M)	
Total - Rhody Health Options	\$ 176,765,466	\$ 214,600,000	\$ 212,400,000	\$2.2 M	\$ 234,900,000	\$ 225,200,000	\$9.7 M	\$12.8 M	
General Revenue	\$77.7 M	\$94.4 M	\$94.4 M	\$0.1 M	\$100.5 M	\$96.4 M	\$4.2 M	\$2.0 M	
Federal Funds	\$99.0 M	\$120.2 M	\$118.0 M	\$2.1 M	\$134.4 M	\$128.8 M	\$5.5 M	\$10.8 M	

Table V-2. RHO Average Enrollment

	SFY 2024		SFY 2025		SFY 2026			FY25 → FY26
	Final	Nov CEC	Current	Change	Nov CEC	Current	Change	
Rhody Health Options								
SPMI	940	842	816	-26	849	807	-43	-9
I/DD	1,303	1,288	1,262	-26	1,309	1,256	-53	-6
Community LTSS	2,128	2,254	2,263	8	2,280	2,290	10	27
Institutional LTSS	636	644	614	-30	655	619	-36	6
Community Non-LTSS	7,837	6,727	6,451	-276	6,763	6,298	-466	-154
Total	12,843	11,754	11,405	-349	11,857	11,269	-588	-136
Overall PMPM	\$1,147	\$1,517	\$1,552	\$35	\$1,651	\$1,665	\$14	\$113
Other Caseload Factors								
Non-Emergency Transportation	12,807	11,752	11,389	-363	11,683	11,237	-446	-152

Table V-3. RHO Price-Volume Comparison to Enacted and Prior FY

	Price	Volume	Net
FY 2025: Current over Nov CEC	\$4.7 M 2.3%	(\$6.9 M) -3.2%	(\$2.2 M) -1.0%
FY 2025 over FY 2024	\$55.4 M 35.3%	(\$19.8 M) -11.2%	\$35.6 M 20.2%
FY 2026: Current over Nov CEC	\$1.9 M 0.9%	(\$11.6 M) -5.0%	(\$9.7 M) -4.1%
FY 2026 over FY 2025	\$15.3 M 7.3%	(\$2.5 M) -1.2%	\$12.8 M 6.0%

Table V-4. Summary of RHO Monthly Premiums

Rhody Health Options	SFY 2024	SFY 2025		SFY 2026	FY24 → FY25 (Oct-24)	FY25 (Oct-24) → FY26
		Jul-24 - Sep-24	Oct-24 - Jun-25			
SPMI	\$926	\$1,159	\$867	\$888	-6.4%	2.5%
I/DD	\$157	\$195	\$226	\$231	44.1%	2.5%
Community LTSS	\$4,895	\$4,407	\$5,270	\$5,402	7.7%	2.5%
Institutional LTSS	\$3,751	\$4,407	\$5,270	\$5,402	40.5%	2.5%
Community Non-LTSS	\$214	\$244	\$280	\$287	31.1%	2.5%
Composite	\$1,149	\$1,324	\$1,587	\$1,644	38.1%	3.6%
Average Member Months	12,843	11,748	11,291	11,269	-12.1%	-0.2%

VI. Expansion

		Expansion	
		All Funds	General Revenue
FY 2024	Revised Enacted	\$688,600,000	\$73,744,000
	Final	\$702,835,229	\$76,369,437
	<i>Deficit over Revised Enacted</i>	<i>(\$14,235,229)</i>	<i>(\$2,625,437)</i>
FY 2025	Enacted	\$733,026,212	\$78,053,872
	Nov 2024 CEC Adopted	\$688,100,000	\$74,642,889
	Current	\$705,100,000	\$76,172,839
	<i>Deficit over Nov CEC</i>	<i>(\$17,000,000)</i>	<i>(\$1,529,950)</i>
FY 2026	Nov 2024 CEC Adopted	\$725,400,000	\$78,555,065
	Current	\$731,400,000	\$78,809,209
	<i>Deficit over Nov CEC</i>	<i>(\$6,000,000)</i>	<i>(\$254,144)</i>

FY 2025

Medicaid's FY 2025 forecast for Expansion is \$705.1 million; a \$17.0 million (2.5%) increase compared to the Nov. CEC, including a \$1.5 million GR deficit. The deficit is primarily attributed to:

- Increased capitation payments of \$5.9 million, despite lower enrollment compared to November. This increase was due to the revised rates promulgated in January 2025 to capture the effect of emerging experience and the marginal impact of the OHIC rate review on specific services inadvertently excluded from preliminary rates issued for October 2024.
- An additional \$1.2 million for SOBRA due to a more favorable allocation of births to the Expansion funding source.
- An additional \$4.0 million in fee-for-service spending—likely owing to combination of OHIC-related utilization growth and churn resulting from caseload swings.
- A revision to Medicaid's FY 2023 gain share recoupment that will result in loss of \$8.6 million collected in current fiscal year; as well as inclusion of \$1.0 million in risk share payments for FY 2025.

This increased spending is mitigated by:

- Overall caseload-related savings of \$7.9 million. Medicaid forecasts an average monthly enrollment of 79,870 members, a decrease of 910 members from the Nov. CEC.
- Reduced transportation broker payments of \$0.5 million.
- A \$1.4 million increase in anticipated drug rebates.

FY 2026

Medicaid projects Expansion expenditures to increase by \$26.3 million to \$731.4 million. This is a \$6.0 million deficit (0.7%), including \$0.3 million from GR, compared to November. The average cost per Expansion member is increasing 7.0% in FY 2026 compared to FY 2025—equivalent to \$47.7 million in new spending, holding enrollment constant. The projected deficit is due to:

- A 5.0% increase across the managed care rating categories (compared to October 2024 rating), equivalent to a \$30 increase for a composite PMPM of \$746 in FY 2026.
- Expansion FFS is estimated to increase by \$7.3 million, including a \$3.3 million earmark for potential sickle cell treatments.
- \$1.0 million decrease in anticipated drug rebates.

The increases are partially mitigated by savings due to declining enrollment. Average monthly enrollment for FY 2026 is 81,603, a decrease of 2,829. This reduced caseload contributes to \$24.8 million (3.4%) in reduced spending (holding PMPM constant) below the Nov CEC. Significantly, the most expensive rate cells having a PMPM exceeding \$1,000, for adults aged 50-64 years old, are projected to decrease 616 members.

Previously Eligible Expansion-Eligible Members

FY 2025 and FY 2026 include adjustments 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, Medicaid must make adjusting entries at the end of each fiscal year.

The revised estimate includes \$15.3 million in FY 2025 and \$15.9 million in FY 2026 which are not eligible for a 90/10 match.

Table VI-1 summarizes all expenditures by product line to the health plans as well as various FFS payments.

Medicaid’s 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 5**.

Table VI-3 calculates the price and volume related changes for FY 2024 Final, FY 2025 November CEC and Current, and FY 2026 over FY 2025.

The average monthly Expansion capitation rates, by pay level, are summarized in **Table VI-4**.

Table VI-1. Summary of Medicaid Expansion Expenditures

	SFY 2024		SFY 2025				SFY 2026		FY25 → FY26
	Final	Nov CEC	Current	Surplus/ (Deficit)	Nov CEC	Current	Surplus/ (Deficit)		
Payments to Plans									
Expansion	\$ 695,452,251	\$ 641,702,372	\$ 647,622,004	(\$5.9 M)	\$ 671,724,808	\$ 671,871,891	(\$0.1 M)	\$24.2 M	
Expansion - Previously Eligible	16,381,617	15,800,000	15,300,000	0.5 M	16,900,000	15,900,000	1.0 M	0.6 M	
Rlte Smiles	2,046,445	2,036,869	2,039,697	(0.0 M)	2,173,940	2,135,585	0.0 M	0.1 M	
SOBRA	5,899,266	4,091,771	5,242,616	(1.2 M)	5,557,676	7,261,150	(1.7 M)	2.0 M	
Withhold	3,576,872	3,431,881	3,330,456	0.1 M	3,659,421	3,455,162	0.2 M	0.1 M	
Risk Share	(32,498,252)	667,211	9,159,877	(8.5 M)	1,866,197	0	1.9 M	(9.2 M)	
Subtotal - Payments to Plans	\$ 690,858,199	\$ 667,730,104	\$ 682,694,650	(\$15.0 M)	\$ 701,882,041	\$ 700,623,789	\$1.3 M	\$17.9 M	
CCBHC (reflected in "Payments to Plans")	0	26,688,453	25,832,242	0.9 M	37,323,943	35,445,290	1.9 M	9.6 M	
Other Payments									
Non-Emergency Transportation	\$ 14,294,650	\$ 12,798,318	\$ 12,262,654	\$0.5 M	\$ 13,193,235	\$ 12,200,242	\$1.0 M	(\$0.1 M)	
Expansion FFS	49,082,137	70,476,359	74,507,359	(4.0 M)	74,973,145	82,241,145	(7.3 M)	7.7 M	
Rebates	(68,557,946)	(62,985,217)	(64,426,673)	1.4 M	(64,708,603)	(63,679,929)	(1.0 M)	0.7 M	
DRE	(65,449,300)	(60,218,190)	(61,608,845)	1.4 M	(61,864,380)	(60,897,976)	(1.0 M)	0.7 M	
J-Code	(3,108,646)	(2,767,027)	(2,817,828)	0.1 M	(2,844,223)	(2,781,953)	(0.1 M)	0.0 M	
Subtotal - Other Payments	\$ (5,181,159)	\$ 20,289,460	\$ 22,343,339	(\$2.1 M)	\$ 23,457,777	\$ 30,761,458	(\$7.3 M)	\$8.4 M	
Subtotal - Expansion	\$ 685,677,039	\$ 688,019,564	\$ 705,037,990	(\$17.0 M)	\$ 725,339,818	\$ 731,385,247	(\$6.0 M)	\$26.3 M	
Balance to RIFANS/Accruals/Rounding	17,158,190	80,436	62,010	0.0 M	60,182	14,753	0.0 M	(0.0 M)	
Total - Expansion	\$ 702,835,229	\$ 688,100,000	\$ 705,100,000	(\$17.0 M)	\$ 725,400,000	\$ 731,400,000	(\$6.0 M)	\$26.3 M	
General Revenue	\$76.4 M	\$74.6 M	\$76.2 M	(\$1.5 M)	\$78.6 M	\$78.8 M	(\$0.3 M)	\$2.6 M	
Federal Funds	\$626.5 M	\$613.5 M	\$628.9 M	(\$15.5 M)	\$646.8 M	\$652.6 M	(\$5.7 M)	\$23.7 M	

Table VI-2. Summary Medicaid Expansion Average Enrollment

Enrolled	SFY 2024	SFY 2025			SFY 2026			FY25 → FY26
	Final	Nov CEC	Current	Change	Nov CEC	Current	Change	
F 19-24	9,185	8,074	7,797	-277	8,056	7,505	-552	-292
F 25-29	5,703	4,690	4,589	-101	4,606	4,392	-214	-197
F 30-39	6,329	5,634	5,682	48	5,516	5,515	-2	-167
F 40-49	5,261	4,693	4,682	-11	4,521	4,520	-2	-162
F 50-64	14,983	12,481	12,378	-103	12,335	11,913	-422	-465
M 19-24	10,110	8,519	8,106	-413	8,531	7,747	-784	-359
M 25-29	7,649	6,428	6,227	-201	6,370	5,940	-431	-288
M 30-39	12,860	11,704	11,686	-18	11,640	11,316	-324	-370
M 40-49	8,047	7,444	7,594	150	7,310	7,404	93	-191
M 50-64	13,059	11,115	11,131	16	10,961	10,769	-192	-361
Subtotal - Enrolled	93,185	80,780	79,870	-910	79,848	77,020	-2,829	-2,851
Rite Share	191	80	38	-42	92	32	-60	-6
Remaining in FFS	4,128	4,395	4,371	-24	4,552	4,552	0	181
Total - Expansion	97,504	85,255	84,279	-976	84,491	81,603	-2,888	-2,676
Overall PMPM	\$601	\$673	\$697	\$25	\$715	\$746	\$30	\$49
% Enrolled in Managed Care	95.6%	94.8%	94.8%		94.5%	94.4%		-0.4%
Other Caseload Factors								
Non-Emergency Transportation	95,912	85,445	82,878	-2,567	85,250	80,117	-5,133	-2,761
SOBRA Births	318	218	278	60	282	350	68	72

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

	Price	Volume	Net
FY 2025: Current over Nov CEC	\$24.9 M	(\$7.9 M)	\$17.0 M
	3.7%	-1.1%	2.5%
FY 2025 over FY 2024	\$97.6 M	(\$95.3 M)	\$2.3 M
	16.1%	-13.6%	0.3%
FY 2026: Current over Nov CEC	\$30.8 M	(\$24.8 M)	\$6.0 M
	4.4%	-3.4%	0.8%
FY 2026 over FY 2025	\$48.7 M	(\$22.4 M)	\$26.3 M
	7.1%	-3.2%	3.7%

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

Expansion	SFY 2024	SFY 2025		SFY 2026	FY24 → FY25 (Oct-24)	FY25 (Oct-24) → FY26
		Jul-24 - Sep-24	Oct-24 - Jun-25			
F 19-24	\$296	\$356	\$386	\$405	30.4%	5.0%
F 25-29	\$414	\$486	\$541	\$568	30.6%	5.0%
F 30-39	\$561	\$697	\$776	\$815	38.4%	5.0%
F 40-49	\$685	\$894	\$988	\$1,037	44.3%	5.0%
F 50-64	\$723	\$928	\$990	\$1,040	36.9%	5.0%
M 19-24	\$210	\$216	\$243	\$255	15.8%	5.0%
M 25-29	\$320	\$378	\$430	\$452	34.4%	5.0%
M 30-39	\$519	\$565	\$637	\$669	22.9%	5.0%
M 40-49	\$745	\$807	\$895	\$939	20.2%	5.0%
M 50-64	\$768	\$935	\$1,000	\$1,050	30.3%	5.0%
Composite	\$640	\$646	\$713	\$748	11.4%	4.9%
Average Member Months	93,185	83,728	78,584	77,020	-15.7%	-2.0%

VII. Hospitals – Regular

Hospitals - Regular			
		All Funds	General Revenue
FY 2024	Revised Enacted	\$352,000,000	\$119,350,838
	Final	\$354,175,364	\$122,826,036
	<i>Deficit over Revised Enacted</i>	<i>(\$2,175,364)</i>	<i>(\$3,475,198)</i>
FY 2025	Enacted	\$345,400,001	\$114,743,376
	Nov 2024 CEC Adopted	\$351,400,000	\$114,294,581
	Current	\$341,600,000	\$110,294,396
	<i>Surplus over Nov CEC</i>	<i>\$9,800,000</i>	<i>\$4,000,184</i>
FY 2026	Nov 2024 CEC Adopted	\$370,500,000	\$117,707,766
	Current	\$364,200,000	\$115,499,942
	<i>Surplus over Nov CEC</i>	<i>\$6,300,000</i>	<i>\$2,207,824</i>

FY 2025

Medicaid’s estimate for **Hospital – Regular** totals \$341.6 million in FY 2025; a \$9.8 million (2.8%) all-funds and \$4.0 million GR surplus compared to the Nov. CEC. The decrease is driven by reduced inpatient (\$9.2 million) and outpatient (\$0.6 million) hospital claims activity, from \$46.3 million to \$36.4 million.

Medicaid’s methodology for revising its current year estimate looked at SFY25 claims activity through December, specifically the impact of FY25 Q2, adjusted for an incurred but not reported (IBNR) factor. The SFY25 estimate includes the 3.3% rate increase effective July 1, 2024.

FY 2026

FY 2026 hospital spending is expected to decrease \$6.3 million to \$364.2 million compared to the Nov. CEC. The surplus is due to a \$10.3 million decrease in hospital FFS activity, including \$9.9 million less for inpatient and \$0.5 million less for outpatient activity. Despite the decrease, the estimate assumes the projected annual rate change of 3.4%, pursuant to current law, which is estimated at \$1.5 million. Medicaid also assumes a 1.5% utilization increase in FY 2026 given the increased activity between Q1 and Q2 of FY 2025 in the hospital budget lines, which added \$0.5 million.

This increase is offset by projected deficits in hospital supplemental payments, specifically a \$6.9 million increase in UPL payments and a \$2.9 million increase in state directed payments. Both are discussed in the following pages.

A summary of the revised estimates for FY 2025 and FY 2026 are shown in **Table VII-1**. A summary of the price changes for FY 2026 are included in **Table VII-2**.

Table VII-1. Summary of Hospital – Regular Expenditures

	SFY 2024		SFY 2025		SFY 2026			FY25 → FY26
	Final	Nov CEC	Current	Surplus/ (Deficit)	Nov CEC	Current	Surplus/ (Deficit)	
Supplemental Payments								
Inpatient UPL	\$ 9,545,062	\$ 10,487,197	\$ 10,487,197	\$0.0 M	\$ 10,487,197	\$ 16,829,582	(\$6.3 M)	\$6.3 M
Regular	7,750,590	8,564,274	8,033,193	0.5 M	8,564,274	12,891,460	(4.3 M)	4.9 M
Expansion	1,794,472	1,922,923	2,454,004	(0.5 M)	1,922,923	3,938,122	(2.0 M)	1.5 M
Outpatient UPL	6,959,932	7,846,189	7,846,189	0.0 M	7,846,189	8,396,504	(0.6 M)	0.6 M
Regular	5,686,264	6,219,140	6,010,181	0.2 M	6,219,140	6,431,722	(0.2 M)	0.4 M
Expansion	1,273,668	1,627,049	1,836,008	(0.2 M)	1,627,049	1,964,782	(0.3 M)	0.1 M
GME	2,500,000	0	0	0.0 M	0	0	0.0 M	0.0 M
SDP - Hospital Payments	287,927,025	281,032,814	281,032,815	(0.0 M)	297,198,199	294,312,379	3.2 M	13.3 M
SDP - MCO Tax	5,876,062	5,735,364	5,735,364	(0.0 M)	6,065,269	6,006,375	(0.3 M)	0.3 M
Subtotal - Supplemental Payments	\$ 312,808,081	\$ 305,101,564	\$ 305,101,565	(\$0.0 M)	\$ 321,596,854	\$ 325,544,840	(\$3.9 M)	\$20.4 M
FFS Activity								
Inpatient FFS	\$ 34,797,739	\$ 37,960,000	\$ 28,732,000	\$9.2 M	\$ 40,066,000	\$ 30,209,000	\$9.9 M	\$1.5 M
Outpatient FFS	7,142,825	8,321,000	7,732,000	0.6 M	8,819,000	8,351,000	0.5 M	0.6 M
Subtotal - FFS Activity	\$ 41,940,564	\$ 46,281,000	\$ 36,464,000	\$9.8 M	\$ 48,885,000	\$ 38,560,000	\$10.3 M	\$2.1 M
Subtotal - Hospitals - Regular	\$ 354,748,645	\$ 351,382,564	\$ 341,565,565	\$9.8 M	\$ 370,481,854	\$ 364,104,840	\$6.4 M	\$22.5 M
Balance to RIFANS/Accruals/Rounding	(573,281)	17,436	34,435	(0.0 M)	18,146	95,160	(0.1 M)	0.1 M
Total - Hospitals - Regular	\$ 354,175,364	\$ 351,400,000	\$ 341,600,000	\$9.8 M	\$ 370,500,000	\$ 364,200,000	\$6.3 M	\$22.6 M
General Revenue	\$122.8 M	\$114.3 M	\$110.3 M	\$4.0 M	\$117.7 M	\$115.5 M	\$2.2 M	\$5.2 M
Federal Funds	\$231.3 M	\$237.1 M	\$231.3 M	\$5.8 M	\$252.8 M	\$248.7 M	\$4.1 M	\$17.4 M

Table VII-2. FY 2026 Hospital Trend Assumptions (Excludes Managed Care and Expansion FFS)

Inpatient	Percent	Dollar Impact	Source
Price	3.40%	\$1.0 million	FFY 25 Actual Inpatient Hospital PPS Market Basket - No Productivity Adjustment
Utilization	1.50%	\$0.4 million	Medicaid
Subtotal Inpatient		\$1.5 million	
Outpatient	Percent	Dollar Impact	Source
Price	3.40%	\$0.5 million	FFY 25 Actual Inpatient Hospital PPS Market Basket - No Productivity Adjustment-
Utilization	1.50%	\$0.1 million	Medicaid
Subtotal Outpatient		\$0.6 million	
TOTAL		\$2.1 million	

Upper Payment Limit (UPL)

FY 2025

The FY 2025 estimate remains the same as the Nov. CEC at \$18.3 million: \$10.5 million for inpatient and \$7.8 million for outpatient payments.

FY 2026

The revised FY 2026 forecast totals \$25.2 million, comprised of \$16.8 million for inpatient and \$8.4 million for outpatient. This is an increase of \$6.9 million above the Nov. CEC. Since November, Medicaid received cost reports for hospitals operating on a FFY fiscal year. The updated modeling reflects the impact of the FFY 2024 Medicare cost reports.

Based on Medicaid’s analysis of the proportion of hospital FFS expenditures, approximately 23% of activity is eligible for 90.0 percent federal financial participation. This allocation is reflected in the state-federal splits for the Hospital budget line.

Graduate Medical Education (GME)

The FY 2025 Enacted Budget eliminated GME payments to hospitals, beginning in July 2025.

Managed Care State Directed Payment (SDP) to Hospitals

FY 2025

Medicaid assumes \$286.8 million in all funds financing for the managed care hospital SDP, consistent with the Nov. CEC. This includes \$85.9 million in GR financing, a savings of \$1.1 million compared to the Nov. CEC. Hospitals expect to receive \$281.0 million in total payments, while \$5.7 million is allocated to the premium tax paid by the MCOs. The GR variance is attributable to the revised enrollment forecast and its impact on Medicaid’s allocation of expenditures to different eligibility groups that have different federal matching rates, as well as updated PMPMs certified by the State’s actuary for different pay levels. The FY 2025 SDP allocation was forecasted by distributing the remaining funds based on the FY 2025 Q2 payment distribution.

FY 2026

Medicaid maintains GR support consistent with the FY 2025 Enacted at \$90.1 million, inclusive of the tax liability incurred by the plans. The total SDP was adjusted accordingly based on the FY 2026 FMAP rates and utilization mix across the different eligibility groups, i.e., Expansion, CHIP, and Regular Medicaid. With current enrollment forecasts, Medicaid estimates \$90.1 million GR will support SDPs of \$300.3 million, an increase of \$13.6 million compared to the FY 2025 Enacted, but a reduction of \$2.8 million, or 0.9%, compared to the Nov. CEC for the budget year. Exclusive of the premium tax, the amount to be received by hospitals is forecasted to increase by \$13.3 million from \$281.0 million to \$294.3 million.

Table VII-1 and **Table VII-3** summarize the estimated SDP forecasted and other hospital supplemental payments.

Table VII-3. Supplemental Payments by Hospital, FY 2025

	SFY 2024		SFY 2025:				Total Supplemental	FY24 → FY25
	Total	SDP [1],[2]	DSH [3]	UPL:				
				Inpatient	Outpatient			
Rehab	\$ 246,382	\$ 228,825	\$ -	\$ 260,641	\$ -	\$ 489,466	\$ 243,085	
Bradley	19,053,037	21,315,111	-	-	-	21,315,111	2,262,074	
Butler	20,434,767	21,419,890	-	-	-	21,419,890	985,122	
Eleanor Slater	-	-	7,000,000	-	-	7,000,000	7,000,000	
Kent	25,918,838	21,280,913	609,374	650,973	765,646	23,306,906	(2,611,931)	
Landmark	14,241,881	12,684,097	-	299,639	359,127	13,342,863	(899,018)	
Miriam	31,139,689	26,170,914	-	824,459	1,207,747	28,203,120	(2,936,569)	
Newport	8,080,193	7,770,691	-	176,694	232,829	8,180,214	100,021	
Rhode Island	120,005,145	105,453,824	6,067,229	2,781,441	3,267,735	117,570,229	(2,434,916)	
Roger Williams	19,880,335	10,634,379	6,610,600	491,783	791,709	18,528,471	(1,351,864)	
Our Lady of Fatima	9,593,554	7,926,135	-	590,272	289,168	8,805,575	(787,979)	
South County	5,642,888	4,894,420	-	69,716	121,228	5,085,364	(557,524)	
Westerly	4,354,889	2,877,771	1,451,669	36,076	68,613	4,434,129	79,240	
Women & Infants	43,079,293	38,375,845	-	4,305,503	742,387	43,423,735	344,441	
Total	\$ 321,670,891	\$ 281,032,815	\$ 21,738,872	\$ 10,487,197	\$ 7,846,189	\$ 321,105,073	\$ (565,818)	

Note 1. SDP payment for SFY 2025 will be reconciled and completed in last quarter of CY 2025. Amounts do not include state premium tax included in payment to managed care organizations.
 Note 2. Total SDP payment reflects amount included in SFY 2025 Enacted distributed based on SFY 2025 Q1 payment and Q2 payments. Actual distribution may vary.
 Note 3. DSH total may change due to allowances under uncompensated care and its interaction with the State Directed Payment. New DSH workbooks are anticipated to be submitted to EOHHS in May 2025

VIII. Hospitals - DSH

Hospitals - DSH Payments			
		All Funds	General Revenue
FY 2024	Revised Enacted	\$14,738,872	\$6,631,019
	Final	\$14,738,872	\$6,714,937
	<i>Deficit over Revised Enacted</i>	<i>(\$0)</i>	<i>(\$83,919)</i>
FY 2025	Enacted	\$21,738,872	\$9,497,713
	Nov 2024 CEC Adopted	\$21,738,872	\$9,497,713
	Current	\$21,738,872	\$9,497,713
	<i>Deficit over Nov CEC</i>	<i>\$0</i>	<i>\$0</i>
FY 2026	Nov 2024 CEC Adopted	\$21,738,872	\$9,239,021
	Current	\$21,738,872	\$9,239,021
	<i>Deficit over Nov CEC</i>	<i>\$0</i>	<i>\$0</i>

FY 2025

Medicaid estimates a \$21.7 million DSH payment in FY 2025, no change from the Nov. CEC. This includes \$14.7 million for private hospitals and \$7.0 million for Eleanor Slater Hospital. The inclusion of the hospital SDP is expected to make the majority of private hospitals ineligible for a DSH payment.

FY 2026

Medicaid has not yet received its preliminary FFY 2026 / SFY 2026 federal allotment. Absent the allotment, Medicaid maintains its FY 2025 estimate, adjusted for the FFY 2026 FMAP.

IX. Nursing and Hospice Care

Nursing and Hospice Care			
		All Funds	General Revenue
FY 2024	Revised Enacted	\$334,700,000	\$148,104,750
	Final	\$354,530,496	\$157,303,755
	<i>Deficit over Revised Enacted</i>	<i>(\$19,830,496)</i>	<i>(\$9,199,005)</i>
FY 2025	Enacted	\$393,800,000	\$173,311,380
	Nov 2024 CEC Adopted	\$421,000,000	\$185,282,100
	Current	\$428,700,000	\$188,670,870
	<i>Deficit over Nov CEC</i>	<i>(\$7,700,000)</i>	<i>(\$3,388,770)</i>
FY 2026	Nov 2024 CEC Adopted	\$467,800,000	\$200,218,400
	Current	\$478,294,000	\$204,709,832
	<i>Deficit over Nov CEC</i>	<i>(\$10,494,000)</i>	<i>(\$4,491,432)</i>

FY 2025

The FY 2025 estimate totals \$428.7 million, a \$7.7 million all-funds and \$3.4 million GR deficit compared to the Nov. CEC. Medicaid implemented a 14.5% adjustment effective October 1, 2024, resulting from the FY 2024 Rate Review. The revised estimate includes actual expenses paid from July through December 2024, which includes three months of enhanced rate activity. Medicaid projects expenses to remain largely consistent with second quarter activity.

FY 2026

The FY 2026 estimate totals \$478.3 million, a \$10.5 million all funds and \$4.5 million GR increase above the Nov. CEC. The updated estimate annualizes the recent FY 2025 second quarter experience adjusted for any necessary price and utilization changes. As second quarter claims include the above referenced October 1, 2024, rate increase, Medicaid used this claims data to annualize base costs. The increase over the adopted estimate is the result of this annualized impact and a projected rate increase of 4.2% and a 0.74% increase in patient share effective October 1, 2025. This is somewhat offset by lower utilization than assumed in November; based on current activity, Medicaid assumes a 2.5% utilization increase, whereas the November testimony assumed 3.5%.

The components of Medicaid's estimate are summarized in **Table IX-1**. **Table IX-2** shows the average nursing facility per diem before and after patient share.

Rate and utilization assumptions used are presented in **Table IX-3**. Additional information on paid days is presented in **Attachment 4**.

Figure IX-1 summarizes the increase in overall spending on nursing facilities and the average monthly Medicaid census at Rhode Island nursing facilities across all payers and funding sources. Please note that this data is not completed for missing data or IBNR and so the apparent decline in the last quarter of available data is likely overstated. **Table IX-4** provides some additional details on the nature of the stays by budget line and payer.

Table IX-1: Summary of Nursing Home and Hospice Expenditures

FFS Activity	SFY 2024		SFY 2025		SFY 2026			FY25 → FY26
	Final	Nov CEC	Current	Surplus/ (Deficit)	Nov CEC	Current	Surplus/ (Deficit)	
Hospice	\$ 26,778,938	\$ 33,934,000	\$ 33,552,000	\$0.4 M	\$ 37,620,000	\$ 37,791,000	(\$0.2 M)	\$4.2 M
Nursing Home	327,666,802	386,999,000	395,096,000	(8.1 M)	430,180,000	440,503,000	(10.3 M)	45.4 M
Subtotal FFS	\$ 354,445,740	\$ 420,933,000	\$ 428,648,000	(\$7.7 M)	\$ 467,800,000	\$ 478,294,000	(\$10.5 M)	\$49.6 M
Balance to RIFANS/Rounding	84,755	67,000	52,000	0.0 M	0	0	0.0 M	(0.1 M)
Total - Nursing and Hospice Care	\$ 354,530,496	\$ 421,000,000	\$ 428,700,000	(\$7.7 M)	\$ 467,800,000	\$ 478,294,000	(\$10.5 M)	\$49.6 M
General Revenue	\$157.3 M	\$185.3 M	\$188.7 M	(\$3.4 M)	\$200.2 M	\$204.7 M	(\$4.5 M)	\$16.0 M
Federal Funds	\$197.2 M	\$235.7 M	\$240.0 M	(\$4.3 M)	\$267.6 M	\$273.6 M	(\$6.0 M)	\$33.6 M

The following table shows the average patient share, which is projected to be 14.9% for FY 2026. Medicaid estimates the patient share per day to be \$51 beginning October 1, 2025, a \$2 increase over the current daily patient share to reflect cost-of-living adjustments (COLA) for Social Security and/or SSI members.

Table IX-2. Average Nursing Home Medicaid per diem

Effective Date [1]	Average Nursing Facility per Diem	Medicaid Cost per Day	Patient Share per Day [2]	Patient Share %
October 1, 2020	\$240	\$200	\$40	16.7%
October 1, 2021	\$249	\$207	\$42	16.9%
October 1, 2022	\$261	\$216	\$45	17.2%
October 1, 2023	\$282	\$235	\$47	16.7%
October 1, 2024	\$329	\$280	\$49	14.9%
October 1, 2025 est.	\$343	\$292	\$51	14.9%

Note 1. Average of the 12-months following effective date. October 2024 and October 2025 estimates.

Note 2. For October 2025, average patient share estimated to increase by \$2 per day due to COLA increases for Social Security and/or SSI – consistent with average over prior 4 years.

Table IX-3. FY 2026 Nursing and Hospice Care Trend Assumption (Excludes Managed Care and Expansion Lines)

Nursing and Hospice	Percent	Dollar Impact ^{1,2}	Source
Price Factor	4.20%	\$14.3 million	FFY 25 Actual Skilled Nursing Facility PPS Market Basket - Less Productivity Adjustment
Utilization	2.50%	\$11.7 million	Medicaid
Patient Share	0.74%	\$2.3 million	Medicaid
Subtotal Nursing & Hospice Care		\$28.3 million	
Annualization of Oct. 1 Rate Increase		\$21.3 million	Annualization of FY 2025 14.5%
Total Nursing & Hospice Care		\$49.6 million	

Note 1. The value of the rate change pertains to the Nursing and Hospice Care baseline only. Additional nursing home spending is in Expansion, Managed Care, and included in each of the managed care products.

Note 2. The “Price Factor” illustrates the impact of the annual rate increase to the State and not the full 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 resident) 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.

Figure IX-1. Average daily nursing home census and paid amount by month, all payers, Jan. 20 through Dec. 24

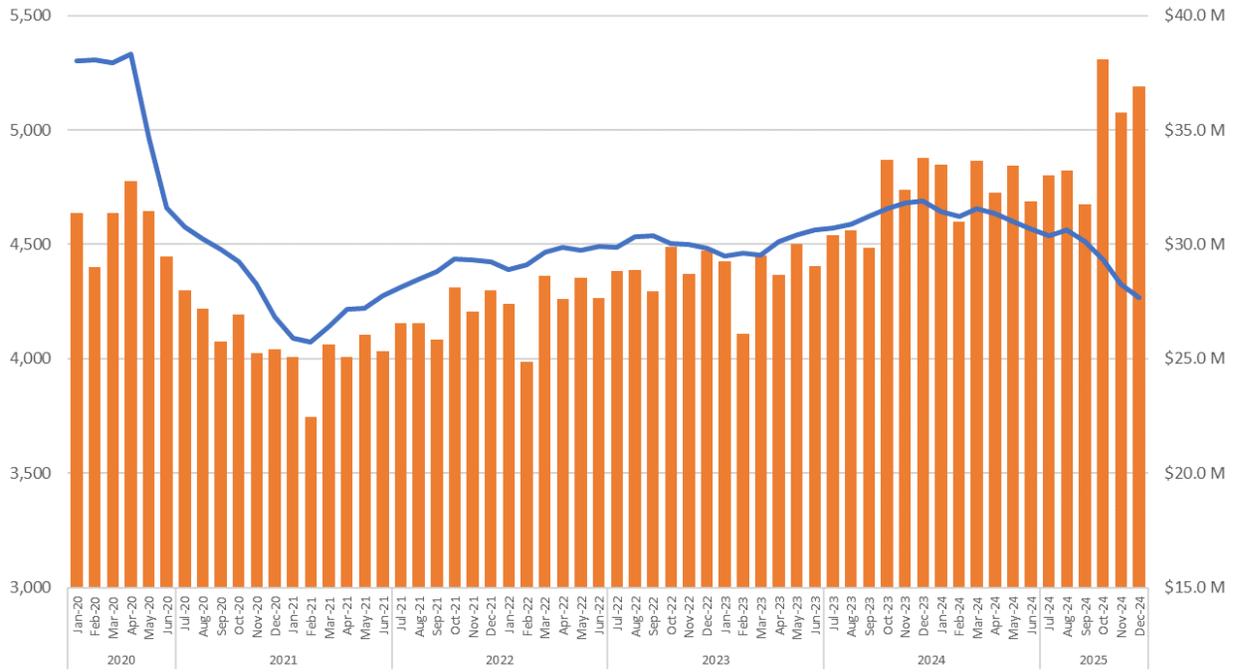


Table IX-4. Average Daily Nursing Facility Census, by Fiscal Year

	SFY 2020	SFY 2021	SFY 2022	SFY 2023	SFY 2024	SFY 2025 thru Dec-24
Regular FFS - Medicaid Days	4,459	3,672	3,725	3,613	3,814	3,749
Regular FFS - Medicare Days	138	124	100	94	77	62
Expansion FFS	74	75	89	76	88	84
Rhody Health Options	503	375	458	669	606	504
Other Managed Care	63	48	49	50	43	41
Total	5,237	4,294	4,421	4,503	4,628	4,440

X. Home and Community Care

Home and Community Care			
		All Funds	General Revenue
FY 2024	Revised Enacted	\$157,500,000	\$69,693,750
	Final	\$164,738,168	\$73,123,087
	<i>Deficit over Revised Enacted</i>	<i>(\$7,238,168)</i>	<i>(\$3,429,337)</i>
FY 2025	Enacted	\$221,203,676	\$97,185,377
	Nov 2024 CEC Adopted	\$228,500,000	\$100,562,850
	Current	\$248,600,000	\$109,408,860
	<i>Deficit over Nov CEC</i>	<i>(\$20,100,000)</i>	<i>(\$8,846,010)</i>
FY 2026	Nov 2024 CEC Adopted	\$270,500,000	\$115,774,000
	Current	\$302,400,000	\$129,427,200
	<i>Deficit over Nov CEC</i>	<i>(\$31,900,000)</i>	<i>(\$13,653,200)</i>

FY 2025

Medicaid forecasts \$248.6 million for home and community care expenditures in FY 2025; a \$20.1 million all funds and \$8.8 million GR deficit compared to the Nov. CEC. This deficit is driven by increased claims activity in nearly all budget lines, most notably in Home Care (\$21.3 million). The compounding impact of the OHIC rate increases and underlying utilization growth is driving the increase. Medicaid's methodology for revising its current year estimate looked at activity for the first half of FY 2025, specifically the impact of the second quarter, adjusted for an IBNR factor.

Figure X-1 and **Table X-7** highlight the increase by home care agencies since pre-Covid—from spending of \$5.2 million per month in FY 2019 to \$20.0 million per month in FY 2025 Q2. Spending in the second quarter of the current fiscal year nearly exceeds the annual spending in FY 2019. This growth is attributed to (a) price increase resulting from compounding effects of OHIC rate recommendation on top of prior year rate increases, (b) increase in the number of hours of service per client per month (from an average of 70 hours in FY 2019 to 100 hours in FY 2025 Q2), and (c) increase in the number of distinct users per month (from 3,065 in FY 2019 to 4,586 in FY 2025 Q2). Such increases inform Medicaid's revised forecast for FY 2025 and FY 2026.

The increase is partially offset by \$0.4 million in savings due to fewer than expected PACE members, which is discussed on the next page.

Regarding conflict free case management, Medicaid projects FFS expenditures totaling \$3.4 million based on current utilization and certification of additional providers expected before FY 2025 concludes. Expenditures are included in the Other Services line item shown in **Table X-1**, which summarizes Home and Community Care Expenditures over FY 2025 and FY 2026.

Table X-2 summarizes changes in HCBS authorizations. Please note the count of people authorized for HCBS is not equivalent to the number of members utilizing LTSS services. Medicaid derives its FFS estimates from actual utilization as reflected in MMIS' claims with prospective adjustments for any anticipated changes in price and/or utilization. This approach is unlike the PMPM basis that Medicaid uses for its managed care estimates.

FY 2026

The FY 2026 forecast totals \$302.4 million, a \$31.9 million all funds and \$13.6 million GR increase above the Nov. CEC. The increase is driven by the compounding impact of the OHIC rate increases and underlying utilization growth in FFS claims activity. Additionally, in November, Medicaid assumed a 5.59% annual inflationary increase

based on the most recently available New England CPI-U for Medical Care. The Medicaid State Plan requires that Medicaid use the March release, containing the February data, which totals 7.61%, or 2.2% higher than the Nov. CEC.

The FY 2026 estimate annualizes the monthly average of the projected third and fourth quarter spending in FY 2025, adjusted for any necessary price and utilization changes.

- Select personal care services and home delivered meals are eligible for an annual rate increase on July 1 of each year. Medicaid uses the March release of the New England CPI-U for Medical Care for the former and the New England CPI-U for Food at Home in New England for the latter. The calculation of these inflationary factors is included in **Table X-3**.
- Medicaid assumes a utilization increase of 2.5% for all HCBS budget lines, except for personal care, for which a utilization of 5.0% is included.

The calculation of these inflationary factors are included in **Table X-3** and the drivers of the increases are summarized in **Table X-4**.

The increase is partially offset by a \$6.0 million reduction in conflict free case management expenditures. Total FFS expenditures are expected to be \$9.4 million in FY 2026 vs. the \$15.5 million that was included in Nov.

Table X-7 provides additional detail on Home Care spending and utilization by SFY through 2024 and by quarter in SFY 2025

Program of All Inclusive Care for the Elderly (PACE)

FY 2025

Medicaid's FY 2025 revised forecast totals \$28.3 million, a surplus of \$0.4 million compared to the Nov. CEC due to a projected decrease in enrollment from 433 to 429 members.

FY 2026

Medicaid's FY 2026 forecast totals \$33.2 million, a surplus of \$1.1 million compared to the Nov. CEC due to decreased enrollment (\$0.8 million) and lower spend (\$0.3 million).

Medicaid submitted a PACE SPA to CMS on March 25th to update the rating methodology, aligning with the direction set forth in the FY 2025 Enacted Budget. In years without a full rebase, Medicaid will apply price and utilization trend adjustments to the amount that would otherwise be paid (AWOP) at the service category level to account for Medicaid program changes, fee schedule updates, and changes in service mix. Under this updated methodology, FY 2025 was the first rebasing year, followed by trend adjustments in FY 2026 and FY 2027.

Table X-5 summarizes PACE monthly caseload and premiums. **Table X-6** summarizes the price-volume comparison for PACE expenditures between FY 2024 and FY 2026.

Table X-1. Summary of Home and Community Care Expenditures

	SFY 2024		SFY 2025		SFY 2026			FY25 → FY26
	Final	Nov CEC	Current	Surplus/ (Deficit)	Nov CEC	Current	Surplus/ (Deficit)	
PACE	\$ 20,570,864	\$ 28,690,198	\$ 28,262,992	\$0.4 M	\$ 34,217,505	\$ 33,153,687	\$1.1 M	\$4.9 M
Enrollment	408	433	429	-4	470	459	-11	30
FFS Activity								
Self-Directed	\$ 23,570,180	\$ 30,292,001	\$ 30,700,000	(\$0.4 M)	\$ 30,866,203	\$ 33,024,000	(\$2.2 M)	\$2.3 M
Adult Day	5,314,582	6,983,571	6,606,000	0.4 M	7,531,158	7,021,000	0.5 M	0.4 M
Home Care	82,582,413	120,947,257	142,279,000	(21.3 M)	143,803,229	180,203,000	(36.4 M)	37.9 M
Shared Living	7,587,098	8,430,470	9,977,000	(1.5 M)	8,753,583	10,838,000	(2.1 M)	0.9 M
Assisted Living	20,998,972	25,420,751	26,007,000	(0.6 M)	26,681,335	27,910,000	(1.2 M)	1.9 M
Other HCBS	3,784,680	7,667,233	4,757,340	2.9 M	18,554,314	10,178,072	8.4 M	5.4 M
Subtotal FFS	\$ 143,837,924	\$ 199,741,283	\$ 220,326,340	(\$20.6 M)	\$ 236,189,823	\$ 269,174,072	(\$33.0 M)	\$48.8 M
Subtotal - Home and Community Care	\$ 164,408,788	\$ 228,431,481	\$ 248,589,332	(\$20.2 M)	\$ 270,407,328	\$ 302,327,759	(\$31.9 M)	\$53.7 M
Balance to RIFANS/Rounding	329,380	68,519	10,668	0.1 M	92,672	72,241	0.0 M	0.1 M
Total - Home and Community Care	\$ 164,738,168	\$ 228,500,000	\$ 248,600,000	(\$20.1 M)	\$ 270,500,000	\$ 302,400,000	(\$31.9 M)	\$53.8 M
General Revenue	\$73.1 M	\$100.6 M	\$109.4 M	(\$8.8 M)	\$115.8 M	\$129.4 M	(\$13.7 M)	\$20.0 M
Federal Funds	\$91.6 M	\$127.9 M	\$139.2 M	(\$11.3 M)	\$154.7 M	\$173.0 M	(\$18.2 M)	\$33.8 M

Table X-2. PACE and FFS Home and Community Based Services Authorizations

	SFY 2024	SFY 2025	Current: Mar-25	FY24 → FY25
PACE	408	429	427	-2.0%
HCBS Authorization in FFS				
Assisted Living	770	823	840	-1.8%
Shared Living	319	374	382	6.0%
Self-Directed	658	791	808	3.5%
Home Care	3,217	3,688	3,730	10.4%
Subtotal HCBS	4,964	5,676	5,760	7.3%
HCBS Enrolled in RHO	2,021	2,168	2,169	7.9%
% of HCBS (excl. PACE) in RHO	28.9%	27.6%	27.4%	

Note 1. Figures represent LTSS authorizations for home-based services. There may be a lag in authorizations.

Note 2. HCBS Authorizations do not include Preventive Only authorizations and include members with full benefits only.

Table X-3. Calculation of Price Factors for Personal Care Services and Home Delivered Meals

		Series Title:	Medical care in new England, all urban consumers, not seasonally adjusted	Food at home in New England, all urban consumers, not seasonally adjusted
		Series ID:	CUUR0110SAM	CUUR0110SAF11
Year	Period	Label	Observation Value	Observation Value
2025	M02	2025 Feb.	124.490	124.212
2024	M02	2024 Feb.	115.689	123.745
Annual Trend:			7.61%	0.38%

Table X-4. FY 2026 HCBS Personal Care and Home Delivered Meals Trend Assumptions

Personal Care	Percent	Dollar Impact	Source
Price Factor	7.61%	\$12.2 million	New England CPI-U for Medical Care (March Release)
Utilization	5.00%	\$8.6 million	Medicaid
Subtotal – Personal Care		\$20.9 million	
Annualization of Oct. 1 Rate Increase		\$17.1 million	Annualization of FY 2025 OHIC Rate Increases
Total – Personal Care		\$37.9 million	
Home Delivered Meals			
Price Factor	0.38%	\$3,142	New England CPI-U for Food at Home (March Release)
Utilization	0.00%	\$0	Medicaid
TOTAL – Home Delivered Meals		\$3,142	

Table X-5. Summary of PACE Monthly Premiums

PACE	SFY 2024	SFY 2025		SFY 2026	FY24 → FY25 (Oct-24)	FY25 (Oct-24) → FY26
		Jul-24 - Sep-24	Oct-24 - Jun-25			
Medicaid Only	\$5,657	\$6,300	\$7,367	\$8,592	30.2%	16.6%
Dual, 55-64 y.o.	\$3,824	\$4,525	\$5,401	\$6,478	41.2%	19.9%
Dual, 65+ y.o.	\$4,062	\$4,580	\$5,568	\$6,160	37.1%	10.6%
Composite	\$4,206	\$4,779	\$5,723	\$6,026	36.1%	5.3%
Average Member Months	408	419	432	459	6.0%	6.1%

Table X-6. PACE Price-Volume Comparison

	Price	Volume	Net
FY 2025: Current over Nov CEC	(\$0.2 M) -0.6%	(\$0.3 M) -0.9%	(\$0.4 M) -1.5%
FY 2025 over FY 2024	\$6.6 M 30.6%	\$1.1 M 5.2%	\$7.7 M 37.4%
FY 2026: Current over Nov CEC	(\$0.3 M) -0.8%	(\$0.8 M) -2.3%	(\$1.1 M) -3.1%
FY 2026 over FY 2025	\$2.9 M 9.7%	\$2.0 M 6.9%	\$4.9 M 17.3%

Figure X-1. Average monthly home care (S5125/S5130) spending, by SFY through 2024 and by quarter in SFY 2025

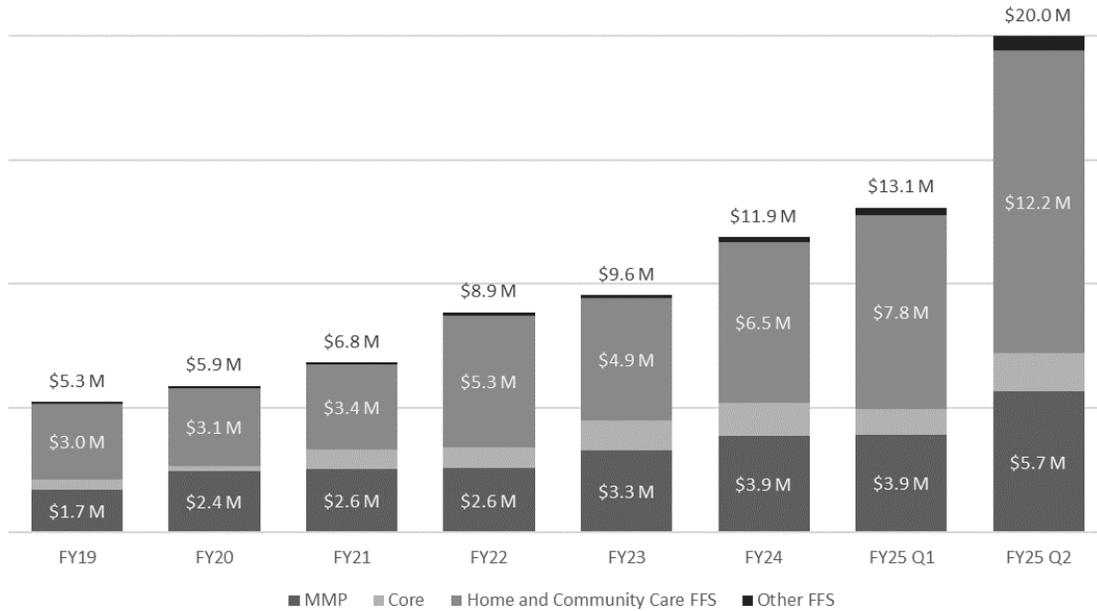


Table X-7. Details on Home Care Spending and Utilization, by SFY through 2024 and by quarter in SFY 2025

	2019	2020	2021	2022	2023	2024	2025 Q1	2025 Q2
Paid (Millions)								
RHO II/MMP	\$20.5	\$29.3	\$30.6	\$30.9	\$39.6	\$46.6	\$11.7	\$17.0
Core Rite Care/RHP/Expansion	\$5.2	\$2.8	\$9.4	\$10.2	\$14.3	\$15.7	\$3.1	\$4.7
Home and Community Care	\$36.4	\$37.3	\$41.0	\$63.5	\$59.2	\$78.0	\$23.4	\$36.5
Other FFS	\$1.0	\$1.4	\$1.2	\$1.8	\$1.6	\$2.4	\$1.0	\$1.8
Total Paid	\$63.2	\$70.8	\$82.1	\$106.4	\$114.8	\$142.7	\$39.2	\$60.0
Average Monthly Paid (Millions)								
RHO II/MMP	\$1.7	\$2.4	\$2.6	\$2.6	\$3.3	\$3.9	\$3.9	\$5.7
Core Rite Care/RHP/Expansion	\$0.4	\$0.2	\$0.8	\$0.8	\$1.2	\$1.3	\$1.0	\$1.6
Home and Community Care	\$3.0	\$3.1	\$3.4	\$5.3	\$4.9	\$6.5	\$7.8	\$12.2
Other FFS	\$0.1	\$0.1	\$0.1	\$0.2	\$0.1	\$0.2	\$0.3	\$0.6
Total Average Monthly Paid	\$5.3	\$5.9	\$6.8	\$8.9	\$9.6	\$11.9	\$13.1	\$20.0

Average Monthly Users								
RHO II/MMP	1,205	1,541	1,504	1,424	1,515	1,616	1,612	1,644
Core Rite Care/RHP/Expansion	319	191	386	385	418	377	270	276
Home and Community Care	1,422	1,412	1,450	1,441	1,626	1,964	2,312	2,453
Other FFS	119	108	97	129	127	149	145	214
Total Average Monthly Users	3,065	3,252	3,437	3,379	3,686	4,106	4,339	4,586
Average Hours per User per Month								
RHO II/MMP	59	64	63	67	74	79	80	80
Core Rite Care/RHP/Expansion	56	48	74	81	97	113	124	126
	2019	2020	2021	2022	2023	2024	2025 Q1	2025 Q2
Paid (Millions)								
Home and Community Care	83	85	89	94	102	108	110	114
Other FFS	49	52	52	53	56	62	84	78
Overall Average Hours per Users	69	71	75	79	88	95	99	101
Rate per Hour								
RHO II/MMP	\$24.15	\$24.91	\$26.85	\$27.06	\$29.46	\$30.47	\$30.45	\$43.12
Core Rite Care/RHP/Expansion	\$24.03	\$25.45	\$27.29	\$27.32	\$29.38	\$30.74	\$30.85	\$44.66
Home and Community Care	\$25.84	\$26.04	\$26.34	\$39.22	\$29.70	\$30.60	\$30.71	\$43.62
Other FFS	\$14.70	\$20.22	\$19.61	\$22.26	\$18.74	\$21.71	\$26.65	\$36.68
Overall Rate per Hour	\$24.82	\$25.40	\$26.50	\$33.08	\$29.33	\$30.36	\$30.52	\$43.31

XI. Pharmacy

		Pharmacy	
		All Funds	General Revenue
FY 2024	Revised Enacted	(\$500,000)	\$15,295
	Final	\$1,734,617	\$1,036,313
	<i>Deficit over Revised Enacted</i>	<i>(\$2,234,617)</i>	<i>(\$1,021,018)</i>
FY 2025	Enacted	(\$300,000)	\$104,515
	Nov 2024 CEC Adopted	\$1,900,000	\$1,149,569
	Current	\$2,700,000	\$1,501,649
	<i>Deficit over Nov CEC</i>	<i>(\$800,000)</i>	<i>(\$352,080)</i>
FY 2026	Nov 2024 CEC Adopted	\$2,000,000	\$1,188,761
	Current	\$4,500,000	\$2,257,254
	<i>Deficit over Nov CEC</i>	<i>(\$2,500,000)</i>	<i>(\$1,068,493)</i>

FY 2025

Medicaid's revised forecast for pharmacy in FY 2025 is \$2.7 million, a \$0.8 million all funds and \$0.4 million GR deficit compared to the Nov. CEC, largely due to inclusion of \$1.5 million for a potential partial claim for sickle cell treatment. Absent this new cost, Medicaid would have had a marginal surplus.

The estimate reflects average monthly spend during the first half of FY 2025 and rebate information is based on invoices issued to manufacturers through February 2025, for prescriptions incurred through December 31, 2024.

FY 2026

Medicaid projects spending of \$4.5 million in FY 2026, a \$2.5 million all funds and \$1.1 million GR deficit compared to the Nov. CEC. The deficit is driven exclusively by the inclusion of a \$3.3 million placeholder for potential sickle cell gene therapy. The FY 2026 forecast assumes a 2.5% increase based on the S&P Global Healthcare Cost Review 2026 Q2 forecast for pharmacy, which corresponds to the end of FY 2026.

Revised FY 2025 and FY 2026 pharmacy expenditures and rebates are presented in **Table XI-1**.

Generally, rebates fluctuate due to several reasons:

- CMS' rebate formula, which, for certain drugs, can compensate for significant price changes;
- Medicaid being entitled to the full rebate amount even if it only pays a portion of a drug claim (excluding Part D drugs); and,
- 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 2024	SFY 2025	SFY 2026					FY25 → FY26
	Final	Nov CEC	Current	Surplus/ (Deficit)	Nov CEC	Current	Surplus/ (Deficit)	
FFS Activity	\$ 9,592,784	\$ 9,844,000	\$ 10,299,000	(\$0.5 M)	\$ 10,342,000	\$ 12,536,000	(\$2.2 M)	\$2.2 M
Rebates	(7,859,667)	(7,947,392)	(7,675,620)	(0.3 M)	(8,365,122)	(8,072,013)	(0.3 M)	(0.4 M)
DRE	(6,534,387)	(6,614,911)	(6,431,720)	(0.2 M)	(6,948,439)	(6,757,008)	(0.2 M)	(0.3 M)
J-Code	(1,325,280)	(1,332,481)	(1,243,900)	(0.1 M)	(1,416,683)	(1,315,005)	(0.1 M)	(0.1 M)
Subtotal - Pharmacy	\$ 1,733,117	\$ 1,896,608	\$ 2,623,380	(\$0.7 M)	\$ 1,976,878	\$ 4,463,987	(\$2.5 M)	\$1.8 M
Balance to RIFANS - Accruals/Rounding	1,500	3,392	76,620	(0.1 M)	23,122	36,013	(0.0 M)	(0.0 M)
Grand Total - Pharmacy	\$ 1,734,617	\$ 1,900,000	\$ 2,700,000	(\$0.8 M)	\$ 2,000,000	\$ 4,500,000	(\$2.5 M)	\$1.8 M
General Revenue	\$1.0 M	\$1.1 M	\$1.5 M	(\$0.4 M)	\$1.2 M	\$2.3 M	(\$1.1 M)	\$0.8 M
Federal Funds	\$0.7 M	\$0.8 M	\$1.2 M	(\$0.4 M)	\$0.8 M	\$2.2 M	(\$1.4 M)	\$1.0 M

XII. Pharmacy Clawback (Medicare Part D)

Pharmacy Clawback (Medicare Part D)			
		All Funds	General Revenue
FY 2024	Revised Enacted	\$92,300,000	\$92,300,000
	Final	\$91,920,942	\$91,920,942
	<i>Surplus over Revised Enacted</i>	\$379,058	\$379,058
FY 2025	Enacted	\$96,800,000	\$96,800,000
	Nov 2024 CEC Adopted	\$91,900,000	\$91,900,000
	Current	\$92,200,000	\$92,200,000
	<i>Deficit over Nov CEC</i>	<i>(\$300,000)</i>	<i>(\$300,000)</i>
FY 2026	Nov 2024 CEC Adopted	\$98,400,000	\$98,400,000
	Current	\$98,700,000	\$98,700,000
	<i>Deficit over Nov CEC</i>	<i>(\$300,000)</i>	<i>(\$300,000)</i>

Medicaid’s revised FY 2025 estimate of \$92.2 million reflects a \$0.3 million deficit compared to Nov. CEC due to an additional 140 clients enrolled per month. Medicaid projects spending of \$98.7 million, also a \$0.3 million deficit, for FY 26 attributable to an additional 122 clients enrolled per month.

Table XII-1 summarize pharmacy clawback activities and **Table XII-2** details price and volume changes.

Table XII-1. Summary of Pharmacy Claw Back Expenditures

	SFY 2024		SFY 2025		SFY 2026			FY25 → FY26
	Final	Nov CEC	Current	Surplus/ (Deficit)	Nov CEC	Current	Surplus/ (Deficit)	
Part D Premium Payments	\$ 92,571,505	\$ 91,819,319	\$ 92,149,284	<i>(\$0.3 M)</i>	\$ 98,323,100	\$ 98,630,658	<i>(\$0.3 M)</i>	\$6.5 M
Balance to RIFANS/Accruals/Rounding	(650,563)	80,681	50,716	0.0 M	76,900	69,342	0.0 M	0.0 M
Total - Pharmacy Clawback	\$ 91,920,942	\$ 91,900,000	\$ 92,200,000	<i>(\$0.3 M)</i>	\$ 98,400,000	\$ 98,700,000	<i>(\$0.3 M)</i>	\$6.5 M
<i>General Revenue</i>	<i>\$91.9 M</i>	<i>\$91.9 M</i>	<i>\$92.2 M</i>	<i>(\$0.3 M)</i>	<i>\$98.4 M</i>	<i>\$98.7 M</i>	<i>(\$0.3 M)</i>	<i>\$6.5 M</i>
Part D Multiplier	\$182.23	\$199.65	\$199.57	-\$0.08	\$209.82	\$209.81	-\$0.02	\$10.24
July - September	\$173.90	\$194.08	\$194.08		\$204.52	\$204.52		
October - December	\$173.70	\$194.78	\$194.78		\$204.52	\$204.52		
January - March	\$194.08	\$204.52	\$204.52		\$214.75	\$214.75		
April - June	\$194.08	\$204.52	\$204.52		\$214.75	\$214.75		
Average Enrollment	42,036	38,359	38,500	140	39,081	39,203	122	703

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

	Price	Volume	Net
FY 2025: Current over Nov CEC	(\$0.0 M) 0.0%	\$0.3 M 0.4%	\$0.3 M 0.3%
FY 2025 over FY 2024	\$8.0 M 9.5%	(\$7.7 M) -8.4%	\$0.3 M 0.3%
FY 2026: Current over Nov CEC	(\$0.0 M) 0.0%	\$0.3 M 0.3%	\$0.3 M 0.3%
FY 2026 over FY 2025	\$4.8 M 5.1%	\$1.7 M 1.8%	\$6.5 M 7.0%

XIII. Other Services

		Other Services	
		All Funds	General Revenue
FY 2024	Revised Enacted	\$166,300,000	\$62,979,284
	Final	\$159,330,693	\$59,074,873
	<i>Surplus over Revised Enacted</i>	<i>\$6,969,307</i>	<i>\$3,904,411</i>
FY 2025	Enacted	\$227,125,552	\$84,406,640
	Nov 2024 CEC Adopted	\$209,400,000	\$76,062,868
	Current	\$207,700,000	\$76,323,770
	<i>Surplus over Nov CEC</i>	<i>\$1,700,000</i>	<i>(\$260,902)</i>
FY 2026	Nov 2024 CEC Adopted	\$251,400,000	\$88,458,911
	Current	\$237,100,000	\$85,872,200
	<i>Surplus over Nov CEC</i>	<i>\$14,300,000</i>	<i>\$2,586,711</i>

FY 2025

Medicaid’s revised FY 2025 estimate totals \$207.7 million for Other Medical Services. This is an all-funds surplus of \$1.7 million, but \$0.3 million GR deficit, compared to the Nov. CEC. The surplus is largely driven by \$4.3 million less in Other Practitioners, durable medical equipment (DME) and Tavares claiming, and \$0.7 million less for BHDDH medical services, including CCBHCs. The surplus is offset by the following activities.

- \$1.3 million in rehabilitation and targeted case management claiming,
- \$1.2 million in physician services claiming,
- \$0.5 million in additional Part A Medicaid Premium Payments, and
 - Medicare Premium Payment program estimates are based on invoices received through April 2024 for enrollment through May 2025. See **Table XIII-3** for summary of Medicaid’s average monthly caseload and composite PMPM for Part A and Part B Medicare Premiums.
- \$0.2 million in the Non-Emergency Medical Transportation program.

FFS claiming estimates are based on actual claims data for the most recent completed quarter, October through December 2024. However, for Tavares, Medicaid used the median average for the first half of FY 2025.

FY 2026

The FY 2026 estimate totals \$237.1 million, a \$14.3 million all funds and \$3.4 million GR surplus compared to the Nov. CEC. The surplus is due to the following:

- \$12.3 million decrease in BHDDH behavioral health services including reduced CCBHC expenditures,
- \$5.5 million less in Other Practitioners claiming, and
- \$0.9 million decrease DME and Tavares claiming.

The below items partially offset the surplus.

- \$3.1 million increase in rehabilitation and targeted case management and physician services claiming activity.
- \$0.7 million increase in Part A Medicaid Premium Payments.
- \$0.4 million more for Non-Emergency Medical Transportation.

The methodology for the FY 2026 estimate is consistent with FY 2025, with FY 2025 second quarter expenditures used for the base analysis. The FY 2026 estimate assumes a 2.3% price increase in the BHDDH Medical services

budget line to capture the required Medicare Economic Index inflationary increase for CCBHCs. Community Health Workers are also eligible for an annual rate increase, estimated to be \$192,575 in FY 2026. (See **Table XIII-4**)

Medicaid expects utilization to be consistent with the first six months of FY 2025, except for BHDDH Medical services, for which Medicaid assumes a 10% increase from increased utilization of CCBHCs.

A summary of FY 2025 and FY 2026 expenditures by service type is shown in **Table XIII-1**. **Table XIII-2** summarizes all Other Medical Services expenditures subject to a non-regular matching rate.

Table XIII-1. Summary of Other Medical Services Expenditures

	SFY 2024		SFY 2025		SFY 2026			FY25 → FY26
	Final	Nov CEC	Current	Surplus/ (Deficit)	Nov CEC	Current	Surplus/ (Deficit)	
Medicare Premium Payments								
Part A	\$ 19,107,649	\$ 19,861,832	\$ 20,394,720	(\$0.5 M)	\$ 21,286,009	\$ 22,211,475	(\$0.9 M)	\$1.8 M
Part B	83,882,240	89,369,919	89,355,155	0.0 M	95,977,881	95,775,494	0.2 M	6.4 M
Subtotal - Supplemental Payments	\$ 102,989,889	\$ 109,231,751	\$ 109,749,875	(\$0.5 M)	\$ 117,263,890	\$ 117,986,969	(\$0.7 M)	\$8.2 M
Non-Emergency Transportation	6,641,108	6,667,448	6,873,852	(0.2 M)	7,012,476	7,431,450	(0.4 M)	0.6 M
Recoveries	(18,321,038)	(18,300,000)	(18,300,000)	0.0 M	(18,300,000)	(18,300,000)	0.0 M	0.0 M
FFS Activity								
BHDDH Medical Services	20,998,158	51,790,544	51,107,000	0.7 M	81,563,997	69,265,000	12.3 M	18.2 M
Rehab & TCM	19,505,316	20,274,536	21,595,000	(1.3 M)	20,784,267	22,525,000	(1.7 M)	0.9 M
Tavares	7,116,682	7,443,000	6,984,000	0.5 M	7,786,000	7,214,000	0.6 M	0.2 M
DME	3,427,738	3,609,000	3,351,000	0.3 M	3,699,000	3,430,000	0.3 M	0.1 M
Physician Services	13,333,384	14,193,000	15,393,000	(1.2 M)	14,548,000	15,983,000	(1.4 M)	0.6 M
Other Practitioners	5,778,172	14,405,370	10,893,000	3.5 M	17,008,493	11,508,000	5.5 M	0.6 M
State Only	0	0	0	0.0 M	0	0	0.0 M	0.0 M
COVID-19 Vaccinations (Federal Only)	116,080	0	0	0.0 M	0	0	0.0 M	0.0 M
Subtotal - FFS Activity	70,275,531	111,715,450	109,323,000	2.4 M	145,389,757	129,925,000	15.5 M	20.6 M
Subtotal - Other Services	\$ 161,585,491	\$ 209,314,648	\$ 207,646,727	\$1.7 M	\$ 251,366,123	\$ 237,043,419	\$14.3 M	\$29.4 M
Balance to RIFANS/Accruals/Rounding	(2,254,798)	85,352	53,273	0.0 M	33,877	56,581	(0.0 M)	0.0 M
Total - Other Services	\$ 159,330,693	\$ 209,400,000	\$ 207,700,000	\$1.7 M	\$ 251,400,000	\$ 237,100,000	\$14.3 M	\$29.4 M
General Revenue	\$59.1 M	\$76.1 M	\$76.3 M	(\$0.3 M)	\$88.5 M	\$85.9 M	\$2.6 M	\$9.5 M
Federal Funds	\$91.0 M	\$124.8 M	\$122.9 M	\$2.0 M	\$154.6 M	\$143.9 M	\$10.8 M	\$21.0 M
Restricted Receipts	\$9.2 M	\$8.5 M	\$8.5 M	\$0.0 M	\$8.3 M	\$7.4 M	\$1.0 M	(\$1.2 M)

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

	SFY 2024		SFY 2025		SFY 2026			FY25 → FY26
	Final	Nov CEC	Current	Change	Nov CEC	Current	Surplus/ (Deficit)	
Restricted - Children's Health Account	\$ 8,500,000	\$ 8,500,000	\$ 8,500,000	\$0.0 M	\$ 8,300,000	\$ 7,350,000	\$1.0 M	(\$1.2 M)
Restricted - Organ Transplant Fund	15,000	15,000	15,000	0.0 M	15,000	15,000	0.0 M	0.0 M
Enhanced FMAP - CCBHC	0	42,644,487	35,000,000	(7.6 M)	69,122,192	49,000,000	20.1 M	14.0 M
100% Federal - COVID-19 Vaccination	116,080	0	0	0.0 M	0	0	0.0 M	0.0 M
100% Federal - Qualifying Individuals	(1,750,000)	(1,750,000)	(1,750,000)	0.0 M	(1,750,000)	(1,750,000)	0.0 M	0.0 M
100% State - Breast & Cervical Cancer	(200,000)	(200,000)	(200,000)	0.0 M	(200,000)	(200,000)	0.0 M	0.0 M

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

	SFY 2024		SFY 2025		SFY 2026			FY25 → FY26
	Final	Nov CEC	Current	Change	Nov CEC	Current	Change	
Part A PMPM	\$ 476.77	\$ 486.77	\$ 489.59	\$ 2.81	\$ 511.17	\$ 513.98	\$ 2.81	\$ 24.39
July-December	476.04	474.88	477.49		501.36	501.36		
January-June	477.49	498.62	501.36		526.43	526.43		
Part A - Average Enrollment	3,340	3,400	3,464	64	3,470	3,562	92	\$ 97.92
Part B PMPM	\$ 173.12	\$ 183.07	\$ 183.14	\$ 0.07	\$ 192.31	\$ 192.31	\$ 0.00	\$ 9.17
July-December	167.60	178.59	178.66		187.59	187.59		
January-June	178.66	187.52	187.59		196.97	196.97		
Part B - Average Enrollment	40,378	40,681	40,680	(0)	41,606	41,539	(67)	\$ 858.83

Table XIII-4. FY 2026 Price and Utilization Factors for Community Health Workers

	Percent	Dollar Impact	Source
Price	7.61%	\$192,575	New England CPI-U for Medical Care (March release)
Utilization	0%	\$-	Medicaid
Total		\$192,575	

Attachments