



State of Rhode Island

Caseload Estimating Conference

ROOM 117, STATE HOUSE, PROVIDENCE, RI 02903

STEPHEN H. WHITNEY
Senate Fiscal Advisor
November 2023 Conference Chair

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State Budget Officer

MEMORANDUM

To: The Honorable Dominick J. Ruggerio, President of the Senate
The Honorable K. Joseph Shekarchi, Speaker of the House
The Honorable Daniel McKee, Governor

From: Stephen H. Whitney, Senate Fiscal Advisor
Sharon Reynolds Ferland, House Fiscal Advisor
Joseph M. Codega Jr., State Budget Officer

Date: November 20, 2023

Subject: **November 2023 Caseload Estimating Conference**

SUMMARY

The Caseload Estimating Conference convened on November 7, 2023, in an open public meeting to estimate cash assistance caseload, costs for private community providers serving individuals with developmental disabilities, and medical assistance expenditures for FY 2024 and FY 2025.

Compared to the enacted budget, the adopted estimate for FY 2024 decreases funding by \$121.9 million from all funds, including \$19.6 million less from general revenues and \$102.3 million less from federal funds. This estimate assumes the same assumptions and impacts regarding the Public Health Emergency (PHE) as used in the May 2023 Conference.

FY 2025 program costs are estimated to total \$4,235.1 million, increases of \$301.1 million and \$179.3 million over the revised estimate and enacted budget, respectively. The general revenue components of those increases are \$126.7 million and \$107.2 million.

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The following table summarizes the adopted estimates.

November 2023 Caseload Estimating Conference	FY 2024 Enacted	FY 2024 November Adopted	Change to Enacted	FY 2025 November Adopted	Change to FY 2024 Nov.
Cash Assistance					
All Funds	\$ 117,083,056	\$ 109,359,084	\$ (7,723,972)	\$ 115,495,944	\$ 6,136,860
General Revenue	29,127,401	28,578,865	(548,536)	29,015,326	436,461
Private Community Developmentally Disabled Services					
All Funds	\$ 419,546,402	\$ 442,841,000	\$ 23,294,598	\$ 462,151,000	\$ 19,310,000
General Revenue	185,902,256	196,268,000	10,365,744	203,721,950	7,453,950
Medical Assistance					
All Funds	\$ 3,519,199,630	\$ 3,381,738,872	\$ (137,460,758)	\$ 3,657,438,872	\$ 275,700,000
General Revenue	1,266,858,335	1,237,487,747	(29,370,588)	1,356,318,906	118,831,159
Consensus Caseload Total					
All Funds	\$ 4,055,829,088	\$ 3,933,938,956	\$ (121,890,132)	\$ 4,235,085,816	\$ 301,146,860
General Revenue	1,481,887,992	1,462,334,612	(19,553,380)	1,589,056,182	126,721,570

Cash Assistance

Cash assistance programs for FY 2024 are estimated to total \$109.4 million, a decrease of \$7.7 million from the enacted budget. Activities funded by general revenues are estimated to be \$28.6 million, which is \$0.5 million less than enacted. FY 2025 expenditures are estimated to total \$115.5 million, \$6.1 million more than the FY 2024 revised estimate, of which \$0.4 million are general revenues.

Nov. 2023 Consensus Caseload Estimates	FY2024 Enacted	FY2024 Nov. CEC	Change to Enacted	FY2025 Nov CEC	Change to FY2024 Nov.
Rhode Island Works					
Persons	8,518	8,520	2	8,975	455
Monthly Cost per Person	\$ 232.00	\$ 233.00	\$ 1.00	\$ 234.00	\$ 1.00
Cash Payments	\$ 23,714,000	\$ 23,821,920	\$ 107,920	\$ 25,201,800	\$ 1,379,880
Monthly Bus Passes	\$ 716,000	\$ 574,544	\$ (141,456)	\$ 605,120	\$ 30,576
Supportive Services	\$ 850,000	\$ 870,000	\$ 20,000	\$ 1,000,000	\$ 130,000
Clothing - Children	\$ 700,000	\$ 660,000	\$ (40,000)	\$ 690,000	\$ 30,000
Catastrophic	\$ 2,400	\$ 3,000	\$ 600	\$ 3,600	\$ 600
Total Costs (TANF)	\$ 25,982,400	\$ 25,929,464	\$ (52,936)	\$ 27,500,520	\$ 1,571,056
Child Care					
Subsidies	6,776	6,050	(726)	6,400	350
Annual Cost per Subsidy	\$ 10,650.00	\$ 10,750.00	\$ 100.00	\$ 10,800.00	\$ 50.00
Total Costs	\$ 72,160,000	\$ 65,037,500	\$ (7,122,500)	\$ 69,120,000	\$ 4,082,500
Federal Funds	\$ 61,973,255	\$ 54,850,755	\$ (7,122,500)	\$ 58,980,098	\$ 4,129,343
General Revenue	\$ 10,186,745	\$ 10,186,745	-	\$ 10,139,902	\$ (46,843)
SSI					
Persons	31,900	31,000	(900)	31,000	-
Monthly Cost per Person	\$ 44.51	\$ 44.50	\$ (0)	\$ 44.25	\$ (0)
Total Costs (General Revenues)	\$ 17,095,200	\$ 16,613,000	\$ (482,200)	\$ 16,521,000	\$ (92,000)
GPA					
Persons	558	578	20	826	248
Monthly Cost per Person	\$ 186.00	\$ 170.00	\$ (16.00)	\$ 177.00	\$ 7.00
Total Payments	\$ 1,245,456	\$ 1,179,120	\$ (66,336)	\$ 1,754,424	\$ 575,304
Burials	\$ 600,000	\$ 600,000	-	\$ 600,000	-
Total Costs (General Revenues)	\$ 1,845,456	\$ 1,779,120	\$ (66,336)	\$ 2,354,424	\$ 575,304
Cash Assistance Total					
Total Costs	\$ 117,083,056	\$ 109,359,084	\$ (7,723,972)	\$ 115,495,944	\$ 6,136,860
Federal Funds	\$ 87,955,655	\$ 80,780,219	\$ (7,175,436)	\$ 86,480,618	\$ 5,700,399
General Revenue	\$ 29,127,401	\$ 28,578,865	\$ (548,536)	\$ 29,015,326	\$ 436,461

Rhode Island Works

The conferees project a caseload of 8,520 at an average monthly cost per person of \$233.00 for FY 2024, which is 2 more individuals, and \$1.00 more per month, per case, than enacted. For FY 2025, the estimated caseload is 8,975 at an average monthly cost of \$234.00 per person. This adds 455 more individuals and \$1.00 to the monthly cost compared to the FY 2024 revised estimate. Expenditures for Rhode Island Works, funded entirely by the federal Temporary Assistance for Needy Families block grant, total \$25.9 million in FY 2024 and \$27.5 million in FY 2025. This total includes \$2.1 million in FY 2024 and \$2.3 million in FY 2025 for monthly bus passes and other supportive services.

Child Care Assistance

The FY 2024 caseload estimate for child care assistance includes \$65.0 million to provide 6,050 children with subsidized child care at an average yearly cost of \$10,750 per subsidy. The revised estimate assumes use of \$54.9 million from federal block grant funds and \$10.2 million from general revenues. Total expenses are anticipated to decrease by \$7.1 million from the enacted budget. The FY 2024 Budget as Enacted appropriated \$4.0 million to establish a one-year pilot program which extends child care benefits to eligible childcare educators and staff. The pilot exempts participants from copayments and allows them to choose their preferred childcare facility. The estimate includes \$3.0 million of this in FY 2024 and \$1.0 million in FY 2025 based on federal rules requiring 12-month continuous enrollment.

The estimate for FY 2025 is \$69.1 million, assuming 6,400 subsidies at \$10,800 per subsidy. This represents 350 more subsidies and \$50.00 more than the FY 2024 adopted estimate. By source the estimate assumes \$590 million from federal block grant funds and \$10.1 million from general revenues. The total cost for FY 2025 is \$3.0 million less than the FY 2024 enacted budget and \$4.1 million more than the FY 2024 revised estimate. The estimate reflects family child care providers rates consistent with most recent agreement between the State and SEIU District 1199 New England. The estimate also includes \$1.0 million related to the child care educators pilot as noted above.

Supplemental Security Income

The Supplemental Security Income program is estimated to cover 31,000 persons in FY 2024 and FY 2025 at a monthly cost per person of \$44.50 and \$44.25, respectively. The total cost of \$16.6 million in FY 2024 is \$482,200 less than enacted. The total cost in FY 2025 is \$16.5 million, \$92,000 less than the FY 2024 revised estimate.

General Public Assistance

Total expenditures for general public assistance are estimated to be \$1.8 million in FY 2024 and \$2.4 million for FY 2025, with \$600,000 for burials adopted for both fiscal years. For FY 2024, the Conference estimates 578 individuals at a monthly cost of \$170.00; this is \$66,336 less than enacted and assumes 20 more participants and \$16.00 less per month. The FY 2025 estimate assumes 826 individuals at \$177.00 per month.

Private Services for Individuals with Developmental Disabilities

The Conference projects total costs for private services for individuals with developmental disabilities of \$442.8 million in FY 2024, including \$246.6 from federal funds and \$196.3 from general revenues. This is \$23.3 million more than enacted, including \$10.4 million more from general revenues.

For FY 2025, the Conference projects spending of \$462.2 million, including \$258.4 million from federal funds and \$203.7 million from general revenues. This is \$19.3 million more than the revised estimate, including \$7.5 million more from general revenues. The following subsections describe the service categories selected for estimating purposes. Of note, the Conference has updated the categories and their groupings to reflect changes resulting from the new rates and billing structure as well as the shift of employment services from the tier packages to an add-on service.

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Nov 2023 Consensus Caseload Estimates	FY2024 Enacted	FY2024 Nov CEC	Change to Enacted	FY2025 Nov CEC	Change to FY2024 Nov.
Residential & Community Based Services					
Residential Habilitation*	\$ 265,050,677	\$ 284,700,000	\$ 19,649,323	\$ 296,000,000	\$ 11,300,000
Day Program	\$ 91,271,609	\$ 98,100,000	\$ 6,828,391	\$ 102,000,000	\$ 3,900,000
Case Management and Other Support Services	\$ 10,877,709	\$ 10,000,000	\$ (877,709)	\$ 10,500,000	\$ 500,000
Support Services Expansion	\$ -	\$ 2,000,000	\$ 2,000,000	\$ 4,000,000	\$ 2,000,000
Transportation	\$ 11,228,256	\$ 12,000,000	\$ 771,744	\$ 12,500,000	\$ 500,000
RIPTA Contract	\$ 1,200,000	\$ 2,100,000	\$ 900,000	\$ 2,310,000	\$ 210,000
Subtotal Costs	\$ 379,628,251	\$ 408,900,000	\$ 29,271,749	\$ 427,310,000	\$ 18,410,000
Other Services					
Employment	\$ 9,455,020	\$ 8,500,000	\$ (955,020)	\$ 9,000,000	\$ 500,000
L9 Supplemental Funding	\$ 30,133,131	\$ 25,100,000	\$ (5,033,131)	\$ 25,500,000	\$ 400,000
DD State Subsidies	\$ 30,000	\$ 31,000	\$ 1,000	\$ 31,000	\$ -
Out-of-state placements	\$ 300,000	\$ 310,000	\$ 10,000	\$ 310,000	\$ -
Subtotal Costs	\$ 39,918,151	\$ 33,941,000	\$ (5,977,151)	\$ 34,841,000	\$ 900,000
Developmental Disabilities Total					
Total Costs	\$ 419,546,402	\$ 442,841,000	\$ 23,294,598	\$ 462,151,000	\$ 19,310,000
Federal Funds	\$ 233,644,146	\$ 246,573,000	\$ 12,928,854	\$ 258,429,050	\$ 11,856,050
General Revenue	\$ 185,902,256	\$ 196,268,000	\$ 10,365,744	\$ 203,721,950	\$ 7,453,950

*Residential Habilitation includes the Shared Living Arrangement, previously captured in Day Program.

Residential Habilitation

Residential habilitation includes congregate and non-congregate living supports. FY 2024 residential habilitation expenditures are estimated to be \$284.7 million, which is \$19.7 million more than enacted. FY 2025 residential habilitation expenditures are estimated to be \$296.0 million, which is \$11.3 million more than the revised estimate. This category includes an estimate for the Shared Living Arrangement item, now referred to as Whole Life SLA, in the amount of \$15.1 million in FY 2024 and \$15.3 million in FY 2025. In previous conferences the Shared Living item was captured within the Day Program category.

Day Program

Day Program captures services offered at center-based day programs, including the provision of education and training. Day Program expenditures are estimated to be \$98.1 million in FY 2024, \$6.8 million more than enacted. FY 2025 expenditures are estimated to be \$102.0 million, \$3.9 million more than the revised estimate.

Case Management and Other Support Services

This category represents the remaining assorted services an individual can receive, including, but not limited to, attendant care, home modifications, assistive technology, and support facilitation. For FY 2024, the Conference estimates \$10.0 million, a decrease of \$0.9 million compared to the enacted budget. For FY 2025, the Conference estimates \$10.5 million, an increase of \$0.5 million from the revised estimate.

Support Services Expansion

The Conference includes an additional category to capture new services, including remote supports, intended to begin in FY 2024. For FY 2024, the Conference estimates \$2.0 million to represent a partial year of services. For FY 2025, the Conference estimates \$4.0 million to capture an anticipated full year of services.

Employment

Employment captures services such as job assessment and development, job coaching, and job retention for adults with developmental disabilities. For FY 2024, the Conference estimates \$8.5 million for

employment services, which is \$1.0 million less than enacted. FY 2025 expenditures are estimated to be \$9.0 million, which is \$0.5 million more than the FY 2024 revised estimate.

Transportation

The transportation service category provides funding for transportation for individuals to and from employment and day program activities. Transportation costs are estimated to be \$12.0 million in FY 2024, which represents an increase of \$0.8 million from the enacted. In addition to the estimate for transportation day activity, the Conference includes \$2.1 million in funds for transportation services provided by the Rhode Island Public Transit Authority (RIPTA). For FY 2025, the Conference estimates \$12.5 million, an increase of \$0.5 million from the revised estimate, and includes \$2.31 million for RIPTA expenses.

L9 Supplemental Funding

The Conference estimates \$25.1 million for L9 Supplemental Funding in FY 2024, which is \$5.0 million less than the enacted. For FY 2025, the Conference estimates \$25.5 million, an increase of \$0.4 million from the revised estimate.

Non-Medicaid Funded

This category includes items that are not currently eligible to receive Medicaid. The Conference estimates \$341,000 in both years, which is \$10,000 more than the enacted. This includes \$31,000 for monthly stipend payments to family caregivers of individuals who formerly resided at the Ladd Center and \$310,000 for one out-of-state placement.

Medical Assistance

The Conference projects total medical assistance spending of \$3,381.7 million in FY 2024, including \$2,135.7 million from federal funds, \$1,237.5 million from general revenues, and \$8.5 million from restricted receipts. This is \$137.5 million less than enacted from all sources including \$29.4 million less from general revenues.

For FY 2025, the Conference projects spending of \$3,657.4 million including \$2,292.6 million from federal funds, \$1,356.3 million from general revenues, and \$8.5 million from restricted receipts. The estimate is \$275.7 million more than the revised estimate for FY 2024, including a \$156.9 million from federal funds and \$118.8 million from general revenues.

Medical assistance estimates in FY 2024 and FY 2025 are based on the same assumptions and impacts regarding the Public Health Emergency (PHE) as used in the May 2023 Conference. Those assumptions were based on the Consolidated Appropriations Act, 2023 (CAA, 2023) that made significant changes to continuous enrollment conditions and availability of the temporary 6.2 percentage point enhanced Medicaid match. Under CAA, 2023, the enhanced rate began phasing down on April 1, 2023, and will end on December 31, 2023. The continuous enrollment provision ended on April 1, 2023, allowing for the disenrollment of individuals who no longer meet Medicaid eligibility requirements.

The Department of Human Services began providing 60-day notice to individuals subject to redetermination on April 1, 2023, with the first eligibility redeterminations becoming effective on June 1, 2023. In order to continue to receive the enhanced match states must comply with new conditions including a 12-month continuous coverage requirement and delayed redetermining of children until January 2024 and a distribution of renewals at an even pace over the course of the 12-month "unwinding period."

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FY 2024 Medical Assistance

	FY 2024 Enacted	FY 2024 Nov. CEC	Change to Enacted	FY 2025 Nov. CEC	Change to FY 2024 Nov.
Hospitals					
Regular	\$ 346,927,024	\$ 347,100,000	\$ 172,976	\$ 345,500,000	\$ (1,600,000)
Disproportionate Share	\$ 14,738,872	\$ 14,738,872	\$ -	\$ 14,738,872	\$ -
Total Costs	\$ 361,665,896	\$ 361,838,872	\$ 172,976	\$ 360,238,872	\$ (1,600,000)

Long Term Care

Nursing and Hospice Care	\$ 344,790,000	\$ 328,800,000	\$ (15,990,000)	\$ 396,300,000	\$ 67,500,000
Home and Community Care	\$ 133,400,000	\$ 152,200,000	\$ 18,800,000	\$ 173,500,000	\$ 21,300,000
Total Costs	\$ 478,190,000	\$ 481,000,000	\$ 2,810,000	\$ 569,800,000	\$ 88,800,000

Managed Care and Acute Care Services

Managed Care	\$ 1,069,954,164	\$ 1,020,800,000	\$ (49,154,164)	\$ 1,072,800,000	\$ 52,000,000
Rhody Health Partners	\$ 326,797,579	\$ 303,100,000	\$ (23,697,579)	\$ 347,100,000	\$ 44,000,000
Rhody Health Options	\$ 175,204,060	\$ 179,900,000	\$ 4,695,940	\$ 194,000,000	\$ 14,100,000
Other Medical Services	\$ 188,659,199	\$ 181,700,000	\$ (6,959,199)	\$ 240,900,000	\$ 59,200,000
Medicaid Expansion	\$ 821,728,732	\$ 755,700,000	\$ (66,028,732)	\$ 765,500,000	\$ 9,800,000
Total Costs	\$ 2,582,343,734	\$ 2,441,200,000	\$ (141,143,734)	\$ 2,620,300,000	\$ 179,100,000

Pharmacy

Pharmacy	\$ 1,300,000	\$ (300,000)	\$ (1,600,000)	\$ (700,000)	\$ (400,000)
Clawback	\$ 95,700,000	\$ 98,000,000	\$ 2,300,000	\$ 107,800,000	\$ 9,800,000
Total Costs	\$ 97,000,000	\$ 97,700,000	\$ 700,000	\$ 107,100,000	\$ 9,400,000

Medical Assistance Total

Total Costs	\$ 3,519,199,630	\$ 3,381,738,872	\$ (137,460,758)	\$ 3,657,438,872	\$ 275,700,000
Federal Funds	2,243,826,295	2,135,736,125	\$ (108,090,170)	2,292,604,966	\$ 156,868,841
General Revenue	1,266,858,335	1,237,487,747	\$ (29,370,588)	1,356,318,906	\$ 118,831,159
Restricted Receipts	8,515,000	8,515,000	\$ -	8,515,000	\$ -

Hospitals

FY 2024 hospital expenditures are estimated to be \$361.8 million which is \$172,976 more than enacted. This includes a \$637,865 decrease to the Upper Payment Limit supplemental payments based on updated data. The total includes the enacted amount of \$287.9 million for the new hospital state directed care (SDP) payment established through Article 9 of the FY 2024 Budget.

FY 2025 hospital expenditures are estimated to be \$360.2 million including disproportionate share hospital payments of \$14.7 million. The estimate is \$1.6 million less than the revised FY 2024 estimate including \$3.9 million less for the SDP based on a lower federal match rate. The estimate also includes \$16.5 million for upper payment limit reimbursements and the enacted level of \$2.5 million for the Graduate Medical Education program. The estimate also assumes a 3.3 percent increase to hospital rates effective July 1, 2024.

Long Term Care

Long term care expenditures are estimated to be \$481.0 million in FY 2024 and \$569.8 million in FY 2025. The FY 2024 estimate of \$328.8 million for nursing and hospice care is \$16.0 million less than enacted. The FY 2024 decrease is primarily due to the elimination of an \$11.8 million adjustment for expenses previously expected to be shifted from Rhody Health Options. The remaining reduction relates to claims activity including no participation in a behavioral health initiative assumed to cost \$2.0 million in prior estimates. In FY 2025, the nursing facility estimate increases by \$67.5 million to \$396.3 million. This reflects the expected adjustment from the nursing facility rate review required by RIGL 40-8-19(a)(2)(iii), as well as increased price and utilization trends.

The Conference estimates \$152.2 million for home and community-based services in FY 2024. This is an \$18.8 million increase to the enacted budget primarily due to a \$17.3 million increase in Personal Care and

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\$1.4 million in conflict free case management (CFCM) costs that were shifted from the Other Services budget line. The FY 2025 estimate of \$173.5 million is \$21.3 million above the revised FY 2024 estimate primarily due to the annualization of the CFCM costs and 2.5 percent utilization increase.

Managed Care

FY 2024 expenditures for managed care are estimated to be \$1,020.8 million, a \$49.2 million decrease from the enacted budget. The decrease is primarily attributable to reduced RIte Care Core premium payments and the delayed implementation of the Certified Community Behavioral Health Clinic (CCBHC) initiative.

Costs for FY 2025 are estimated at \$1,072.8 million, which is \$52.0 million above the revised FY 2024 consensus estimate. The increase is due primarily to the full implementation of the CCBHC initiative and an assumed 5.0 percent price increase for all managed care products.

Rhody Health Partners

Rhody Health Partners program expenses are estimated at \$303.1 million for FY 2024, which is \$23.7 million less than enacted based on updated data showing a decrease in the monthly cost per person and caseloads from the original estimate, as well as delayed implementation of the CCBHC initiative and the new Ticket-to-Work eligibility pathway. FY 2025 expenditures are estimated to be \$347.1 million, which is \$44.0 million more than the FY 2024 adopted estimate and assumes a 5.0 percent increase in the monthly cost per person and slightly increasing enrollment, as well as the full implementation of the CCBHC and Ticket-to-Work initiatives.

Rhody Health Options

Expenses for Rhody Health Options, the state's integrated care initiative that provides acute and long-term care services to individuals eligible for both Medicare and Medicaid, are estimated to be \$179.9 million for FY 2024. This represents an increase of \$4.7 million compared to the enacted budget reflecting a higher monthly cost per person than projected in the enacted estimate. The FY 2025 consensus estimate of \$194.0 million is \$14.1 million more than the revised estimate and reflects a 5.0 percent increase in the monthly cost per person and a 2.5 percent increase in enrollment.

Other Medical Services

Expenditures for other medical services are estimated to be \$181.7 million for FY 2024 and \$240.9 million for FY 2025. The estimate includes Medicare Part A and B payments for certain individuals, fee-for-service payments for rehabilitation, and other medical services and payments to the Tavares Pediatric Center. The FY 2024 estimate is \$7.0 million less than the enacted budget, due primarily to shifting the CFCM expenses to Home and Community Care. The decrease is partially offset by increases in funding for the CCBHC initiative, to reflect updated rate development and cost reporting, and increased claims activity and other professional services.

The FY 2025 estimate is \$59.2 million more than the revised FY 2024 due primarily to the full implementation of the CCBHC initiative.

Medicaid Expansion

The FY 2024 estimate for the Medicaid Expansion population of \$755.7 million is \$66.0 million less than the enacted budget and is primarily driven by updated pricing, reflecting an 8.0 percent decline in the composite premium instead of the 5.0 percent increase assumed in the enacted estimate. In FY 2025 the estimate of \$765.5 million decreases by 1.3 percent to reflect a 6.8 percent decrease in enrollment partially offset by a 5.0 percent increase in price and the full implementation of CCBHC initiative.

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Pharmacy

Pharmacy expenses are estimated to be \$97.7 million for FY 2024 and \$107.1 million for FY 2025.

Nearly all of the funding is for the Medicare Part D clawback payment, which is funded solely from general revenues. This payment is the state's portion of the federal Medicare pharmacy costs for its population that are enrolled in both Medicare and Medicaid, commonly referred to as "dual-eligibles." The FY 2024 Pharmacy estimate is \$1.6 million less than enacted which reflects the impact of an increase in the amount of rebates, while clawback increases by \$2.3 million based on actual invoices through September. The FY 2025 estimate for the Pharmacy costs reflects an increase in drug costs, while the clawback is \$9.8 million above the FY 2024 consensus estimate and assumes an 8.4 percent increase in costs and a continuing 1.5 percent increase in caseload.

The next required meeting of the conference is May 2024.

cc: The Honorable Louis P. DiPalma, Chairman
Senate Finance Committee

The Honorable Marvin L. Abney, Chairman
House Finance Committee