

Executive Office of Health and Human Services

Staff Presentation to the House Finance Committee
FY 2017 Revised and FY 2018 Budgets
March 28, 2017

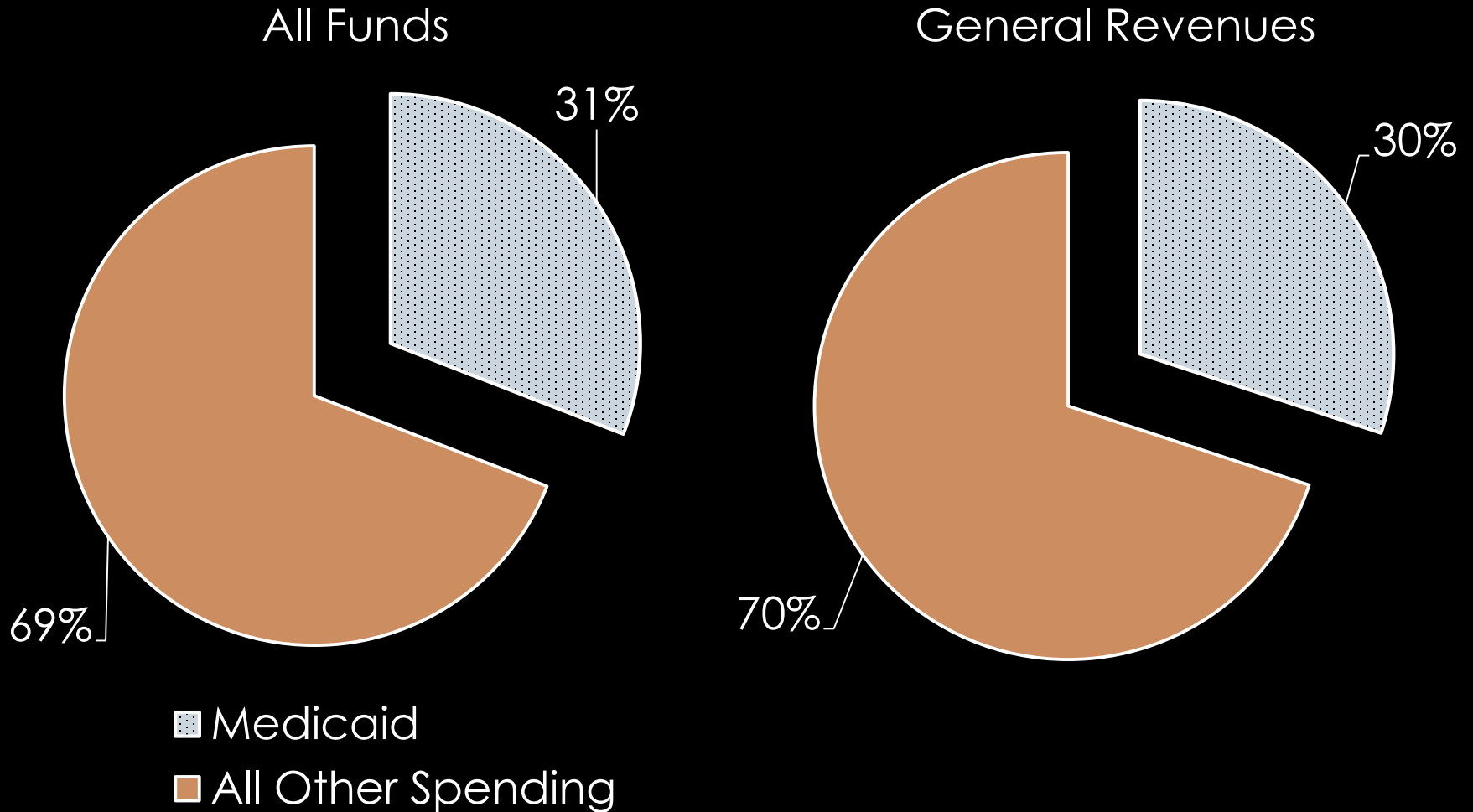
EOHHS

- Principal agency to manage the 4 health and human service agencies
 - Behavioral Healthcare, Developmental Disabilities and Hospitals
 - Children, Youth and Families
 - Human Services
 - Health

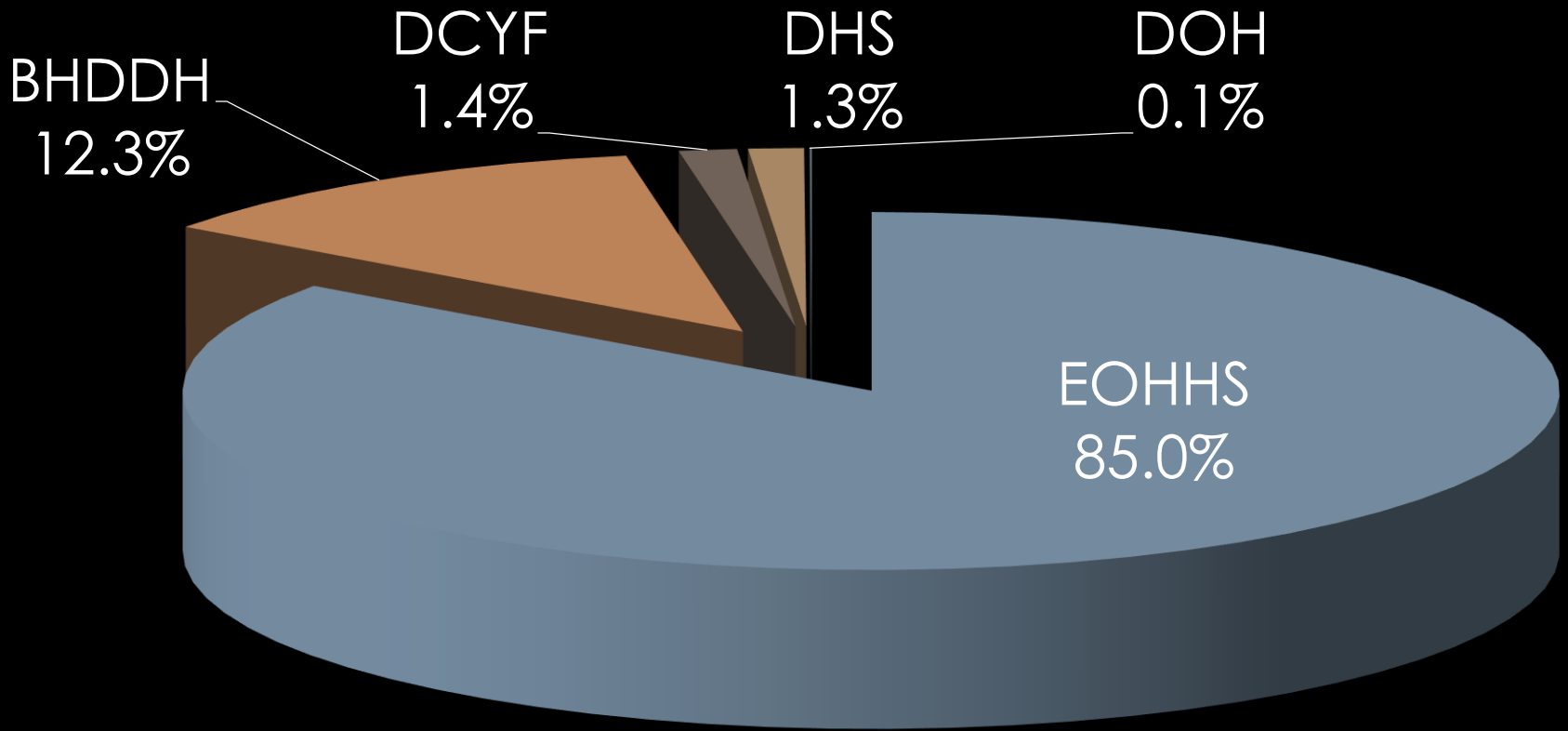
EOHHS

- Governor appoints the directors of the 4 agencies under the EOHHS umbrella
- EOHHS is responsible for managing and providing strategic leadership and direction to the 4 departments
- Directors retain statutory authority

Medicaid - % of Total Budget



Medicaid Spending by Department



Medicaid Beneficiaries

Elderly & Disabled	EOHHS	BHDDH
Acute Care	X	
Mental Health Treatment	X	X
Substance Abuse Treatment	X	X
Long Term Care	X	
Other Community Supports	X	X
Other Residential	X	X

Medicaid Beneficiaries

Children & Parents	EOHHS	DCYF
Medical Benefits	X	
Mental Health Treatment	X	
Substance Abuse Treatment	X	
Other Community Supports		X
Other Residential Services	X	X

EOHHS Summary

	Enacted	FY 2017 Gov. Rev.	Chg.	FY 2018 Gov. Rec.	Chg.
General Revenues	\$937.0	\$945.4	\$8.4	\$938.6	\$1.6
Federal Funds	1,447.7	1,527.9	80.2	1,506.3	58.6
Restricted Receipts	13.5	15.8	2.3	21.1	7.6
Total	\$2,398.2	\$2,489.0	\$90.8	\$2,466.0	\$67.9
FTEs	179.0	178.0	(1.0)	269.0	90.0

(\$ in millions)

EOHHS by Program

	Enacted	FY 2017 Gov. Rev.	Chg.	FY 2018 Gov. Rec.	Chg.
Medical Assistance	\$2,251.8	\$2,318.3	\$66.5	\$2,354.5	\$102.7
Central Admin.	146.4	170.8	24.3	111.6	(34.9)
Total	\$2,398.2	\$2,489.0	\$90.8	\$2,466.0	\$67.9
FTEs	179.0	178.0	(1.0)	269.0	90.0

(\$ in millions)

EOHHS by Category

	FY 2016 Spent	FY 2017 Enacted	FY 2017 Gov.	FY 2018 Gov. Rec.
Salaries/Ben	\$22.9	\$22.9	\$24.2	\$24.3
Contracted Services	128.3	92.9	116.4	57.7
Operating	5.1	6.1	7.3	8.0
Asst/Benefits	2,203.9	2,275.9	2,340.1	2,375.2
Capital	0.2	0.4	1.0	0.9
Total	\$2,360.3	\$2,398.2	\$2,489.0	\$2,466.0

(\$ in millions)

EOHHS by Category

(in millions)	FY 2017 Gov. Rev		FY 2018 Gov. Rec	
	Chg. to FY 2016	Chg. to Enacted	Chg. to FY 2016	Chg. to Rev
Salaries/Ben	\$1.4	\$1.3	\$1.4	\$-
Contracted Services	(11.9)	23.5	(70.6)	(58.7)
Operating	2.2	1.2	2.9	0.7
Asst/Benefits	136.2	64.2	171.3	35.0
Capital	0.8	0.6	0.8	-
Total	\$128.7	\$90.8	\$105.7	(\$23.0)

Target Budget

- Budget Office provided a target of \$902.5 million
- Estimated adjustments of \$44.0 million to continue current service
 - Entitlements - \$31.9 million
 - Other expenses – \$12.0 million
 - Statewide Adjustments - \$0.1 million
- 8.0% reduction of \$78.5 million
- The recommendation is \$36.2 million above the target

Target Budget: Current Service Adjustments

- Entitlements - \$31.9 million
- \$15.0 million - managed care
 - \$5.6 million - nursing and home & community care services
 - \$3.3 million – hospitals
 - \$6.5 million – all other services (including pharmacy)
 - \$1.5 million - updated Medicaid rate

Target Budget: Current Service Adjustments

- Other - \$12.0 million
 - 2nd year of state match rate for expansion population
- November Caseload conference estimate added \$47.9 million
 - \$4.0 million more than current services
 - Some was impact of unachieved savings
 - Some driven by enrollment trends

EOHHS

Issues:

- Health System Transformation Program
 - \$20.5 million from federal funds
 - \$13.5 million for hospitals & \$7.0 million for nursing facilities for FY 2017
 - ? for FY 2018
- UHIP
 - Impacts EOHHS & DHS

EOHHS

Issues:

- 2nd Quarter Report
 - Current Year Spending
 - \$7.0 million general revenue deficit projected in 2nd quarter report
- Likely to be higher
- Corrective Action Plan requested
 - Not submitted

EOHHS

Issues:

- Medical Assistance
 - Caseload & federal changes
 - Crossover programs specifically with BHDDH & DOH that impact current year or out-year spending
 - Not accounted for in the recommended budget

Health System Transformation Program

- Article and budget is silent on pending program that affects state support to hospitals and nursing facilities
- Governor announcement federal approval for about \$130 million from federal funds for the health system transformation program
- Authority for the program started in FY 2016
- Discussed in article hearings on March 7th and 9th

Health System Transformation Program

Timeline	Action	Funding
FY 2016	<p>Art 5 of 2016 budget included hospital & nursing home incentives programs.</p> <ul style="list-style-type: none">• No sooner than 7/1/2016 – get paid for achieving performance goals set by the Secretary• Part of “Reinventing Medicaid”	No

Health System Transformation Program

Timeline	Action	Funding
FY 2017	Article 9 of 2017 budget request federal authority to fund RI Health System Transformation Program & Designated State Health Program <ul style="list-style-type: none"> • Medicaid match through partnerships with URI, RIC & CCRI 	FY 2017 - \$18.8 m. from fed. funds
2017 Gov. Rev. Rec	EOHHS entered into a 2 month contract in August 2016 with UMASS Medical School to establish partnership with URI/RIC & CCRI for program	\$0.2 m all funds/ \$0.1 m gen rev

Health System Transformation Program

Timeline	Action	Funding
FY 2017 Gov. Rev	Notified on 10/20/2016 that awarded 5 year grant totaling \$129.7 million. State to develop shared savings incentive programs between managed care health plans & certified accountable entities.	No
FY 2018 Gov. Rec	Shared savings incentive programs are: 1. Hospital & Nursing Home Incentive program - operate for 9 months 2. Accountable Entity Incentive Program – managed long term services and supports through rebalancing strategy	No

Health System Transformation Program

- Phase I
 - \$20.5 million from Medicaid funds
 - \$13.5 million for hospitals
 - \$7.0 million for nursing facilities
 - State received authorization to spend
 - FY 2017 enacted budget includes \$18.8 million
 - Governor's budget excludes funding – no amendment has been submitted yet
 - Payments schedule?

Health System Transformation Program

February 2017 CMS approval for claiming protocol (accomplished?)

Matching claims identified
Sept/2017- Sept/2018

Outreach
Jan –
March 2017

Technical
Assistance
April –
Sept 2017

EOHHS
certified
Accounta
ble Entity
Jan 2018

MCO
contract –
alternative
payment
model May
2018

Payment to
participating
nursing
facilities July &
Dec 2018

Health System Transformation Program

Phase II

- Nursing Home Partnership/Accountable Entity Development Investment
- Enter into agreements with accountable entities for management of long term care services

Health System Transformation Program

Phase II

- How does this overlap with Healthy Aging in the Community initiative that limits enrollment in managed care plan for nursing home residents with long term stay (90 days or more)?

Unified Health Infrastructure Project

- 1- system to apply for benefits
 - Replace existing InRhodes eligibility system
 - Process Medicaid, RI Works, child care & SNAP applications
- Launched September 13, 2016
- Savings assumed in FY 2017 enacted budget in EOHHS & DHS

UHIP Savings

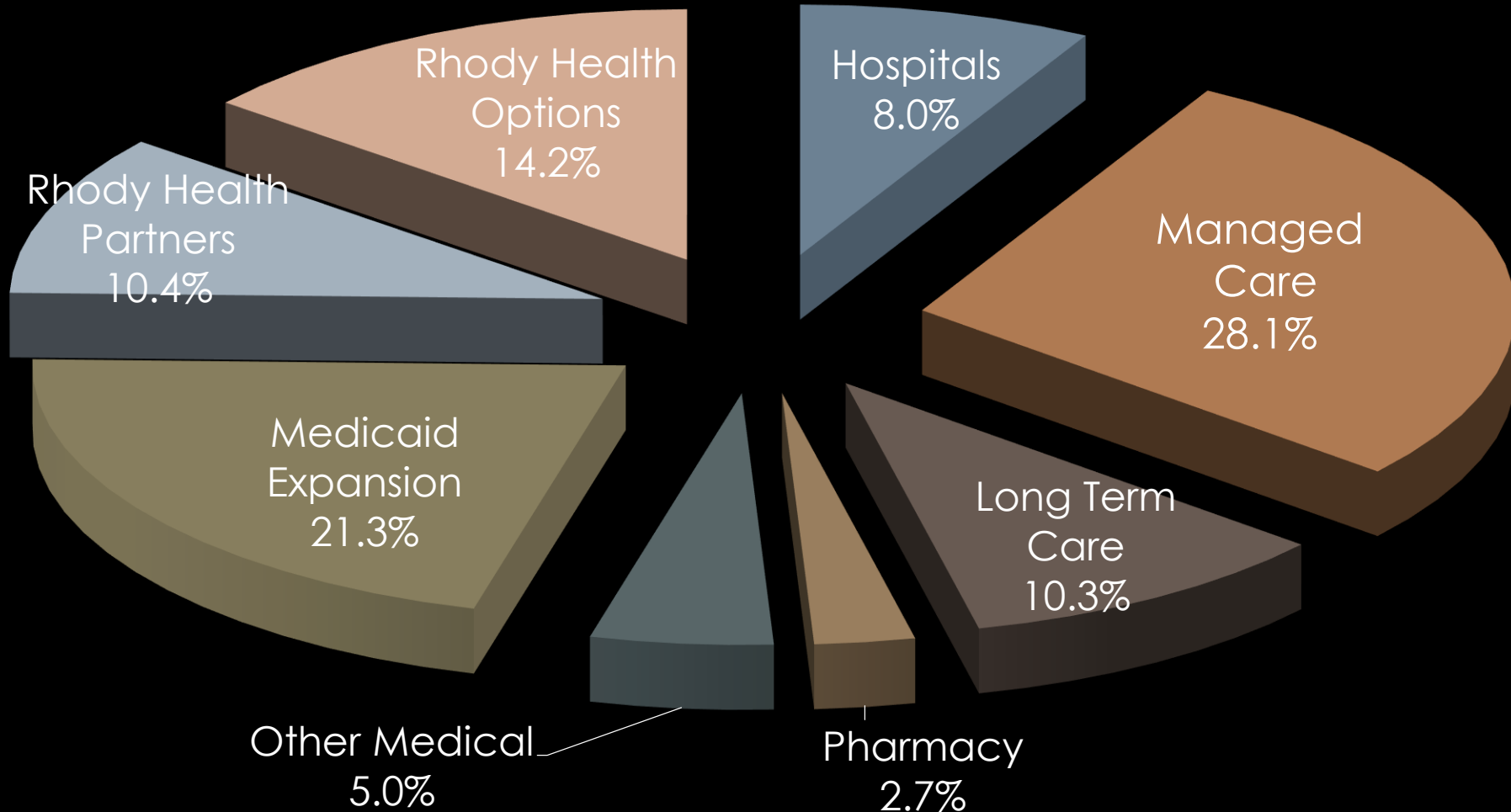
- Enhanced federal & state compliance - \$16.1 million in Medicaid
 - Eligibility verification/Medicaid opportunities & maximizing other payers
- Operational savings of \$1.3 million from general revenues in DHS
- Unanticipated problems with new functionality jeopardizing savings
 - Likely also adding costs above those savings
 - Data on spending incomplete

Medical Assistance

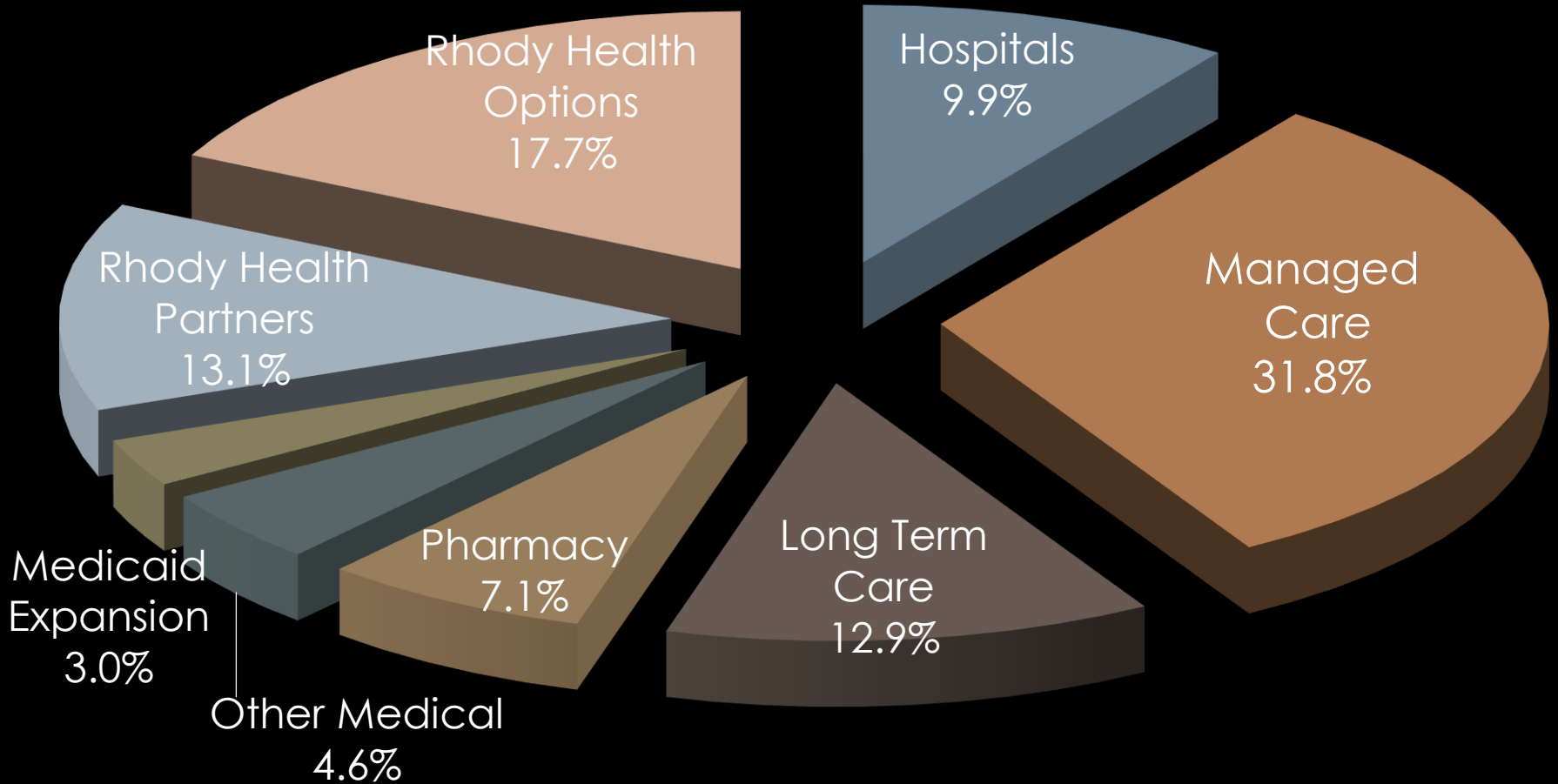
Caseload Estimating Conference

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

Governor's FY 2018 Rec: All Funds

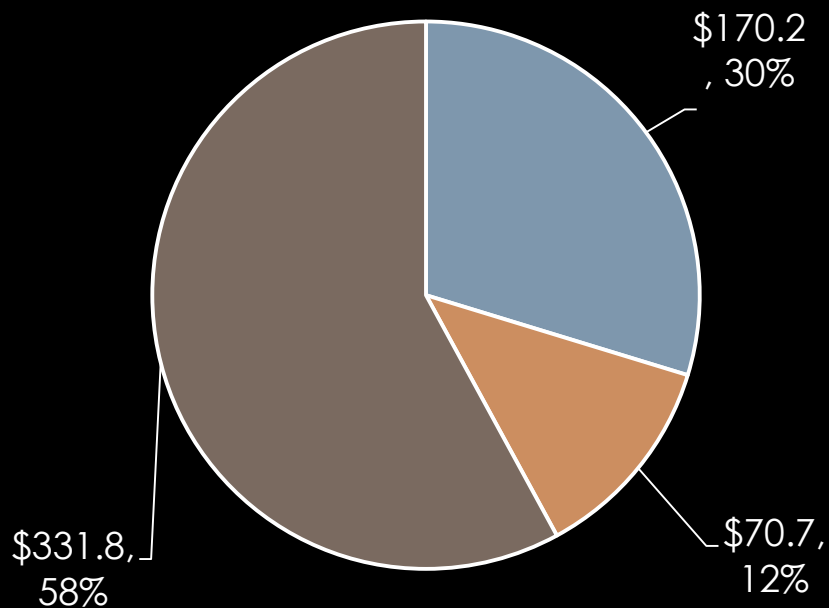


Governor's FY 2018 Rec: General Revenues

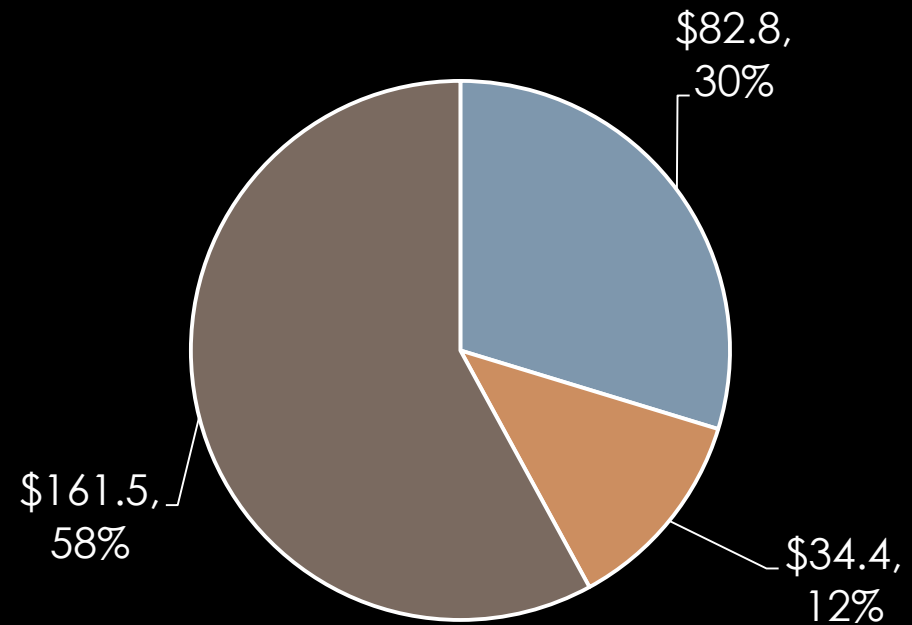


Governor's FY 2018 – Long Term Care

All Funds = \$572.7 million



Gen. Rev. = \$278.7 million



- Nursing Homes
- Home & Community Care
- Rhody Health Options

Medical Assistance FY 2017

Revised

(\$ in millions)	General Revenues	All Funds
FY 2017 Enacted*	\$904.4	\$2,214.0
FY 2017 Nov CEC	\$914.0	\$2,302.4
Nov CEC to Enacted	\$9.6	\$88.4
FY 2017 Gov Rev Rec	\$912.5	\$2,299.3
FY 2017 Gov Rev Rec to Nov CEC	(\$1.5)	(\$3.1)

**Does not consider Medicaid funding for Health System Transformation Program – not an entitlement*

Medical Assistance FY 2017

Revised

- November CEC reallocated behavioral health care expenses between programs
 - Consistent with EOHHS testimony
- Increased costs for expansion population
 - \$59.1 million
- Increased managed care costs
- Increased hospital & other medical costs

Medical Assistance FY 2017

Revised

- Governor recommends \$3.1 million less than November CEC
 - \$1.5 million less from general revenues
- November caseload conference includes
- \$61.1 million for Medicare Part B premiums payment that the state makes on behalf of Medicaid recipients
- Revised budget lowers payment based on actual monthly cost
 - Published after November caseload estimate

Medical Assistance FY 2018

	General Revenues	All Funds
FY 2017 Enacted	\$904.4	\$2,214.0
FY 2017 Nov CEC	\$914.0	\$2,302.4
FY 2018 Nov CEC	\$952.3	\$2,414.1
Nov CEC to Revised	\$38.3	\$111.7
FY 2018 Gov. Rec	\$911.7	\$2,335.5
FY 2018 Gov. Rec to Nov CEC	(\$40.6)	(\$78.6)
<i>\$ in millions</i>		

Medical Assistance FY 2018

Program	FY 2017 Enacted	FY 2017 Gov. Rev	FY 2018 Gov. Rec
Hospitals	\$201.3	\$199.6	\$187.0
Long Term Care	252.6	233.4	240.9
Managed Care	648.0	657.1	655.9
Expansion	390.9	450.0	497.0
Rhody Health Partners	233.1	240.4	242.9
Rhody Health Options	338.6	347.9	331.8
Pharmacy	56.3	58.4	63.9
Other Medical Services	94.1	112.5	116.2
Total (in millions)	\$2,232.8	\$2,299.3	\$2,335.5

Medical Assistance FY 2018

Long Term Care Financing Reform

- Currently if nursing home days decrease then there is an add to home and community care programs in the next fiscal year – FY 2018
 - Referred to as “Sullivan/Perry” add
- For Nov CEC there was a reduction in days when comparing FY 2016 to FY 2015
- Caseload added \$4.7 million
 - Split between long term care & Rhody Health Options programs for the change
- Governor’s recommendation includes the funding

Medical Assistance FY 2018

Proposals Impacting Multiple Programs	Gen Rev	All Funds
Hospital Rates	(\$6.1)	(\$17.6)
MC Administrative Rates	(0.8)	(2.2)
Federally Qualified Health Ctrs	(1.2)	(3.1)
Healthy Aging in the Comm.	(7.8)	(16.2)
Nursing Home Rates	(10.8)	(22.2)
Patient Collections	(1.2)	(2.5)
Home Care Rates	2.5	5.2
Total	(\$25.5)	(\$58.5)

Medical Assistance FY 2018

Initiative	Explanation
Hospital Rates	Freezes rates at FY 2015 levels and further reduces rates by 1% starting January 1, 2018
Managed Care Admin Rates	Reduces rates by 2% - freezing growth included in the November caseload conference
Federally Qualified Health Centers	Change way payments are made to the 8 health centers. Be made through the capitated rates paid to the managed care plans who would have increased oversight & increased financial risk if costs were higher than reimbursements

Medical Assistance FY 2018

Initiative	Explanation
Healthy Aging in the Community	Reinventing Medicaid initiative – savings should be shown in other medical services or Rhody Health Options
Nursing Home Rates	Eliminates October 1, 2017 rate increase and further reduces rates to adjust for acuity
Patient Liability Collections	Same language as passed by 2016 Assembly to increase ability of state to collect “patient share” for individuals to meet Medicaid eligibility
Home Care Rates	Increases rates paid for personal care attendants & home health aides

Medical Assistance: Programs

- ***Managed Care***
- Rhody Health Partners
- Expansion
- Rhody Health Options
- Long Term Care: Nursing Facilities & Home and Community Care
- Hospitals
- Pharmacy: Drugs & Clawback
- Other Medical Services

Managed Care Plans

- Rite Care: Benefits through either Neighborhood Health or UnitedHealth
 - Plans make payments to hospitals, community health centers, physicians and other providers
- Fee-for-Service
 - Also receive “wrap around” services through the Medicaid fee for service system
- Rite Share: For people with have access to employer sponsored benefits
 - State pays monthly cost sharing & deductibles

Managed Care

	Gen. Rev.	All Funds
FY 2017 Enacted	\$294.8	\$648.0
Nov CEC Change	10.3	33.6
Nov CEC Estimate	\$299.1	\$672.5
Governor's Initiatives	(9.6)	(16.6)
FY 2018 Governor	\$289.5	\$655.9
<i>(\$ in millions)</i>		

Managed Care: FY 2018 Initiatives

Proposals	Gen. Rev.	All Funds
Hospital Rates	(\$3.5)	(\$7.2)
Provider Incentive Payment	(1.5)	(3.0)
MC Administrative Rates	(0.4)	(0.8)
Performance Goal Program	(2.3)	(1.6)

(\$ in millions)

Managed Care: FY 2018 Initiatives

Proposals	Gen Rev.	All Funds
Program Integrity	(\$0.5)	(\$1.0)
Federally Qualified Health Centers	(0.5)	(3.0)
Coordination of Benefits – Medicare & Veterans	(0.3)	(0.5)
Total	(\$9.6)	(\$16.6)

(\$ in millions)

Managed Care Plans

Initiative	Explanation
Provider Incentive Payment	Eliminates payment that awards providers who are building and strengthening capacity to manage cost of care & support value based purchasing
Performance Goal Program	Eliminated the \$1.50 monthly payment for each Rlte Care member & \$3.00 payment for Rhody Health Partners & replaces it with a \$2.00 standard payment
Program Integrity	Identifies Rlte Care members who have moved out-of-state/no savings in other programs from this proposal
Coordination of Benefits: Medicare & Veterans	Reinventing Medicaid initiative – savings should be shown in other medical services or Rhody Health Options

Medical Assistance: Programs

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

Rhody Health Partners

- 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 Partners

	Gen. Rev.	All Funds
FY 2017 Enacted	\$124.3	\$251.0
Nov CEC Change	(3.3)	(4.0)
Nov CEC	\$121.0	\$247.0
Governor's Initiatives	(2.0)	(4.1)
FY 2018 Governor	\$119.0	\$242.9

(\$ in millions)

Rhody Health Partners: FY 2018 Initiatives

Proposals	General Revenues	All Funds
Hospital Rates	(\$1.8)	(\$3.8)
Managed Care Administrative Rates	(0.2)	(0.3)
Total	(\$2.0)	(\$4.1)

(\$ in millions)

Medical Assistance: Programs

- Managed Care
- Rhody Health Partners
- **Expansion**
- Rhody Health Options
- Long Term Care: Nursing Facilities & Home and Community Care
- Hospitals
- Pharmacy: Drugs & Clawback
- Other Medical Services

Expansion

	Gen. Rev.	All Funds
FY 2017 Enacted	\$9.8	\$390.9
Nov CEC Change	18.1	113.1
Nov CEC	\$27.9	\$504.0
Governor's Initiatives	(0.4)	(7.0)
FY 2018 Governor	\$27.5	\$497.0

(\$ in millions)

Expansion: FY 2018 Initiatives

Proposals	General Revenues	All Funds
Hospital Rates	(\$0.3)	(\$5.8)
Managed Care Administrative Rates	(0.03)	(0.6)
Federally Qualified Health Center Payments	(0.03)	(0.6)
Total	(\$0.4)	(\$7.0)

(\$ in millions)

Federal Match for Medicaid Expansion

	Federal	State
CY 2017	95%	5%
CY 2018	94%	6%
CY 2019	93%	7%
CY 2020 & later	90%	10%

Governor's Out-Year Projections

SFY	State Share	Total	Gen. Rev.	Revenues
2016	0.0%	\$389.8	-	\$7.6
2017	2.5%	\$438.7	\$11.3	\$8.5
2018	5.5%	\$450.0	\$27.5	\$8.7
2019	6.5%	\$511.4	\$33.2	\$9.9
2020	8.5%	\$463.3	\$39.4	\$9.0
2021	10.0%	\$485.1	\$48.5	\$9.4
2022		\$554.1	\$55.4	\$10.7

* Calculation for out-year projections do not appear to be correct

Medical Assistance: Programs

- Managed Care
- Rhody Health Partners
- Expansion
- ***Rhody Health Options***
- Long Term Care: Nursing Facilities & Home and Community Care
- Hospitals
- Pharmacy: Drugs & Clawback
- Other Medical Services

Rhody Health Options

	Gen. Rev.	All Funds
FY 2017 Enacted	\$167.2	\$338.6
Nov CEC Change	9.8	25.0
Nov CEC	\$177.0	\$363.6
Governor's Initiatives	(15.4)	(31.7)
FY 2018 Governor*	\$161.5	\$331.8

(\$ in millions)

**does not reduce \$159.0 million from RHO to reflect proposal to move RHO enrollees to FFS*

Rhody Health Options: FY 2018 Initiatives

Proposals	General Revenues	All Funds
Healthy Aging in the Comm.	(\$11.7)	(\$24.1)
Nursing Home Rate Freeze	(3.2)	(6.5)
Patient Liability Collections	(0.6)	(1.2)
MC Administrative Rates	(0.2)	(0.4)
Home Health Rates	0.3	0.6
Total (millions)	(\$15.4)	(\$31.7)

Healthy Aging in the Community

Healthy Aging in the Community	General Revenues	All Funds
Limited enrollment in RHO*	(\$7.9)	(\$16.2)
Reduce acuity payment	(5.2)	(10.7)
Reduce census by 2.5%	(2.5)	(5.1)
Program Expansion	3.3	6.8
Total (millions)	(\$12.3)	(\$25.2)

* \$24.1 million savings in Rhody Health Options

Healthy Aging in the Community

Impact to Neighborhood Health Plan of RI

- Manages Rhody Health Options program
- Limited Enrollment
 - \$24.1 million from all funds savings
 - \$11.7 million from general revenues
- Program expansion
 - No funding allocated but should impact Rhody Health Options

Medical Assistance: Programs

- Managed Care
- Rhody Health Partners
- Expansion
- Rhody Health Options
- ***Long Term Care: Nursing Facilities & Home and Community Care***
- Hospitals
- Pharmacy: Drugs & Clawback
- Other Medical Services

Long Term Care

- Nursing Facilities and Hospice Care
 - Fee for service payments system
 - Adjusts for acuity that phased out incrementally
 - Annual cost of living adjustment
- Home and Community Care
 - Fee-for-service system payment

Long Term Care – Nursing Facilities

	Gen. Rev.	All Funds
FY 2017 Enacted	\$87.7	\$185.2
Nov CEC Change	1.3	(2.2)
Nov CEC	\$89.0	\$183.0
Governor's Initiatives	(6.2)	(12.8)
FY 2018 Governor*	\$82.8	\$170.2

(\$ in millions)

*Governor's budget does not shift \$142.6 million to nursing facilities for proposal to limit RHO enrollment in FY 2018

Long Term Care – Home & Community Based Services

	Gen. Rev.	All Funds
FY 2017 Enacted	\$33.1	\$67.4
Nov CEC Change	(3.6)	(6.7)
Nov CEC	\$29.5	\$60.7
Governor's Initiatives	4.9	10.0
FY 2018 Governor	\$34.4	\$70.7
<i>(\$ in millions)</i>		

Long Term Care: FY 2017 Initiatives

Proposal	General Revenues	All Funds
Healthy Aging in the Comm.	(\$0.5)	(\$1.1)
Home Health Rates	2.2	4.4
Nursing Home Rate Freeze	(2.4)	(4.9)
Patient Liability Collections	(0.6)	(1.2)
Total	(\$1.3)	(\$2.8)

(\$ in millions)

Healthy Aging in the Community

Healthy Aging in the Community	General Revenues	All Funds
Limited enrollment in RHO	(\$7.9)	(\$16.2)
Reduce acuity payment	(5.2)	(10.7)
Reduce census by 2.5%	(2.5)	(5.1)
Program Expansion	3.3	6.8
Total (millions)	(\$12.3)	(\$25.2)

Healthy Aging in the Community

Initiatives	Process to Make Change
Limit Enrollment in Rhody Health Options	<ul style="list-style-type: none">• CMS approval by: ??• Start limiting enrollment by: ??• Limited enrollment begins earliest January 1, 2018?
Reduce Acuity Rates	<ul style="list-style-type: none">• File state plan amendment w/CMS• Rate take effect July 1, 2017• Retroactive to that date
Reduce Current Nursing Home Census by 2.5%	<ul style="list-style-type: none">• September 2016 census of 4,922• Move 150 residents into community• Not fill vacant beds

Healthy Aging in the Community

Initiative - Program Expansion Proposals	Process to Make Change
<p>Enhanced Community Living & Respite:</p> <ul style="list-style-type: none">• Enhancing assisted living• Expanding adult day center capacity• Respite & Caregiver support for those with Alzheimer's	<ul style="list-style-type: none">• How do expand and/or enhance capacity?• Impact to budget?• What support would be given
<p>Strengthen & Promote Community Living:</p> <ul style="list-style-type: none">• Streamline eligibility process• Expand adult day and home care programs in Dept. of Human Services	<ul style="list-style-type: none">• What is the process to streamline eligibility?• Governor requested an amendment to expand co-pay programs

Healthy Aging in the Community

Initiative - Program Expansion Proposals	Process to Make Change
<p>Building Age Friendly Communities:</p> <ul style="list-style-type: none">• Improving support services by promoting volunteer programs, addressing transportation & providing training programs• New website to promote available resources• Nurse delegation authority so agencies can provide services in a more cost effective manner	<ul style="list-style-type: none">• No plan yet• No plan yet• Certain nursing duties delegated to nursing assistants

Medical Assistance: Programs

- Managed Care
- Rhody Health Partners
- Expansion
- Rhody Health Options
- Long Term Care: Nursing Facilities & Home and Community Care
- **Hospitals**
- Pharmacy: Drugs & Clawback
- Other Medical Services

Hospitals

	Gen. Rev.	All Funds
FY 2017 Enacted	\$94.2	\$201.3
Nov CEC Change	2.2	(1.6)
Nov CEC	\$96.4	\$199.7
Governor's Initiatives	(6.5)	(12.7)
FY 2018 Governor	\$89.9	\$187.0

(\$ in millions)

Hospitals : FY 2017 Initiatives

Proposals	General Revenues	All Funds
Inpatient & Outpatient Rates	(\$0.4)	(\$0.9)
UPL Payments	(4.0)	(9.9)
GME Payment	(2.0)	(2.0)
Total	(\$6.5)	(\$12.7)

(\$ in millions)

Medical Assistance: Programs

- Managed Care
- Rhody Health Partners
- Expansion
- Rhody Health Options
- Long Term Care: Nursing Facilities & Home and Community Care
- Hospitals
- **Pharmacy: Clawback & Drugs**
- Other Medical Services

Pharmacy Expenditures

- Part D Clawback:
 - Governor includes FY 2018 estimate of \$64.7 million from general revenues
- Fee-for-Service Drugs:
 - Governor includes FY 2018 savings \$0.9 million from increased rebates
 - Rebates offset state expenses

Medical Assistance: Programs

- Managed Care
- Rhody Health Partners
- Expansion
- Rhody Health Options
- Long Term Care: Nursing Facilities & Home and Community Care
- Hospitals
- Pharmacy: Drugs & Clawback
- ***Other Medical Services***

Other Medical Services

- Governor recommends \$116.2 million;
\$42.3 million general revenues
 - Medicare Part B Payments
 - Durable Medical Equipment
 - Physician Services/Rehabilitation Services
 - Behavioral Healthcare Services
reallocated from Rhody Health Partners
 - Payments to Tavares Pediatric Center

Other Medical Services

	Gen. Rev.	All Funds
FY 2017 Enacted	\$35.9	\$94.1
Nov CEC Change	11.8	25.7
Nov CEC	\$47.7	\$119.8
Governor's Initiatives	(5.3)	(3.6)
FY 2018 Governor	\$42.3	\$116.2
<i>(\$ in millions)</i>		

Other Medical : FY 2018 Initiatives

Proposals	General Revenues	All Funds
Children's Health Account	(\$3.6)	(\$-)
Medicare Part B	(1.5)	(3.2)
Estate Recoveries	(0.3)	(0.5)
Home Health Care Rates	0.03	0.1
Total	(\$5.3)	(\$3.6)
<i>(\$ in millions)</i>		

Central Management

Central Management

- Program oversight, coordination, policy and planning for health and human service agencies
 - Includes contract management – Medicaid program
- Legal and finance activities for health and human services agencies consolidated in EOHHS

Central Management

	Enacted	FY 2017 Gov.	Change
General Revenues	\$32.5	\$32.9	\$0.3
Federal Funds	110.0	131.7	21.7
Restricted Receipts	3.9	6.2	2.3
Total	\$146.4	\$170.8	\$24.3
FTE	179.0	178.0	(1.0)

(\$ in millions)

Central Management

FY 2017 Change	Gen Rev	All Funds
UHIP	\$.04	\$24.5
Reappropriation	0.3	0.2
New Contracts	0.4	1.5
HIV Services & Admin	-	2.6
Electronic Health Records	-	(3.2)
Staffing & All Other	(0.4)	(1.2)
Total (in millions)	\$0.3	\$24.4

Central Management

New Contracts	Contractor	Gen. Rev.	Total	Purpose
Health System Transformation Project	UMASS Medical/Xerox	\$0.1	\$0.2	Finalize terms of Health System Transformation Project
Health Insurance Survey	Freedman Healthcare	\$0.2	\$0.4	2016 Health Insurance Survey
Medicaid Information Technology Assistance Assessment	To be determined	\$0.1	\$1.0	Collaborative with MA & NH to perform technology assessment

Central Management

Bus Passes for elderly & veterans

- FY 2018 budget includes \$300,000 from general revenues in DHS
- Governor announced pilot program started in January 2017 to buy passes to be used in the current year
 - No funding included in the revised budget
 - Indication that funding will come from EOHHS

Central Management

	Enacted	FY 2018 Gov.	Chge
Gen Rev	\$32.5	\$26.9	(\$5.6)
Federal Funds	110.0	76.7	(33.3)
Restricted Receipts	3.9	7.9	4.0
Total	\$146.4	\$111.6	(\$34.9)
FTE	179.0	269.0	90.0
<i>(\$ in millions)</i>			

Central Management – FY 2018

Items	Gen. Rev.	All Funds
UHIP	\$3.7	\$15.9
Health Analytics & Policy	0.3	0.3
Medicaid Administration	16.0	51.8
Electronic Health Records	-	3.7
State Innovation Model	-	4.2
HIV/AIDS Care Program	-	11.6
Admin & All Other	6.9	24.1
Total	\$26.9	\$111.6

Unified Health Infrastructure Project

- In coordination w/ HealthSource RI to implement ACA
- One system to apply for benefits
 - Replace existing InRhodes eligibility system
 - Process Medicaid, RI Works, child care & SNAP applications
- Launch date September 13, 2016

UHIP

IAPD-U through CY 2020	Gen Rev	All Funds
July 2013	\$51.9	\$209.4
July 2014	\$51.6	\$221.9
October 2014	\$51.7	\$229.6
July 2015 Approved	\$79.0	\$363.7
July 2016 – Submitted	\$96.7	\$487.4
Increase: July 2016 to July 2015	\$17.7	\$123.7
<i>\$ in millions</i>		

UHIP Development & Operations

EOHHS/DHS	Gen Rev	All Funds*
FY 2016 Spent	\$15.0	\$99.3
FY 2017 Enacted	\$11.0	\$57.4
FY 2017 Governor Revised *	\$11.3	\$87.5
<i>Revised to Enacted</i>	\$0.3	\$30.1
FY 2018 Governor*	\$4.6	\$20.9
<i>Rec to FY 2017 enacted</i>	(\$6.3)	(\$23.9)
Two-Year Total	\$15.9	\$108.4
<i>\$ in millions</i>		
<i>*use of IT funds in Governor's revised and recommended budgets</i>		

Health Analytics & Policy

- Governor adds \$250,000 for health analytics & policy contractor in FY 2018
 - New initiative to oversee health policy
- Similar proposal as part of Governor's FY 2017 budget
 - Assembly did not include the funding
- EOHHS has Division of Data Analytics
 - In addition Xerox personnel works on data collection

EOHHS

Office of Data Analytics

- EOHHS Division
 - Director/Deputy Director
 - Director of Policy & Implementation
 - Chief Health Program Evaluator

Health Policy & Analytics

- Address cost trends & conduct public hearings
- Recommended by Governor for FY 2017 but Assembly did not concur

Freedman Healthcare

- Contracted to conduct research among RI residents to assess trends in health insurance
 - FY 2017 revised includes \$400,000 from all funds; \$200,000 from general revenues

EOHHS

State Innovation Model

- RI awarded a 4-year, \$20.0 million federal grant
- Transform the health care delivery system

Adult Quality Grant

- \$0.1 million to URI Pharmacy for staffing & analytics to assist Medicaid program to institute ways to measure & improve quality & cost effectiveness for Medicaid members –
- \$0.1 million to Freedman Healthcare to conduct as assessment of data warehouse and affiliated data systems to identify gaps in current system & determine opportunities for improvement

State Innovation Model Grant

- Reinventing Medicaid Themes
 - Community Health Teams
 - Child Psychiatry Access Project
 - Patient Engagement
 - Provider Directory
 - Integrated Behavioral Health
 - Including Patient Center Medical Home for Kids
- Governor recommends \$4.2 million both FY 2017 & FY 2018

State Innovation Model Grant

Agency	FTE	4 -yr Award	Position
EOHHS	1.0	\$0.5	Health Information Technology Specialist
BHDDH	1.0	0.6	SIM Project Manager
DOH	1.0	0.4	Chief Program Evaluator
DBR/OHIC	2.0	1.0	SIM Project Director & Policy Associate
DOA/HSRI	1.0	0.4	Value-Based Purchasing Agent
Total	6.0	\$2.9	
<i>(\$ millions)</i>			

HIV/AIDS Care Program

- Governor includes \$10.2 million in FY 2017 and \$11.6 million in FY 2018
 - Drugs: \$5.3 million in FY 2017 & \$6.1 million in FY 2018 – about 600 individuals
 - Other expenses: staffing and AIDS Project Rhode Island and AIDS Care Ocean State grant awards
- \$6.1 million balance from rebate available for services
 - Expanded formulary
 - Additional funding to community organizations

EOHHS Organization

Contractor	Responsibilities	Award
HP Enterprises	<ul style="list-style-type: none"> • Process Medicaid claims • Clinical Review & Training • Utilization Management 	<ul style="list-style-type: none"> • \$89.5 million • 1/1/2013 to 12/31/2017
Xerox (now called Conduent)	<ul style="list-style-type: none"> • Administer the Rite Care/Rite Share program • Health Information Technology – operations & outreach, staff development 	<ul style="list-style-type: none"> • \$43.2 million • 10/1/2010 to 9/30/2017
Logisitcare	<ul style="list-style-type: none"> • Operate non-emergency transportation services for EOHHS agencies 	<ul style="list-style-type: none"> • \$85.9 million • 5/1/2014 to 6/30/2017
Sandata	<ul style="list-style-type: none"> • Operate Electronic Visit Verification System 	<ul style="list-style-type: none"> • \$2.1 million • 3 yr. term: 1/2019

EOHHS Organization

Contractor	Responsibilities	Award
BAE Enterprises	<ul style="list-style-type: none">• Modernize MMIS system• Enhance Fraud, Waste & Abuse & Improper Payment Surveillance Detection Capability	<ul style="list-style-type: none">• \$5.7 million• 4 year term – signed 10/2014
CT Peer Review/Qualidigm	<ul style="list-style-type: none">• Provide hospital admission screening & utilization review	<ul style="list-style-type: none">• \$1.2 million• 1/1/2017 to 12/31/2019
Public Consulting Group (PCG)	<ul style="list-style-type: none">• Cost allocation plan	<ul style="list-style-type: none">• \$1.6 million• 5/1/2014 to 4/30/2017

EOHHS Agencies Federal Grants

Recovery Housing/Peer Supports

- Governor's Overdose Task Force – EOHHS Medicaid
- EOHHS Medicaid – Rhody Health Partners
- General Revenues

Centers of Excellence

- Medication Assistance Treatment Grant
- Fund 6 centers
- EOHHS Medicaid – Rhody Health Partners
 - Pay for treatment

Housing

- CABHI (Cooperative Agreement to Benefit Homeless Individuals)
- Mental Health Services for the Homeless
- State Incentive Grant

EOHHS Agencies Federal Grants

Screening, Brief Intervention & Referral to Treatment Grant

- Awarded to BHDDH
- Pre-screen 250,000 residents over 5-years for tobacco, alcohol, marijuana & other drugs with treatment being delivered in primary care and health center settings, emergency rooms & Department of Corrections

Block Grants

- Residential & Inpatient/Outpatient Services
 - Substance Abuse
 - Mental Health
 - Social Services Block Grant
- Overlap with managed care plan coverage?

Staffing

Full-Time Positions	FTEs	Chg. To Enacted
Enacted Authorized	179.0	-
FY 2017 Revised Req.	179.0	-
FY 2017 Governor	178.0	(1.0)
FY 2018 Request	179.0	-
FY 2018 Governor	269.0	90.0
FY 2016 Average Filled	165.2	(13.8)
Filled as of March 18 th	161.0	(18.0)

Salaries and Benefits

(in millions)	Gen. Rev.	All Funds
FY 2016 Spent	\$11.1	\$22.9
FY 2017 Enacted	\$12.3	\$22.9
FY 2017 Gov Rev.	\$12.4	\$24.2
Gov. Chg. to Enacted	\$0.1	\$1.3
FY 2018 Request	\$12.4	\$24.3
FY 2018 Gov. Rec.	\$12.4	\$25.3
Gov. Chg. to Enacted	\$0.1	\$1.4

Reorganization

- Governor's FY 2018 budget completes transfer of finance positions to Ex. Office
 - 39.0 from DHS
 - 33.0 from BHDDH
 - 12.0 from DCYF
 - 7.0 from Health
- Responsibilities include: finance administration, billing and data entry
- Funding remains with sending agency

Cost Allocations of Governor's Office Staff

Agency	% Time Spent	FY 2017 Cost	FY 2018 Cost
DOT	100	\$ 82,572	\$ 91,923
DOA	50	114,779	118,083
EOHHS	50	115,015	118,176
RIDE	50	108,383	110,613
OPC	50	53,472	55,003
DPS	50	41,796	46,508

Cost Allocations

Agency	% Time Spent	FY 2017 Cost	FY 2018 Cost
DLT	100	71,384	-
DOA	50	35,457	36,502
EOHHS	50	67,913	69,831
EOC	50	54,950	98,617
DPS	25	27,475	49,309
Total		\$ 773,196	\$ 794,565

Statewide Savings

- Assessment to salaries that funds workers' comp., unemployment & unused leave
 - Lowered from enacted based on experience
 - Savings of \$1.2 million in FY 2017
 - Savings of \$1.5 million in FY 2018
- Medical benefit cost growth
 - Lower than initial estimates
 - Savings of \$2.6 million in FY 2018
- Total impact to Executive Office
 - \$19,997 in FY 2017; \$60,306 in FY 2018

Annual Reporting Requirements

- 2013 Assembly required OMB to prepare, review & inventory all reports filed w/ Assembly
- Report to be presented to Assembly as part of budget submission annually
- Executive Office is required to submit 15 reports

Annual Reporting Requirements

Report	Date	Submitted/Filed
Monthly Caseload (EOHHS Medical/DHS cash assistance)	By 15 th of each month	<ul style="list-style-type: none"> • Medical – yes • Cash Assistance – No
Medicaid Report to the Senate (resolution)	Quarterly starting 9/15/2010	Yes
Long Term Care Exp. Report	Twice annually, 6 months apart	Not posted? Submitted?
Public Health Access Beneficiary Employer Report	3 rd Tuesday in January	2008 & 2009 report
Program Integrity Report	Annually by Jan. 1, starting in 2014	Yes

Annual Reporting Requirements

Report	Date	Submitted/Filed
Children's Health Account	Annually by February 1 st	No
Uninsured Rlers Buy-In	On or before 2/15 to Jt Committee on Health Care Oversight	Not since 2006
Annual Medicaid Expenditure Report	No later than March 15	2015 filed
Sherlock Report	Annually by March 31	Yes
Long Term Care System Reform & Rebalancing	Annually by April 1	Yes

Annual Reporting Requirements

Report	Date	Submitted/Filed
Special Program for Care of Severely Disabled Elderly Residents who need Nursing Facility Services	On or before April 15	No
Global Waiver Compact Administration & Implementation	Annually starting no later than July 1, 2009	Not since 2006
Health Care Planning & Accountability Advisory Council	Annual report each July	Yes
Children's Cabinet Statewide	December 1, 2015	Yes

2017 – H 5175

- Article 12 – Medicaid Resolution
- Article 13 – Medical Assistance
- Article 14 – Hospital License Fee

Office of Health and Human Services

Staff Presentation to the House Finance Committee
FY 2017 Revised and FY 2018 Budgets
March 28, 2017
