



OFFICE OF MANAGEMENT & BUDGET

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MEMORANDUM

To: The Honorable Marvin L. Abney
Chairman, House Finance Committee

The Honorable Ryan W. Pearson
Chairman, Senate Finance Committee

From: Jonathan Womer
Director, Office of Management & Budget

Date: April 12, 2021

Subject: **Amendments to FY 2022 Appropriations Act (21-H-6122)**

A handwritten signature in black ink, appearing to read "Jonathan Womer".

The Governor requests that several amendments be made to the FY 2022 Appropriations Act. The amendments include changes to the appropriation amounts in Article 1, Relating to Making Appropriations in Support of FY 2022, as well as changes to various other sections of Article 1. A description of the amendments requested is provided below.

If you have any questions regarding these amendments, please feel free to call me or my staff at 574-8430.

JW:21-Amend-3
Attachments

cc: Sharon Reynolds Ferland, House Fiscal Advisor
Stephen Whitney, Senate Fiscal Advisor
James E. Thorsen, Director of Administration
Joseph Codega Jr., Deputy Budget Officer

ARTICLE 1, RELATING TO MAKING APPROPRIATIONS IN SUPPORT OF FY 2022

SECTION 1, APPROPRIATIONS IN SUPPORT OF FY 2022

Department of Revenue

Increase General Revenues in the Taxation program, Page 9, Line 26, by \$103,091 from \$32,549,151 to \$32,652,242. This amendment adds financing for 1.0 business analyst FTE position to support the RItE Share initiative. The Governor's recommended budget amends RIGL 44-1-2.9 to modify the powers and duties of the tax administrator to collect penalties from all Rhode Island "for profit" employers who: have at least 50 employees and fail to file forms required by the Executive Office of Health and Human Services (EOHHS) pursuant to section 40-8.4-12 whereas an employer is required to file a form annually with sufficient and necessary information for the Medicaid agency to determine employee eligibility for RItE Share. Taxation will also be responsible for administering and collecting the penalty.

Executive Office of Health and Human Services

Decrease General Revenues in the Medical Assistance program under Nursing Facilities, Page 12 Line 28, by \$31,533 from \$149,433,710 to \$149,402,177.

Decrease General Revenues in the Medical Assistance program under Home and Community Based Services, Page 12 Line 29, by \$366,231 from \$39,080,249 to \$38,714,018.

Decrease General Revenues in the Medical Assistance program under Rhody Health, Page 12 Line 32, by \$117,687 from \$189,857,196 to \$189,739,509.

Decrease Federal Funds in the Medical Assistance program under Nursing Facilities, Page 13 Line 2, by \$49,073 from \$204,521,897 to \$204,472,824.

Decrease Federal Funds in the Medical Assistance program under Home and Community Based Services, Page 13 Line 3, by \$1,049,155 from \$53,481,605 to \$52,432,450.

Decrease Federal Funds in the Medical Assistance program under Rhody Health, Page 13 Line 6, by \$559,647 from \$259,813,002 to \$259,253,355.

These amendments are all related to the agency's LTSS Resiliency and Rebalancing budget initiative (22-EOHHS1). The adjustment to nursing facilities is to update the rug rate reduction for all non-behavioral health and cognitive performance rates to 0.87243% from 0.8683%. After adjusting the nursing home component of this initiative to reflect the statutory increase in nursing home rates, the Governor's budget did not re-weight the all other rug rates to reduce for budget neutrality. The adjustments Home and Community Based Services and Rhody Health Options are the result of shifting savings from the DHS budget to EOHHS for the Assisted Living payment restructure and to shift a portion of the HCBS Maintenance of Need Allowance to the BHDDH budget to cover the HCBS MON population within the Department. These amendments are inclusive of an adjustment for the enhanced COVID-19 FMAP of 6.2%.

Increase General Revenues in the Medical Assistance program under Nursing Facilities, Page 12 Line 28, by \$1,713,053 from \$149,433,710 to \$151,146,763.

Increase Federal Funds in the Medical Assistance program under Nursing Facilities, Page 13 Line 2, by \$2,344,391 from \$204,521,897 to \$206,866,288.

Increase General Revenues in the Medical Assistance program under Other Services, Page 12 Line 30, by \$592,100 from \$119,713,608 to \$120,305,708.

Increase Federal Funds in the Medical Assistance program under Other Services, Page 13, Line 4, by \$810,316 from \$703,960,671 to \$704,770,987.

Increase General Revenues in the Medical Assistance program under Rhody Health, Page 12 Line 32, by \$583,184 from \$189,857,196 to \$190,440,380.

Increase Federal Funds in the Medical Assistance program under Rhody Health, Page 13, Line 6, by \$798,113 from \$259,813,002 to \$260,611,115.

Increase General Revenues in the Medical Assistance program under Home and Community Based Services, Page 12, Line 29, by \$38,423 from \$39,080,249 to \$39,118,672.

Increase Federal Funds in the Medical Assistance program under Home and Community Based Services, Page 13, Line 3, by \$52,584 from \$53,481,605 to \$53,534,189.

This amendment relates to capturing the costs associated with caring for patients discharged from the Eleanor Slater Hospital (ESH) and into community settings thereby resulting in an increase to the Medical Assistance Program of the Executive Office of Health and Human Services. The savings associated with these patient discharges from the ESH are already included in the FY 2022 Governor Recommended Budget within the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals (BHDDH). The amendment includes the full estimated cost of the patient in the community based upon expected appropriate placement. Estimates are based upon current Medicaid rates as well as enhanced rates for certain patients requiring additional supports in nursing home and mental health psychiatric rehabilitative residential (MHPRR) settings. Under Article 12 Relating to Medical Assistance and pursuant to the Rhode Island Medicaid Reform Act of 2008, EOHHS seeks to revise the fee-for-service Medicaid payment rate for nursing facility residents by increasing weights related to behavioral healthcare and ventilators, implementing a behavioral health per-diem add on for particularly complex patients who have been hospitalized for six months or more as well as the establishment of an enhanced rate for MHPRR services in collaboration with BHDDH in order to provide discharge planning, medical and/or psychiatric treatment, and identification and amelioration of barriers to transition to less restrictive settings (22-EOHHS2).

Increase General Revenues in the Medical Assistance program under Nursing Facilities, Page 12 Line 28, by \$1,436,702 from \$149,433,710 to \$150,870,412.

Increase Federal Funds in the Medical Assistance program under Nursing Facilities, Page 13 Line 2, by \$1,966,193 from \$204,521,897 to \$206,488,090.

Increase General Revenues in the Medical Assistance program under Other Services, Page 12 Line 30, by \$756,482 from \$119,713,608 to \$120,470,090.

Increase Federal Funds in the Medical Assistance program under Other Services, Page 13, Line 4, by \$1,035,281 from \$703,960,671 to \$704,995,951.

Increase General Revenues in the Medical Assistance program under Rhody Health, Page 12 Line 32, by \$741,621 from \$189,857,196 to \$190,598,817.

Increase Federal Funds in the Medical Assistance program under Rhody Health, Page 13, Line 6, by \$1,014,942 from \$259,813,002 to \$260,827,944.

Under Article 12 Relating to Medical Assistance and pursuant to the Rhode Island Medicaid Reform Act of 2008, EOHHS seeks to revise the fee-for-service Medicaid payment rate for nursing facility residents by increasing weights related to behavioral healthcare and ventilators, implementing a behavioral health per-diem add on for particularly complex patients who have been hospitalized for six months or more as well as the establishment of an enhanced rate for MHPRR services in collaboration with BHDDH in order to provide discharge planning, medical and/or psychiatric treatment, and identification and amelioration of barriers to transition to less restrictive settings. This amendment takes into the account the increase in cost due to additional patients who may be currently stuck in other institutional hospital settings apart from ESH supported by uncompensated care who would receive community placements as a result of these rate

reforms thereby resulting in increased costs to the EOHHS Medical Assistance Program budget (22-EOHHS3).

Department of Human Services

Decrease General Revenue in the Supplemental Security Income Program, Page 16 Line 24, by \$415,378 from \$18,487,253 to \$18,071,875. The decrease is to account for the full savings realized from the repeal of the Category F payments. The initiative is part of the Executive Office of Health and Human Services LTSS Resiliency and Rebalancing effort (22-DHS1).

Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals

Increase General Revenues in the Services for the Developmentally Disabled program Page 17 Line 26, by \$1,058,185.69 from \$131,509,888 to \$132,568,074. This amendment is related to EOHHS' LTSS Resiliency and Rebalancing Initiative. Specifically, this increase represents a shift of general revenue from the EOHHS budget to BHDDH to cover the HCBS MON population within the Department. This amendment is inclusive of an adjustment for the enhanced COVID-19 FMAP of 6.2% (22-BHDDH1).

Increase General Revenues in the Services for the Developmentally Disabled program Page 18 Line 10, by \$1,646,788 from \$162,482,756 to \$164,129,544. This amendment is related to EOHHS' LTSS Resiliency and Rebalancing Initiative. Specifically, this increase represents a shift of federal funds from the EOHHS budget to BHDDH to cover the HCBS MON population within the Department. This amendment is inclusive of an adjustment for the enhanced COVID-19 FMAP of 6.2% (22-BHDDH1).

Decrease General Revenues in the Hospital and Community Rehabilitative Services program Page 19, Line 4 by \$5,673,418 from \$77,704,398 to \$72,030,980. This amendment recognizes federal Medicaid reimbursement due to the recent CMS approval of a required Medicaid State Plan Amendment to allow for the resumption of Medicaid billing for certain allowable patients and expenditures at Eleanor Slater Hospital (22-BHDDH2).

Increase Federal Funds in the Hospital and Community Rehabilitative Services program Page 19, Add New Line After Line 6 by \$5,673,418 from \$0 to \$5,673,418. This amendment recognizes federal Medicaid reimbursement due to the recent CMS approval of a required Medicaid State Plan Amendment to allow for the resumption of Medicaid billing for certain allowable patients and expenditures at Eleanor Slater Hospital (22-BHDDH2).

Increase Restricted Receipts in the Hospital and Community Rehabilitative Services program Page 19, Line 7 by \$25,000 from \$9,750 to \$34,750. This amendment recognizes federal Medicare reimbursement due to the recent CMS approval of a required Medicaid State Plan Amendment to allow for the resumption of Medicaid billing for certain allowable patients and expenditures at Eleanor Slater Hospital (22-BHDDH2).

Increase General Revenues in the Hospital and Community Rehabilitative Services program Page 19, Line 4 by \$114,063 from \$77,704,398 to \$77,818,461. This amendment recognizes additional costs to ESH due to the discharge of certain patients into alternative settings which would continue to be supported by BHDDH. The savings associated with these patient discharges from the ESH are already included in the FY 2022 Governor Recommended Budget for the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals (BHDDH) (22-BHDDH3).

Increase General Revenues in the Services for the Developmentally Disabled program Page 17 Line 26, by \$567,114 from \$131,509,888 to \$132,077,005. This amendment recognizes additional costs to the Developmental Disabilities Program resulting from the discharge of certain patients from Eleanor Slater Hospital (ESH) into Developmental Disability Program settings. The savings associated with these patient discharges from the ESH are already included in the FY 2022 Governor Recommended Budget for the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals (BHDDH) (22-BHDDH3).

Increase Federal Funds in the Services for the Developmentally Disabled program Page 18 Line 10, by \$666,856,114 from \$162,482,756 to \$163,149,612. This amendment recognizes additional costs to the Developmental Disabilities Program resulting from the discharge of certain patients from Eleanor Slater Hospital (ESH) into Developmental Disability Program settings. The savings associated with these patient discharges from the ESH are already included in the FY 2022 Governor Recommended Budget for the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals (BHDDH) (22-BHDDH3).

SECTION 11, FY 2022 FULL-TIME EQUIVALENT (FTE) POSITION AUTHORIZATION

Department of Revenue

Increase Full-Time Equivalent Positions for the Department of Revenue, Page 35, Line 14, by 1.0 FTE, from 574.5 FTE positions to 575.5 FTE positions. This increase reflects an addition of 1.0 FTE for a Business Analyst position to the Taxation program to support the RIte Share Expansion initiative in the Governor's recommended budget, which was inadvertently left out of the FY 2022 budget submission.

Summary of Governor's Article 1 Amendments to FY 2022 Appropriations Act (21-H-6122)

	General Revenue	Federal Funds	Restricted Receipts	Other Funds	Total	Amendment Code (22-AGENCY#)
FY 2022 Expenditures (Original Governor's Recommend)	4,371,272,821	4,129,495,745	341,871,722	2,327,828,073	11,170,468,361	
April 2021 Amendments						
Department of Revenue						
<i>RtIe Share Initiative FTE Financing</i>	103,091				103,091	22-DORI
Executive Office of Health and Human Services						
<i>LTSS Rebalancing and Resiliency Amendments</i>	(515,451)	(1,657,902)			(2,173,354)	22-EOHHS1
<i>Eleanor Slater Hospital (ESH) Discharges</i>	2,926,760	4,005,405			6,932,165	22-EOHHS2
<i>Enhanced Medicaid Rate Costs All Other Non Eleanor Slater Hospital (ESH) Populations</i>	2,934,805	4,016,415			6,951,220	22-EOHHS3
Department of Human Services						
<i>LTSS Rebalancing and Resiliency Amendments</i>	(415,378)				(415,378)	22-DHS1
Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals						
<i>LTSS HCBS MON Shift</i>	1,058,186	1,646,788			2,704,974	22-BHDDH1
<i>Eleanor Slater Hospital (ESH) Medicaid Reimbursement</i>	(5,673,418)	5,673,418	25,000		25,000	22-BHDDH2
<i>Eleanor Slater Hospital (ESH) Discharges</i>	681,180	666,856			1,348,036	22-BHDDH3
Total	1,099,774	14,350,980	25,000	-	15,475,754	
Grand Total	4,372,372,595	4,143,846,725	341,896,722	2,327,828,073	11,185,944,115	