

OFFICE OF HEALTH AND HUMAN SERVICES

Staff Presentation to the House Finance Committee

FY 2013 Revised and FY 2014 Budgets

March 27, 2013

OHHS

- Principal agency to manage the 4 health and human service agencies
 - Department of Human Services
 - Division of Elderly Affairs
 - Department of Behavioral Healthcare, Developmental Disabilities and Hospitals
 - Department of Children, Youth and Families
 - Department of Health
- State Medicaid Agency

OHHS SUMMARY

	Enacted	FY 2013 Gov. Rev.	Change	FY 2014 Gov. Rec.	Change
General Revenues	\$825.1	\$801.4	(\$23.7)	\$851.0	\$25.9
Federal Funds	914.8	907.8	(7.0)	999.4	84.5
Restricted Receipts	12.5	13.2	0.8	10.0	(2.5)
Total (in millions)	\$1,752.4	\$1,722.4	(\$29.9)	\$1,860.4	\$108.0
FTE s	168.0	169.0	1.0	194.0	26.0

OHHS BY PROGRAM

	Enacted	FY 2013 Gov. Rev.	Change	FY 2014 Gov. Rec.	Change
Medical Assistance	\$1,650.7	\$1,615.5	(\$35.1)	\$1,742.7	\$92.0
Central Management	101.7	106.9	5.2	117.7	16.0
Total (in millions)	\$1,752.4	\$1,722.4	(\$29.9)	\$1,860.4	\$108.0
FTEs	168.0	169.0	1.0	194.0	26.0

OHHS BY CATEGORY

	Enacted	FY 2013 Gov. Rev.	Change	FY 2014 Gov. Rec.	Change
Salaries/Ben	\$18.7	\$20.0	\$1.7	\$23.5	\$4.9
Contract Serv	47.4	42.2	(5.3)	49.7	2.3
Operating	4.2	6.1	1.9	5.8	1.5
Grants	1,681.9	1,648.4	(33.5)	1,774.1	92.1
Capital	0.1	5.8	5.7	7.3	7.2
Total (millions)	\$1,752.4	\$1,722.4	(\$29.9)	\$1,860.4	\$108.0

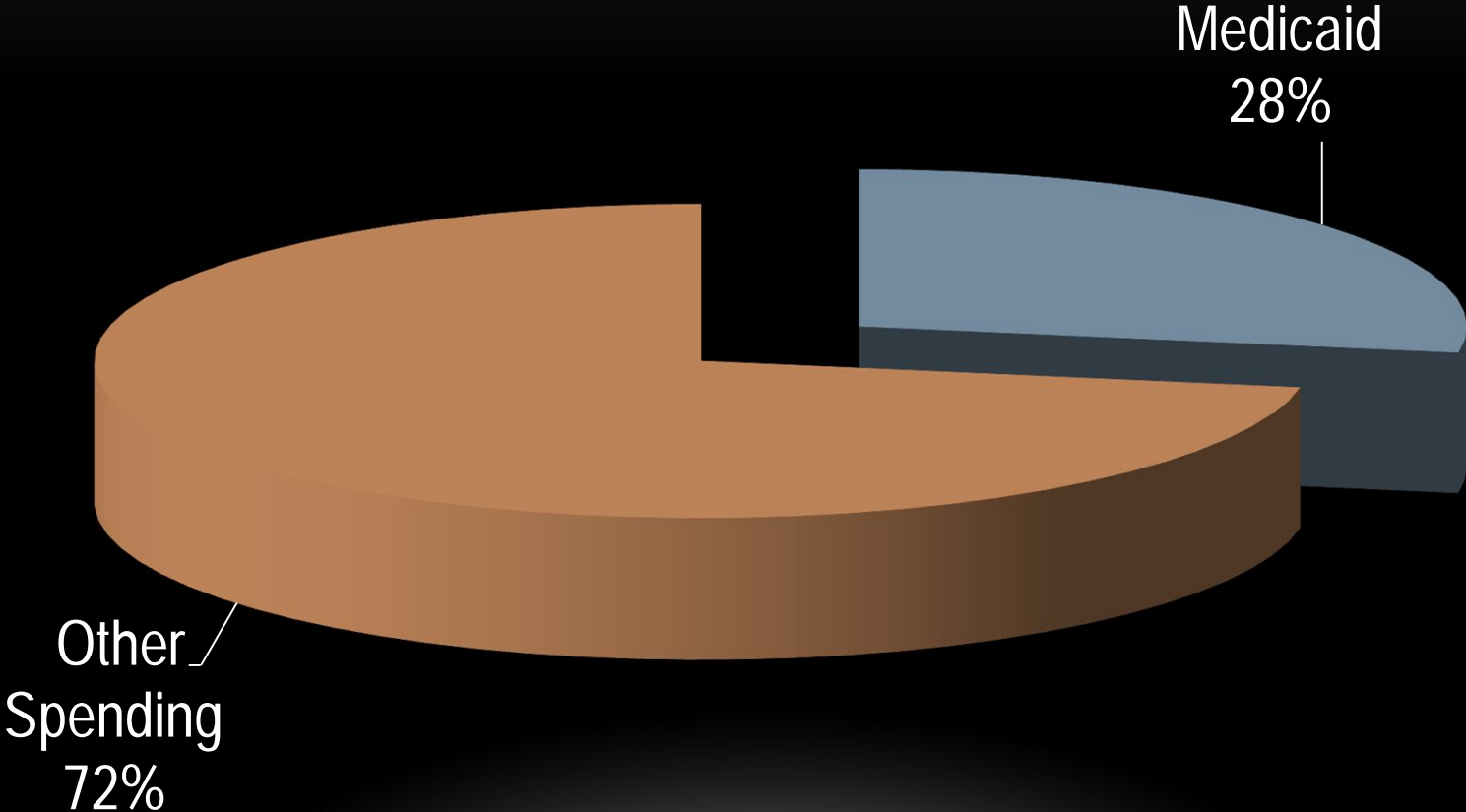
TARGET BUDGET

- Budget Office provided a target of \$821.6 million
- Current service adjustments of \$58.4 million
 - Entitlements - \$53.8 million
 - Non-recurring & other expenses- \$4.3 million
 - Statewide Adjustments - \$0.3 million
- Office did not submit a current services budget – if it had budget would have been \$62.2 million above the enacted
- 7% reduction of \$61.8 million – budget is \$0.8 million above target

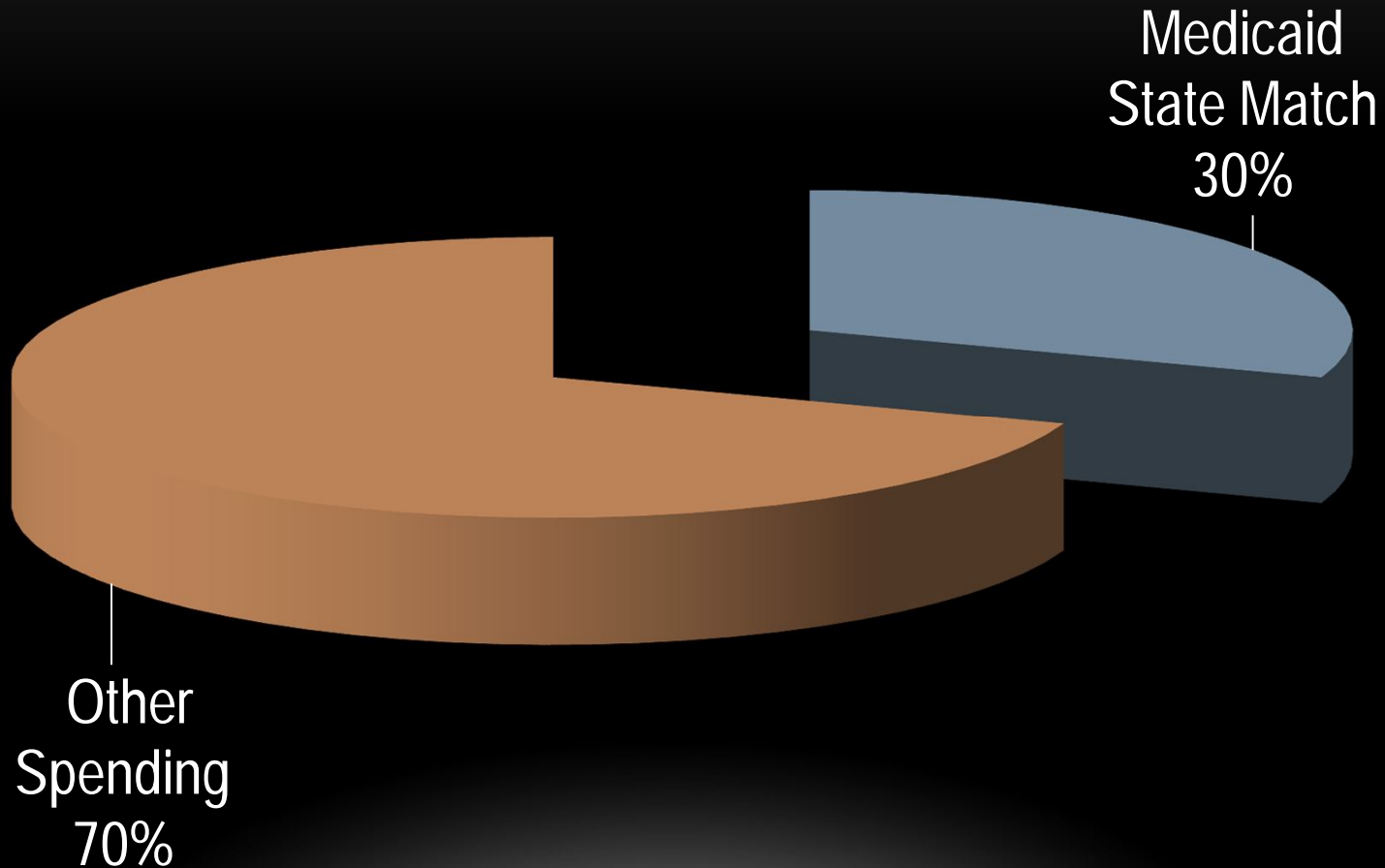
ENTITLEMENTS

- \$14.4 million - updated Medicaid rate that increases the state's share of costs
- \$23.5 million - managed care
- \$9.8 million - nursing and home & community care services
- \$2.2 million – hospitals
- \$3.9 million – all other services (including pharmacy)

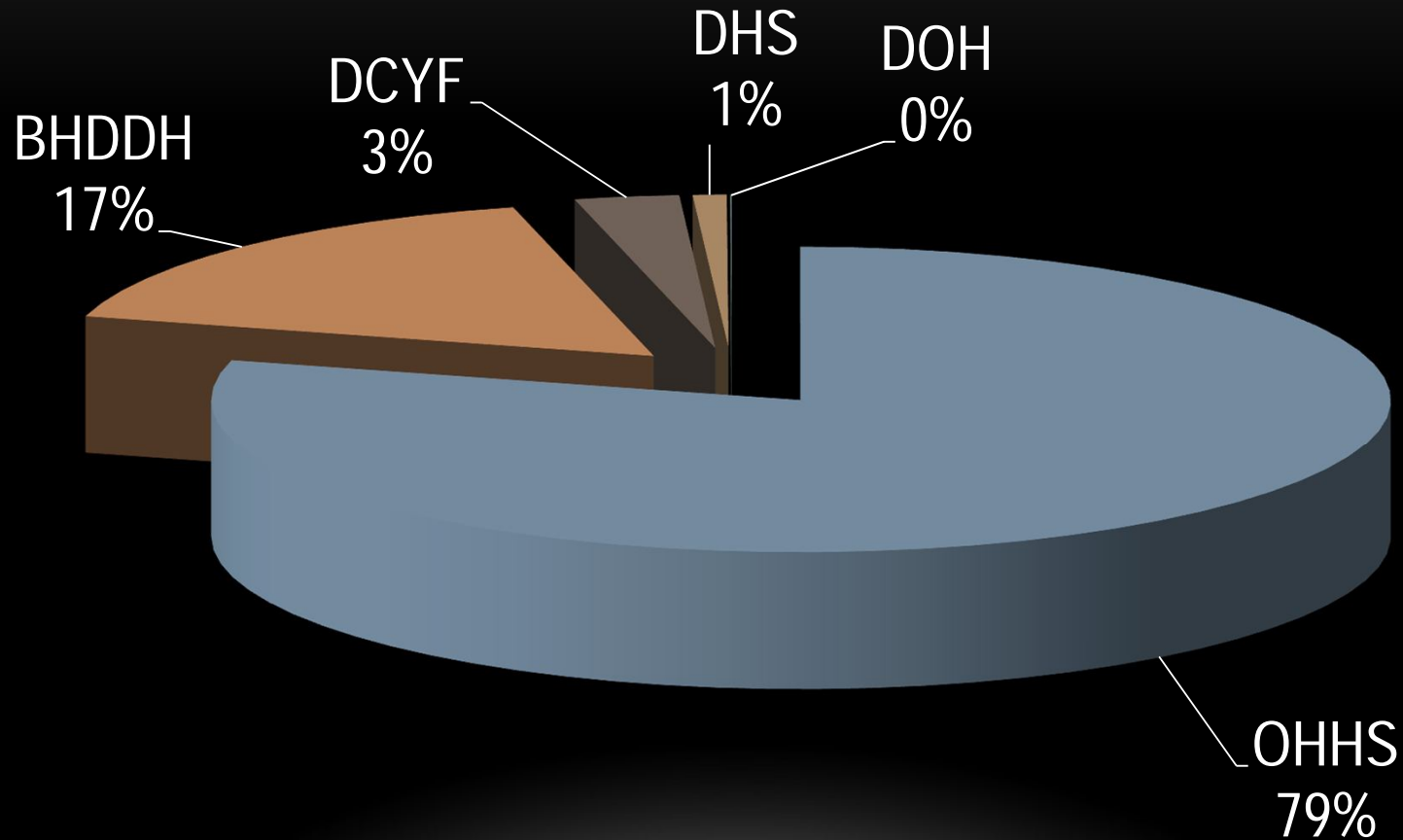
MEDICAID % OF BUDGET – ALL FUNDS



MEDICAID % OF BUDGET - GENERAL REVENUE SPENDING



MEDICAID SPENDING BY DEPARTMENT



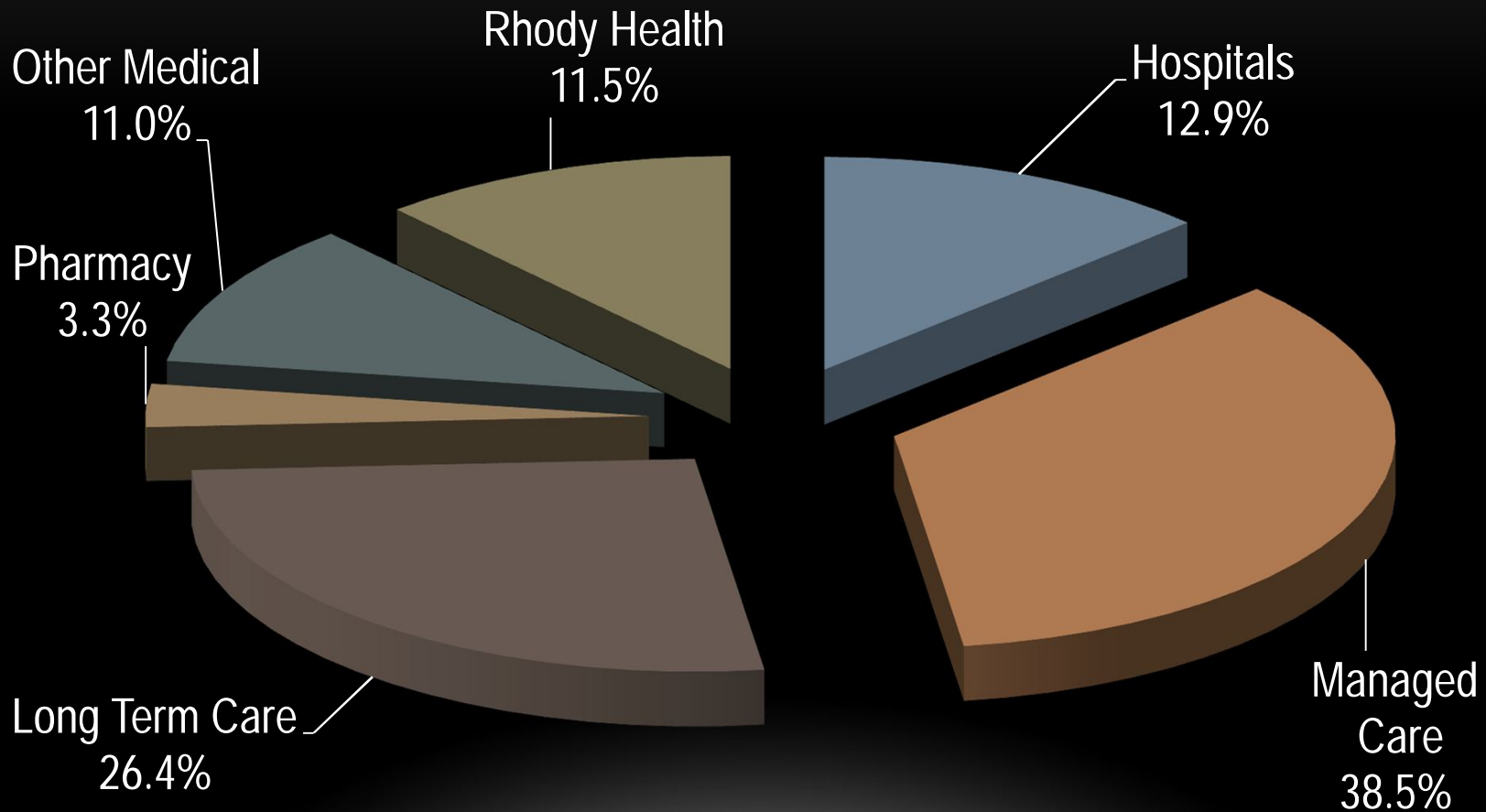
CASELOAD ESTIMATING CONFERENCE

- House Fiscal, Senate Fiscal and State Budget Office staff estimate expenditures for medical benefits and cash assistance programs
- Convenes twice a year, November and May
- Estimates based on current law only

MEDICAL BENEFITS: PROGRAMS

- Managed Care
- Long Term Care: Nursing Facilities & Home and Community Care
- Hospitals
- Rhody Health
- Pharmacy: Drug Expenses and Clawback
- Other Medical Services

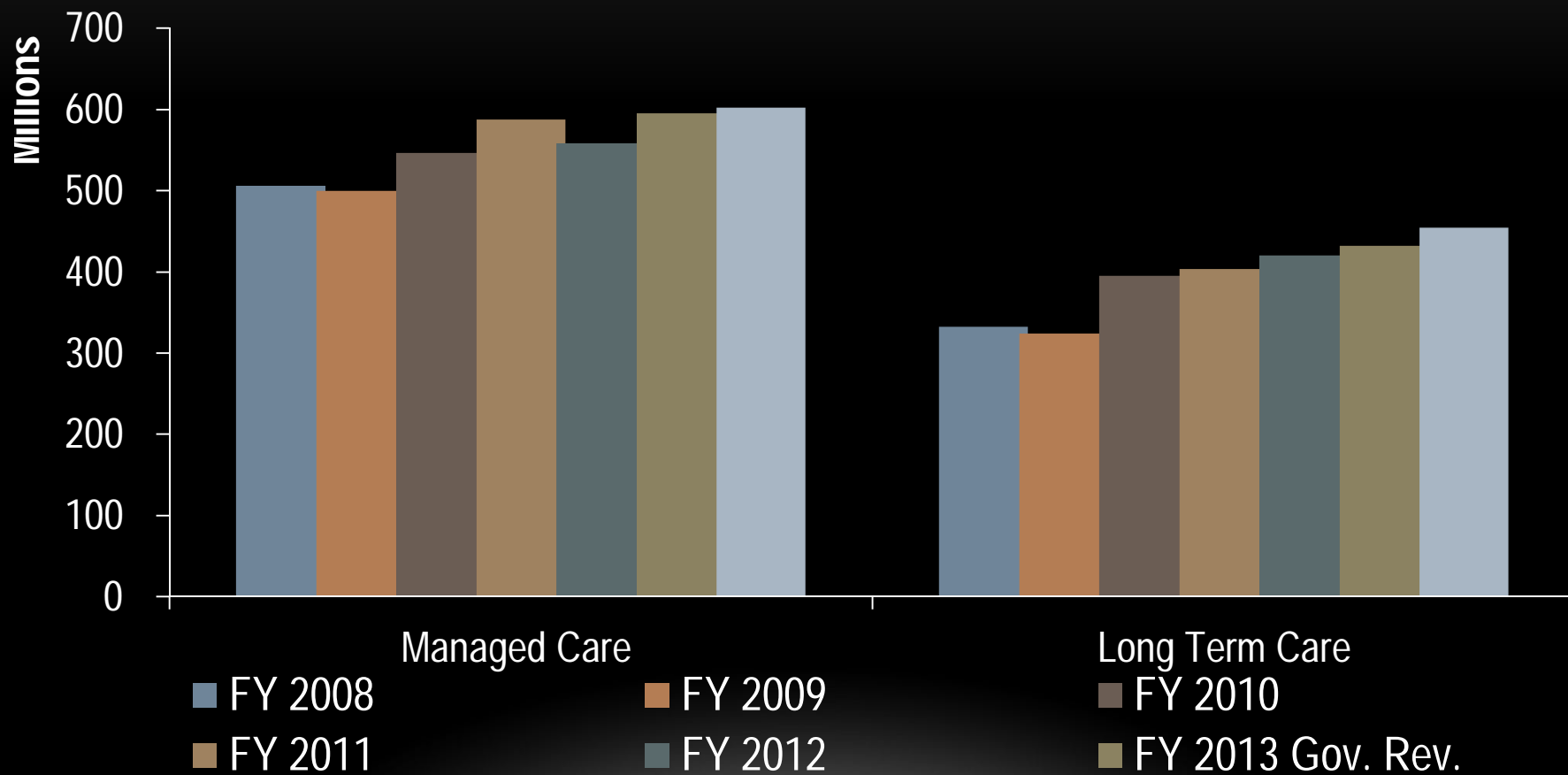
GOVERNOR'S FY 2014 RECOMMENDATION: ALL FUNDS



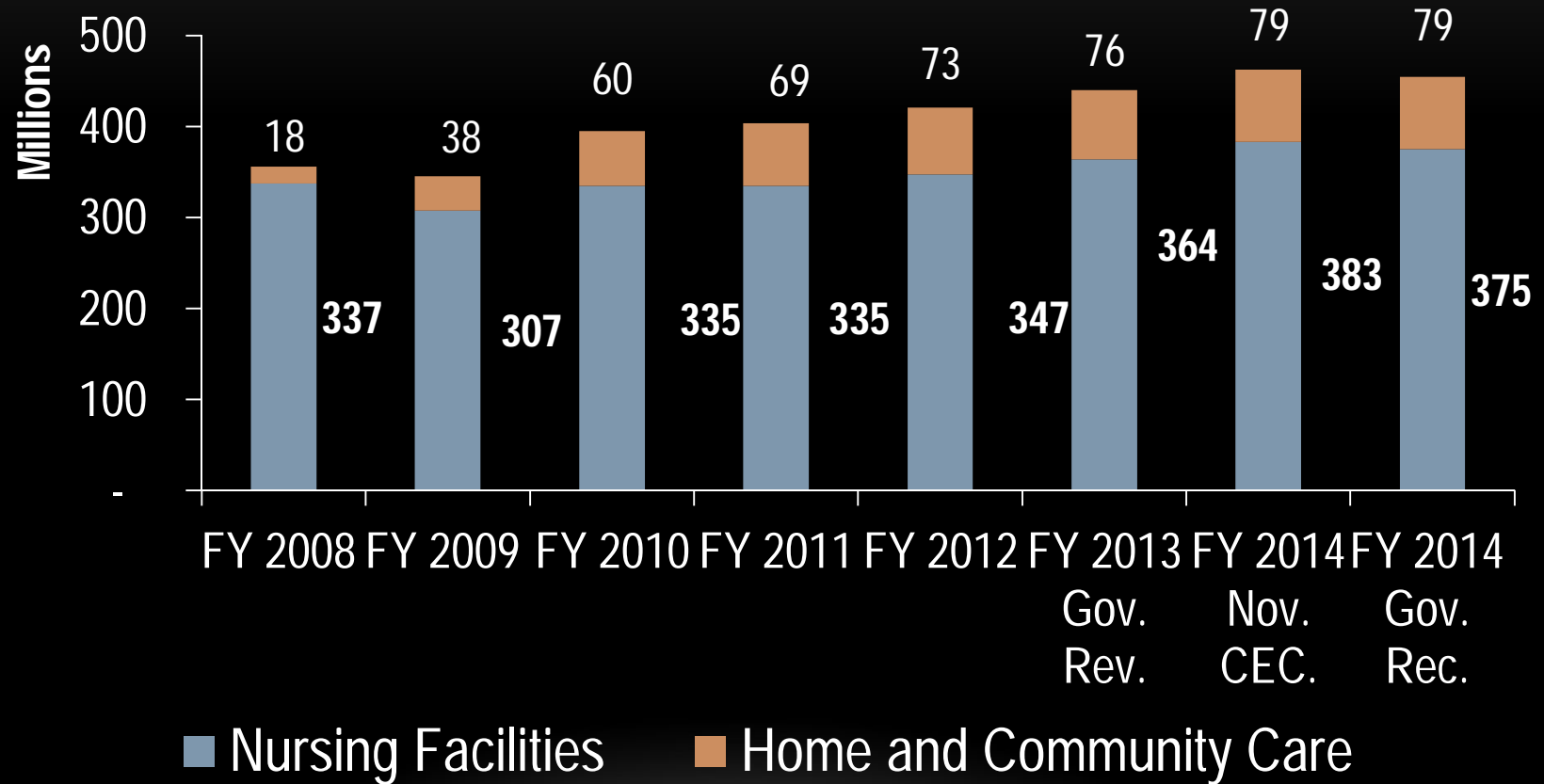
MEDICAL ASSISTANCE

Program	FY 2011 Spent	FY 2012 Spent	FY 2013 Gov. Rev.	FY 2014 Nov. CEC	FY 2014 Gov. Rec.
Managed Care	\$587.8	\$558.5	\$576.1	\$601.8	\$602.2
LTC	403.4	420.5	440.1	462.4	454.6
Hospitals	247.4	219.0	220.3	224.0	221.6
Rhody Health	176.9	175.6	191.4	201.7	198.8
Other Medical	123.5	115.8	115.8	119.0	190.3
Pharmacy	37.7	45.1	53.0	56.2	56.2
Total (millions)	\$1,576.9	\$1,534.5	\$1,596.6	\$1,665.1	\$1,723.7

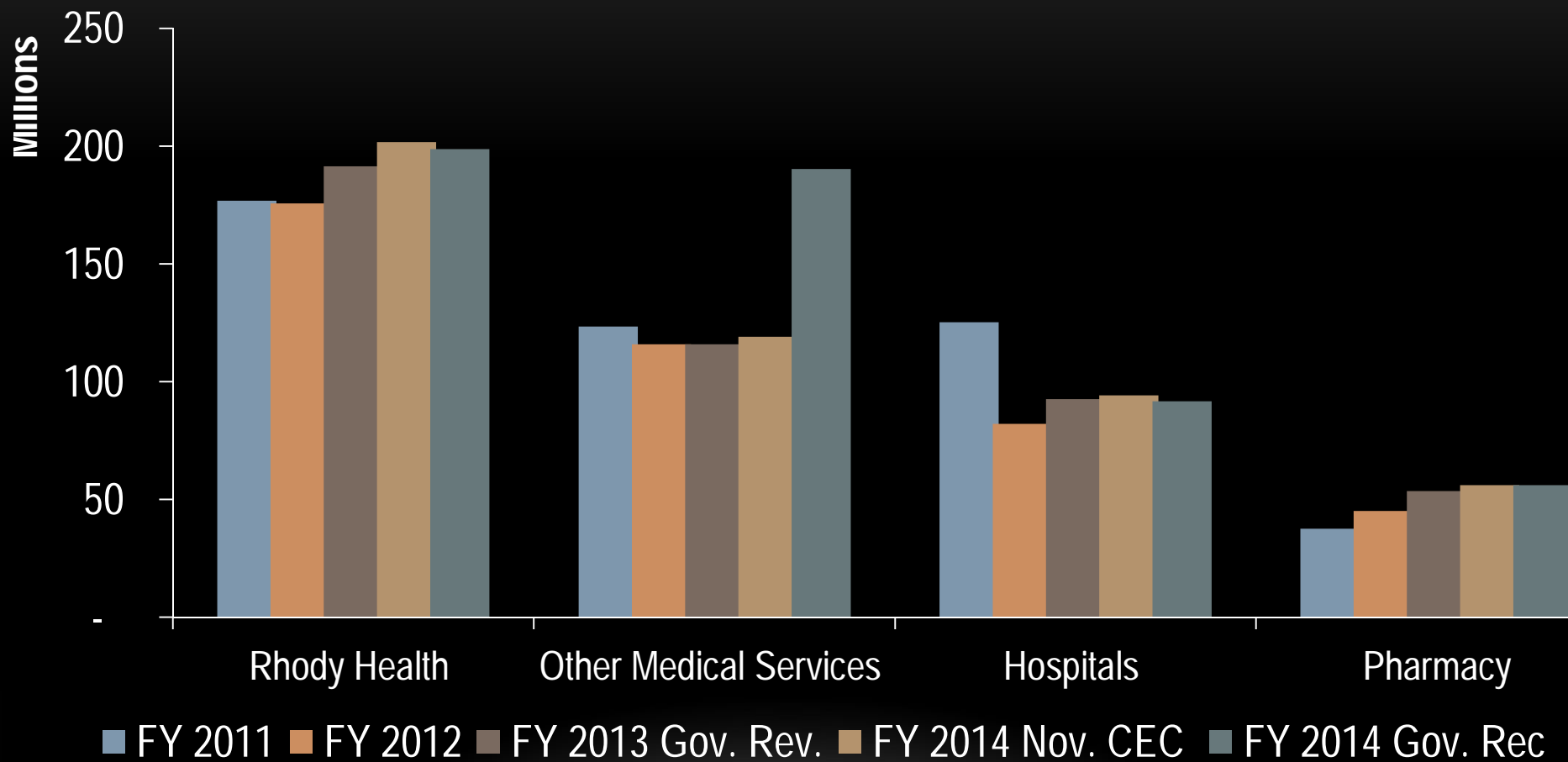
MEDICAL ASSISTANCE



LONG TERM CARE



MEDICAL ASSISTANCE



MEDICAL ASSISTANCE FY 2013 REVISED

Program	Enacted	FY 2013 CEC	FY 2013 Gov. Rec.	CEC to Enacted	Gov to Enacted
Managed Care	\$595.7	\$570.0	\$576.1	(\$25.7)	(\$19.6)
LTC	432.6	440.1	440.1	7.5	7.5
Hospitals	222.9	220.3	220.3	(2.6)	(2.6)
Rhody Health	209.7	190.2	191.4	(19.5)	(18.3)
Other	117.8	114.5	115.8	(3.3)	(1.5)
Pharmacy	53.6	53.0	53.0	(.07)	(0.7)
Total (millions)	\$1,632.3	\$1,588.1	\$1,596.6	(\$44.3)	(\$35.7)

FY 2013 MEDICAL CHANGES TO ENACTED

Item	General Revenues	All Funds
Caseload Conference	(\$24.3)	(\$44.3)
Governor's Change	-	8.5
Total (in millions)	(\$24.3)	(\$35.7)

GOVERNOR CHANGE TO NOV 2013 CEC

Affordable Care Act – Increase in Primary Care Payments	Federal Funds*
Managed Care	\$6.1
Rhody Health	\$1.2
Other Medical Services	\$1.3
Total (millions)	\$8.5

*fully federally funded from 1/1/2013 through 1/1/2015

MEDICAL ASSISTANCE FY 2014 SUMMARY

	Enacted	FY 2014 Nov CEC	FY 2014 Gov. Rec.	Gov. to CEC	Gov. to Enacted
Managed Care	\$ 595.7	\$ 601.8	\$ 602.2	\$0.4	\$6.4
Long Term Care	432.6	462.4	454.6	(7.8)	22.0
Hospitals	222.9	224.0	221.6	(2.4)	(1.2)
Rhody Health	209.7	201.7	198.8	(2.9)	(10.9)
Other Medical	117.8	119.0	190.3	71.3	72.5
Pharmacy	53.6	56.2	56.2	-	2.5
Total (millions)	\$1,632.3	\$1,665.1	\$1,723.7	\$58.5	\$91.3

FY 2014 MEDICAL CHANGES TO ENACTED

Item	General Revenues	All Funds
Caseload Conference	\$35.3	\$32.8
Governor's Savings Initiatives	(14.0)	(28.3)
Governor's ACA Changes	-	86.8
Total (in millions)	\$21.3	\$91.3

HOSPITALS: FY 2014 CHANGES TO ENACTED

Item	General Revenues	All Funds
FY 2013 Enacted	\$107.3	\$222.9
Caseload Conference	2.7	1.2
Governor's Savings Initiatives	(1.2)	(2.4)
Change (in millions)	\$1.5	(\$1.2)
FY 2014 Governor's Rec	\$108.8	\$221.6

FY 2014 OHHS SAVINGS PROPOSALS: HOSPITALS

Proposal	General Revenues	All Funds	Gov. Rec.
Freeze In & Outpatient Rates*	(\$1.2)	(\$2.4)	Yes
Reduce Outpatient Upper Payment Limit Reimbursement	(\$5.2)	(\$10.6)	No

* Initiative totals \$10.5 million – savings included in managed care/Rhody Health and other medical services

HOSPITALS: FY 2014 GOVERNOR'S REC

Item	Gen Rev	All Funds
Hospital Payments*	\$39.7	\$80.0
Uncompensated Care	63.3	129.8
Outpatient Upper Payment Limit	5.8	11.8
Total (in millions)	\$108.8	\$221.6

**fee for service payments for those not enrolled in managed care, also receive payments through managed care plans*

LICENSE FEE

- Governor includes Article 13 for a 5.35% fee in FY 2014
 - Applied to \$2.6 billion in FY 2011 revenue for community hospitals
- Assumes the two-tiered fee in enacted budget
 - South County and Westerly Hospital pay a lower 3.37% fee
 - OHHS has not yet received approval

LONG TERM CARE

- Nursing Facilities and Hospice Care
 - Care for approximately 6,000 nursing home residents
- Home and Community Care
 - Care for approximately 4,000 individuals

LONG TERM CARE: FY 2014 CHANGES TO ENACTED

Item	General Revenues	All Funds
FY 2013 Enacted	\$209.9	\$432.6
Caseload Conference	19.4	29.8
Governor's Savings Initiatives – no October 1, 2013 rate increase	(3.9)	(7.8)
Change (in millions)	\$15.6	\$22.0
FY 2014 Governor's Rec	\$225.5	\$454.6

NURSING AND HOSPICE CARE

FY	Total*	% Change	Persons	Annual Cost per Person
2012	\$347.4	3.7%	6,852	\$50,699
2011	\$334.9	0.1%	6,967	\$48,064
2010	\$334.7	8.9%	7,512	\$44,549
2009	\$307.2	(8.9%)	7,547	\$40,705
2008	\$335.1	12.9%	7,775	\$43,094

(*in millions)

INTEGRATION OF MEDICARE & MEDICAID

- Office was directed to enter into a contract to manage the benefits of Medicaid eligible individuals & those eligible for both Medicare & Medicaid (duals)
- Services include nursing care, hospitals and physicians
 - Does not include community based services through BHDDH in the initial phase of the plan

INTEGRATION OF MEDICARE & MEDICAID

- Office submitted final proposal to Centers for Medicare and Medicaid Services – May 31, 2012
- Request for Proposal posted for the Medicaid Integrated Care Initiative for the Rhody Health Option Program
 - Submission deadline – March 27, 2013
- Also for Connect Care Choice Community Partners Program
 - Submission deadline – April 2, 2013

NURSING AND HOSPICE CARE

- Both for profit and not-for-profit nursing facilities
- Payment methodology in statute
- FY 2011 Medicaid expenses - elders were 9% of population with 26% of expenses*
- Hospitals and nursing homes were 48% of costs*

*As reported in the two request for proposals for Integration of Medicare and Medicaid initiative

HOME & COMMUNITY CARE PROGRAMS

FY	Total (in millions)	% Change	Persons	Annual Cost per Person
2014 Rec	\$79.4	4.3%	3,914	\$20,286
2013 Rev	\$76.1	4.1%	3,675	\$20,707
2012	\$73.1	6.6%	3,442	\$21,139
2011	\$68.6	13.7%	3,239	\$21,172
2010	\$60.3	59.2%	2,934	\$20,555
2009*	\$37.9	106.5%	2,282	\$16,597

*funding also claimed in other medical services program

HOME & COMMUNITY CARE PROGRAMS

- Programs also provided through DHS Division of Elderly Affairs: home care and assisted living
- Home care rates last increased in 2008
- 10% increase related to long term care reform
 - Savings from lower nursing home days diverted into home and community care programs
 - No reduction in FY 2012, FY 2013 or FY 2014

MANAGED CARE

- Rlte Care
- Rlte Share
- Fee For Service

RITE CARE ELIGIBILITY

- Child at or below 250% of federal poverty level
- Parents at or below 175%
- Foster Care or Adoptive Assistance
- Child with Special Health Care Needs

RITE CARE ELIGIBILITY

	Children	Parents
Rite Care Income Threshold	Up to 250% of poverty	Up to 175% of poverty
ACA Maintenance of Effort	Up to 250% until 9/30/2019	Up to 175 % until 1/1/2014

RITE CARE COST SHARING

Income Threshold	Monthly Cost Sharing*
Up to 150%	No requirement
150% up to 185%	\$61
185% to 200%	\$77
200% to 250%	\$92

*one payment per family regardless of family size enrolled

MANAGED CARE PLANS

- Program recipients receive a majority of their medical services through the health care plans
 - Neighborhood Health
 - UnitedHealth Care
- Expenses are paid through a capitation payment rate set by the state
- Payments made to hospitals, community health centers, physicians and other providers

RITE CARE CLIENTS

- Also receive “wrap around” services through the Medicaid fee for service system
 - Additional services for clients enrolled in the managed care system
 - Neo-natal intensive care

MANAGED CARE

	Enacted	FY 2014 Nov CEC	FY 2014 Gov. Rec.	Change to CEC	Change to Enacted
Rlte Care	\$ 489.1	\$494.4	\$494.8	\$0.4	\$5.7
Rlte Share	15.1	14.2	14.2	-	(0.9)
Fee for Service	91.5	93.2	93.2	-	1.7
Total	\$595.7	\$ 601.8	\$602.2	\$0.4	\$6.4

(in millions)

MANAGED CARE: CHANGES TO ENACTED

Item	General Revenues	All Funds
FY 2013 Enacted	\$283.4	\$595.7
Caseload Conference	6.8	6.1
Governor's Savings Initiatives	(5.8)	(11.8)
Primary Care Payments – ACA	-	12.1
Change	\$1.0	\$6.4
FY 2014 Governor's Rec	\$284.4	\$602.2

FY 2014 OHHS SAVINGS PROPOSALS: MANAGED CARE

Proposal	General Revenues	All Funds	Gov Rec
1.4% Capitated Rate Reduction	(\$3.0)	(\$6.0)	Yes
Freeze Hospital Rates	(2.9)	(5.8)	Yes
Parents lowered to 133%	(11.2)	(22.5)	No
Eliminate Adult Pharmacy Benefits	(\$5.5)	(\$11.1)	No

MANAGED CARE

FY	Total	% Change	Persons	% Change	Annual Cost/Person
2012	\$558.5	(2.7%)	145,599	1.7%	\$3,836
2011	\$574.2	5.1%	143,108	3.5%	\$4,012
2010	\$546.5	9.4%	138,237	5.6%	\$3,953
2009	\$499.7	(7.6%)	130,968	(3.3%)	\$3,816
2008	\$540.9	14.1%	135,431	(2.6%)	\$3,735
2007	\$443.1	6.2%	138,994	(0.9%)	\$3,190

DENTAL BENEFITS

- Governor proposed eliminating dental benefits in FY 2013 budget
- Assembly added \$5.8 million restoring benefits
- Instructed OHHS to submit a report by 1/1/2013 that analyzes and evaluates the current program to include:
 - # of recipients, services, rates, and settings and opportunities for improved quality, access and value of potential partnerships and include a five-year plan
- Office reports it should be submitted by end of April

RHODY HEALTH

- 21 years or older w/only Medicaid coverage
- Receive benefits through managed care plans
- Access to:
 - Primary care physician
 - Specialty providers & behavioral health providers
 - Care coordination & management

RHODY HEALTH: CHANGES TO ENACTED

Item	General Revenues	All Funds
FY 2013 Enacted	\$102.9	\$209.7
Caseload Conference	(2.0)	(8.1)
Governor's Savings Initiatives	(2.6)	(5.3)
Primary Care Payments – ACA	-	2.4
Change	(\$4.6)	(\$10.6)
FY 2014 Governor's Rec	\$98.2	\$198.8

FY 2014 OHHS SAVINGS PROPOSALS: RHODY HEALTH

Item	General Revenues	All Funds	Gov. Rec.
1.4% Capitated Rate Reduction	(1.4)	(2.9)	Yes
Freeze Hospital Rates	(1.2)	(2.3)	Yes
Eliminate Adult Pharmacy Benefits	(11.3)	(22.9)	No

PHARMACY EXPENDITURES

- Two categories of pharmacy expenses
 - Medicare Part D payment – Governor includes estimate of \$53.2 million from general revenues
 - Governor includes \$3.0 million for pharmacy expenses for elderly & disabled individuals not enrolled in Rhody Health
 - Does not include reduction to adult benefits

OTHER MEDICAL SERVICES

- Governor recommends \$190.3 million
 - Medicare Part B Payments
 - Durable Medical Equipment
 - Physician Services/Rehabilitation Services
 - Payments to Tavares Pediatric Center
- He adds newly eligible population under Medicaid expansion - \$69.8 million from federal funds

OTHER MEDICAL SERVICES: CHANGE TO ENACTED

Item	General Revenues	All Funds
FY 2013 Enacted	\$43.8	\$117.8
Caseload Conference	5.4	1.2
Governor's Savings Initiative	(0.5)	(1.0)
Governor's ACA Changes	-	72.3
Change	(\$4.9)	\$72.5
FY 2014 Governor's Rec	\$48.6	\$190.3

FY 2014 OHHS SAVINGS PROPOSALS: OTHER MEDICAL SERVICES

Proposal	General Revenues	All Funds	Gov Rec
Recoveries	(\$0.5)	(\$1.0)	Yes
Katie Beckett Services	(\$10.2)	(\$20.5)	No

GLOBAL WAIVER EXTENSION

- Rhode Island Consumer Choice Compact expires December 31, 2013
- Governor includes Article 20 to allow OHHS to apply for an extension
 - Called - 1115 Extension Waiver
- No funding cap in the extension
- Continues "cost not otherwise matchable" (CNOM) programs

GLOBAL WAIVER EXTENSION

Potential New Services Under Consideration

IMD Waiver Exclusion	Pain Management
Community Based Support Services/Supportive Housing	Extended Family Planning
STOP – Sobering Treatment Opportunity Program	Evidence Based Treatment for Children
Peer Mentoring	Intensive Care Management
Peer Specialist/Peer Navigator	Wellness Benefit

GLOBAL WAIVER EXTENSION

- Extension adds the Delivery System Reform Incentive Payment (DSRIP) program
- A hospital or affiliated community provider may be eligible for incentive payments for meeting certain targets
- Use savings from lower state match to DSH payment to make payments

AFFORDABLE CARE ACT

- Allows states to extend Medicaid benefits to non-disabled, childless adults ages 19 through 64 at or below 138% of poverty as of 1/1/2014
- Governor includes Article 19 to add population
 - He includes \$69.8 million in federal funds
 - 100% federal funds until January 1, 2017

MEDICAID BENEFITS – NEWLY EXPANDED POPULATION

Newly Eligible	80,983
Assume initial enrollment of 25%	20,170
Per Member/Per Year Cost	\$6,929
Annual Cost	\$139.7 million
Cost beginning January 1, 2014	\$69.8 million

FEDERAL MATCH FOR EXTENDED BENEFITS

	Starts	Ends	Federal	State
CY 2017	1/1/2017	12/31/2017	95%	5%
CY 2018	1/1/2018	12/31/2018	94%	6%
CY 2019	1/1/2019	12/31/2019	93%	7%
CY 2020 & later	1/1/2020	-	90%	10%

GOVERNOR'S OUT-YEAR PROJECTIONS

SFY	State Share of Extended Benefits	Total	General Revenues
2015	0.0%	\$152.0	-
2016	0.0%	\$165.3	-
2017	2.5%	\$180.0	\$4.5
2018	5.5%	\$194.0	\$10.8

AFFORDABLE CARE ACT

- Increases payments for primary care services to equal payments made through Medicare
- Federally funded January 1, 2013 to January 1, 2015
- No mandate to continue the payments - if do reimbursed at state's Medicaid rate
- Governor adds general revenues in out-years
 - \$4.5 million in FY 2015, \$9.7 million in FY 2016
 - \$10.2 million for FY 2017 & \$10.8 million for FY 2018

CENTRAL MANAGEMENT

CENTRAL MANAGEMENT

	Enacted	FY 2013 Gov. Rev.	Change	FY 2014 Gov. Rec.	Change
Salaries/Ben	\$18.7	\$20.0	\$1.7	\$23.5	\$4.9
Contract Serv	47.4	42.2	(5.3)	49.7	2.3
Operating	4.2	6.1	1.9	5.8	1.5
Capital	0.1	5.8	5.7	7.3	7.2
Grants	31.2	32.8	1.6	31.4	0.2
Total (millions)	\$101.7	\$106.9	\$5.2	\$117.7	\$16.0
FTE	168.0	169.0	1.0	194.0	26.0

FY 2013 REAPPROPRIATION

Item	General Revenues
Health Care & Accountability Planning Council	\$150,000
Computer Equipment and Design costs – new office space	\$116,528
Legal Expenses	\$113,065
Total	\$379,593

GOVERNOR'S RECOMMENDATION

- Should be noted that Governor does not include funding for new office space in FY 2013 or FY 2014
- Also does not include \$150,000 to support the health care and accountability planning council in FY 2014
 - Not in the Office's FY 2014 request

GOVERNOR'S RECOMMENDATION

- Governor adds \$200,000 to develop a strategic plan for the Office in FY 2014
 - Includes \$100,000 from general revenues
- New Item - not in the Office's FY 2014 request
- Support programmatic changes – ACA, UHIP
- Update the office's goals & objectives – now State Medicaid agency

STAFFING

Full-Time Positions	FTEs	Chg. To Enacted
Enacted Authorized	168.0	-
FY 2013 Request	191.0	23.0
FY 2013 Governor	169.0	1.0
FY 2014 Request	195.0	27.0
FY 2014 Governor	194.0	26.0
FY 2012 Average Filled	129.8	(38.2)
Filled as of March 23 th	147.0	(21.0)

Salaries and Benefits

	Gen. Rev.	All Funds
FY 2013 Enacted	\$10.3	\$18.7
FY 2013 Revised	\$10.9	\$20.3
FY 2013 Gov. Rev.	\$10.8	\$20.0
Gov Change to Enacted	\$0.5	\$1.3
FY 2014 Request	\$13.2	\$24.0
FY 2014 Gov. Rec.	\$13.0	\$23.5
Gov. Change to Enacted	\$2.7	\$4.9
(in millions)		

FY 2013 STAFFING

- Governor adds 1 position for Money Follows the Person Grant
- He did not recommend other requested positions
- Adds \$1.3 million to fill positions under current staffing cap - \$0.5 million in general revenues
- Includes medical benefit holiday savings

FY 2014 STAFFING

- Governor includes statewide benefit adjustments
- Transfers 4 CFO and 1 legal position to OHHS
- Adds 21.0 new positions as requested
 - 7 for UHIP - 90/10 match in FY 2013 & FY 2014
 - 14 administrative positions – project managers, data clerks, medical care specialist, business officers
- Office is currently updating its organizational chart

KEY TERMS

- Rhode Island Health Benefits Exchange (HBE)
 - Established through executive order to comply with ACA to implement health care reform
 - Hearing tonight to discuss the exchange
- Unified Health Infrastructure Project (UHIP)
 - OHHS project to implement a new system that ties into the HBE

KEY TERMS

- Health Information Exchange (HIE)– *currentcare*
 - Electronic network for medical professionals to have access to a patient's health information
 - Developed with Rhode Island Quality Institute
- Electronic Health Records
 - Program to adopt & upgrade certified health records technology
 - Eligibility, registration and payments - Rhode Island Medical Assistance Provider Incentive Repository (MAPIR) System

KEY TERMS

- Data Warehouse
 - Data repository & reporting system containing Medicaid-related information from data sources across the state's health and human services agencies
 - Part of the contract with HP to operate the Medicaid Management Information System

OHHS ADMINISTRATION

IT Projects/Systems	General Revenues	All Funds
UHIP	\$3.6	\$20.3
MMIS System	\$4.7	\$22.8
Data Management	\$0.9	\$5.0
Electronic Health Records	-	\$13.8

(in millions)

UNIFIED HEALTH INFRASTRUCTURE PROJECT

- Replace existing InRhodes eligibility system
 - Process Medicaid, RI Works, child care, SNAP applications
 - Governor also includes 18 positions in Department of Human Services' budget

UNIFIED HEALTH INFRASTRUCTURE PROJECT

- UHIP - \$236.0 million project through CY 2020
 - \$162.6 million from federal funds
 - \$73.3 million from general revenues
 - Mixed Medicaid match – about 70/30
- In coordination with the Health Benefits Exchange to implement ACA
- Create one system to apply for benefits

GOVERNOR'S RECOMMENDATION

- Adds \$2.0 million for Predictive Modeling Initiative
 - Matched with \$0.2 million from general revenues
 - 90/10 Medicaid claiming available
- Enhance capability to analyze claims, encounter, provider and beneficiary data
- Includes \$1.0 million in medical benefit savings from the initiative - \$0.5 million from general revenues

ELECTRONIC HEALTH RECORDS INCENTIVE PROGRAM

- Medical providers & acute care hospitals may be eligible for incentive payments to adopt and upgrade certified health records technology
- All incentive payments to providers and hospitals are paid with federal funds
- Governor includes \$13.8 million in FY 2013 & FY 2014

HEALTH INFORMATION EXCHANGE

- Governor includes enacted level of \$2.4 million in FY 2013 & FY 2014 to pay the RI Quality Institute
 - For Medicaid enrollees in Health Information Exchange
 - *currentcare*
 - \$1 per member/per month until 1/1/2014
 - 75% Medicaid with 25% state match

ADMINISTRATION – FY 2014

Staffing/Operations	General Revenues	All Funds
Medicaid Administration	\$10.7	\$28.1
Central Management	\$7.9	\$9.9
HIV Care Program	\$2.0	\$11.2
Race to the Top	-	\$0.5
Special Education	-	\$25.0

(in millions)

HIV/AIDS CARE PROGRAM

- Governor includes \$12.3 million in FY 2013 and \$11.3 million in FY 2014
 - \$2.6 million from general revenues in FY 2013 and \$2.2 million in FY 2014
- Drugs: \$8.0 million in FY 2013 & \$6.9 million in FY 2014
- Other expenses: staffing and AIDS Project Rhode Island and AIDS Care Ocean State grant awards

HIV PHARMACY EXPENSES

FY 2014 Governor's Recommendation	General Revenues	All Funds
HIV CNOM*	\$1.5	\$2.9
Ryan White Federal Funds	-	2.8
Rebate	-	1.2
Total (in millions)	\$1.5	\$6.9

* Reduces costs by \$1.1 million, \$0.4 million from general revenues for ACA implementation

FEDERAL SEQUESTRATION

- Impacts funding from Ryan White Grant
 - Supports HIV treatment and prevention activities
 - \$3.9 million in FY 2014
 - \$194,350 – if 5% reduction
- Early Intervention Services: children through age 3
 - \$2.3 million
 - \$117,450 – if 5% reduction

INDIRECT COST RECOVERY RATE

- 2011 Assembly assumed savings from agencies applying for an indirect cost recovery rate against federal grants
 - Rate that Health has - deposited into a restricted receipt account
 - Saves general revenues by using available federal funds
 - Pay for expenses throughout the agency that are not related to the specific grant

INDIRECT COST RECOVERY RATE

- Intent was to apply to a rate other departments including those under the Office
- BHDDH and DHS - Division of Elderly Affairs
 - Have not applied for a rate
 - Indicated that OHHS is taking the lead on the project

2013 – H 5127

- Article 12 - Hospital Uncompensated Care
- Article 13 - Hospital Licensing Fee
- Article 19 – Medical Assistance
- Article 20 - Global Waiver Resolution

OFFICE OF HEALTH AND HUMAN SERVICES

Staff Presentation to the House Finance Committee

FY 2013 Revised and FY 2014 Budgets

March 27, 2013