

Executive Office of Health and Human Services

Staff Presentation to the House Finance Committee
FY 2018 Revised and FY 2019 Budgets
April 11, 2018

EOHHS

- Principal agency to manage the 4 health and human service agencies
 - BHDDH/DHS/DCYF & DOH
- 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

EOHHS

- New responsibilities were added as part of the Governor's Reinventing Medicaid initiative – FY 2016 enacted budget
- Directors of 4 health and human service agencies are now directly accountable to the secretary for effective execution of policy and budget priorities

EOHHS Responsibilities

- Eliminated dates to transfer certain functions to the Executive Office
 - Fiscal & Legal Services
 - Legal and 5 chief financial officers were transferred
 - FY 2018 enacted budget includes transfer of 91 positions from umbrella agencies
 - Communications, policy and planning, information and data management, assessment and coordination and program integrity not yet transferred

Reorganization

- FY 2018 budget completes transfer of finance positions to Executive 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
 - Not transferred in FY 2019 which was the original plan when approved
 - Skews reports to not have funding with FTE

Current Year Spending

General Rev.	FY 2018 Enacted	Dept Req	Gov. Rev.	2 nd Q Report	2 nd Q to Gov Rec
EOHHS	\$964.3	\$961.6	\$978.5	\$978.8	\$0.3
BHDDH	176.4	192.3	191.6	191.9	0.2
DCYF	145.9	155.9	152.6	161.2	8.6
DHS	91.1	98.3	100.6	100.6	-
DOH	24.9	25.4	26.4	26.4	-
Total	\$1,402.6	\$1,433.5	\$1,449.7	\$1,458.9	\$9.2
\$ in millions					

Current Year Spending

- What are the projections for 3rd quarter spending?
- How is EOHHS monitoring the progress of its savings initiatives?
 - Role with other agencies under its umbrella in monitoring budget and savings proposals
- Impact of May caseload conference estimate?
 - Continuing issues with UHIP? ‘
- How does this impact FY 2019?

FY 2019: Governor's Solution

Revenues	\$77.9
Medicaid – EOHHS Caseload	93.4
EOHHS Agencies	35.6
Locals	7.9
Commerce	(12.7)
Higher Education	(2.0)
Debt Service	7.9
Other Issues, Initiatives & Adjustments	(4.0)
Total Governor Solution	\$204

Medicaid/EOHHS Agencies

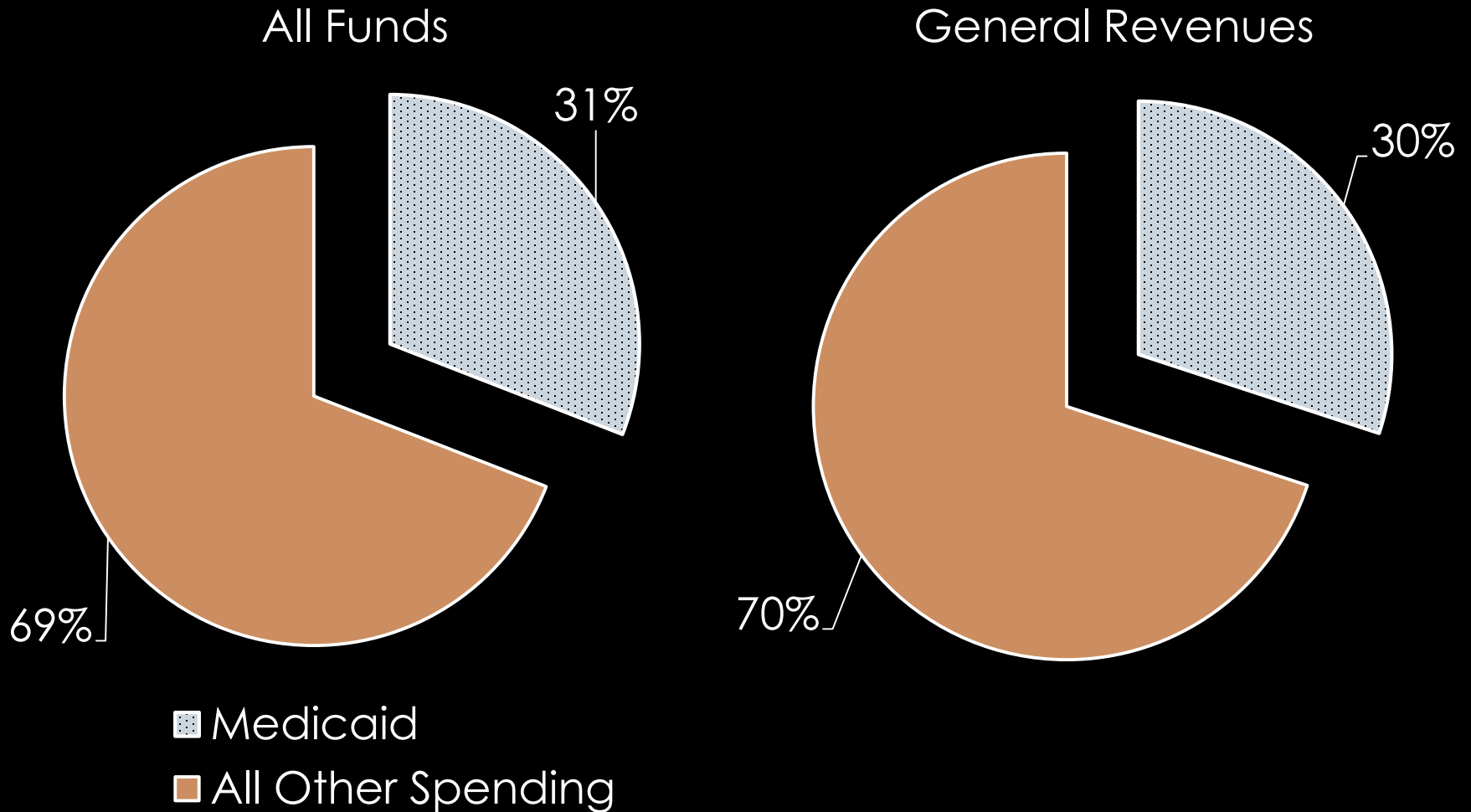
- EOHHS - Changes to Nov. \$93.4 million
 - \$28.5 million from CHIP reauthorization
 - \$7.0 million for FY 2018
 - Net of \$3.3 million revenue loss & \$1.2 million for 10 new positions
- BHDDH – DD and Hospitals
 - \$20.8 million below Q1 projections

EOHHS Agencies

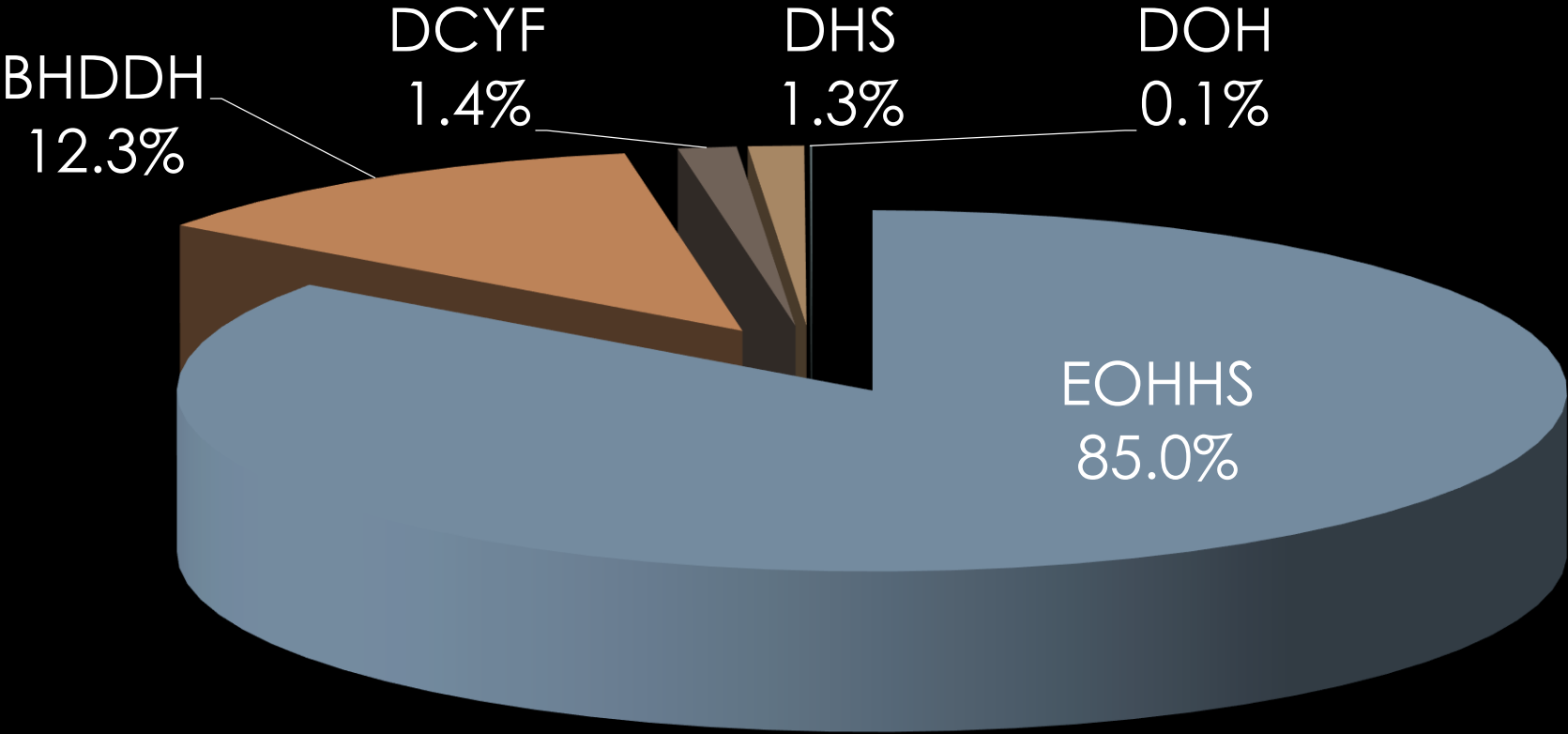
EOHHS Agencies

- DCYF - \$14.6 million in savings
- DHS - \$0.3 million additional spending
 - Many adjustments
 - Including 4 new initiatives

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 2018 Gov. Rev.	Chg.	FY 2019 Gov. Rec.	Chg.
General Revenues	\$964.3	\$978.5	\$14.2	\$935.9	(\$28.4)
Federal Funds	1,558.3	1,590.6	32.3	1,520.9	(37.5)
Restricted Receipts	19.2	25.8	6.6	20.5	1.3
Total	\$2,541.8	\$2,594.9	\$53.1	\$2,477.3	(\$64.6)
FTEs	285.0	285.0	-	295.0	10.0

\$ in millions

EOHHS by Program

	Enacted	FY 2018 Gov. Rev.	Chg.	FY 2019 Gov. Rec.	Chg.
Medical Assistance	\$2,409.0	\$2,422.4	\$39.7	\$2,337.0	(\$72.0)
Central Admin.	132.9	172.6	13.4	140.3	7.4
Total	\$2,541.8	\$2,594.9	\$53.1	\$2,477.3	(\$64.6)
FTEs	285.0	285.0	-	295.0	10.0
\$ in millions					

EOHHS by Category

	FY 2017 Spent	FY 2018 Enacted	FY 2018 Gov.	FY 2019 Gov. Rec.
Salaries/Ben	\$24.4	\$23.7	\$27.6	\$31.8
Contracted Services	63.8	79.6	105.7	75.1
Operating	7.7	8.0	10.2	9.5
Asst/Benefits	2,337.3	2,429.6	2,450.9	2,360.8
Capital	0.1	0.9	0.6	0.1
Total	\$2,433.3	\$2,541.8	\$2,594.9	\$2,477.3
\$ in millions				

EOHHS by Category

	FY 2018 Gov. Rev		FY 2019 Gov. Rec	
	Chg. to FY 2017	Chg. to Enacted	Chg. to FY 2017	Chg. to Rev
Salaries/Ben	\$3.2	\$3.9	\$7.4	\$4.2
Contracted Services	42.0	26.1	11.3	(30.6)
Operating	3.3	1.8	1.6	(1.2)
Asst/Benefits	113.6	21.2	23.6	(90.0)
Total	\$161.6	\$53.1	\$43.9	(\$117.6)
\$ in millions				

Target Budget

- Budget Office provided a target of \$932.6 million
- Estimated adjustments of \$49.4 million to continue current services
 - Entitlements - \$49.3 million
 - Statewide Adjustments - \$0.1 million
 - 10.0% reduction of \$81.1 million
- The recommendation is \$2.5 million above the target
 - Excluding centralized services

Target Budget: Current Service Adjustments

- Entitlements - \$49.3 million
- \$34.3 million - managed care
 - \$4.6 million - nursing and home & community care services
 - \$1.8 million – hospitals
 - \$6.8 million – all other services (incl. pharmacy)
 - \$1.5 million from updated Medicaid rate
 - \$0.3 million for expansion
 - Underfunded by about \$7.8 million

Target Budget: Current Service Adjustments

- November Caseload conference estimate added \$66.4 million
 - \$17.0 million more than current services
 - Added \$4.4 million for expansion population for updated projections
 - Some was impact of unachieved savings
 - Some driven by enrollment trends
 - Continuing issues with UHIP for accurate reporting and payments

Undistributed Savings

- FY 2018 enacted budget includes \$25.0 million of statewide savings
 - Undistributed in DOA's budget
- Governor's revised budget has proposals that total \$25.0 million
 - Also included in FY 2019
- EOHHS
 - FY 2018 revised - \$7.6 million
 - FY 2019 - \$7.1 million

Undistributed Savings

Item	FY 2018	FY 2019
State Only Programs	\$0.6	\$1.6
Sullivan/Perry	3.0	3.0
Graduate Medical Education	4.0	2.5
Total	\$7.6	\$7.1
\$ in millions		

Centralized Services

- 2017 Assembly authorized establishment of internal service funds for centralized services
 - Information technology, capital asset management & maintenance, & HR
- Costs previously budgeted in DOA
 - Methodology on distribution needs review
 - Long term impacts and transparency concerns

Centralized Services

- Governor's budget allocates costs to user agencies

EOHHS	FY 2018		FY 2019	
	Gen Rev	Total	Gen Rev	Total
Information Technology	\$0.2	\$0.2	\$0.2	\$0.2
Facilities	0.5	1.1	0.5	1.1
Human Resources	0.2	0.3	0.2	0.3
Total	\$0.8	\$1.6	\$0.8	\$1.7
\$ In millions				

Staffing

Full-Time Equivalent Positions

Full-Time Positions	FTEs*	Chg. To Enacted
Enacted Authorized	195.0	-
FY 2018 Gov. Rev.	195.0	-
FY 2019 Request	195.0	-
FY 2019 Governor	205.0	10.0
FY 2019 Funded FTE	197.3	2.3
Filled as of March 31	177.0	(18.0)
FY 2017 Average Filled	163.2	31.8

*Adjusted to exclude last re-org transfer

Staffing

FY 2019 Governor Recommendation

	EOHHS*	Statewide
Gross Salaries (in millions)	\$18.3	\$1,117.1
Turnover (in millions)	(0.7)	(42.9)
Turnover %	3.8%	3.8%
Turnover FTE	11.1	592.0
FY 2019 FTE recommended	205.0	15,426.5
Funded FTE	197.3	14,834.3
Filled as of March 31	177.0	13,849.4
Funded but not filled	20.3	984.9

*Adjusted to exclude last re-org transfers

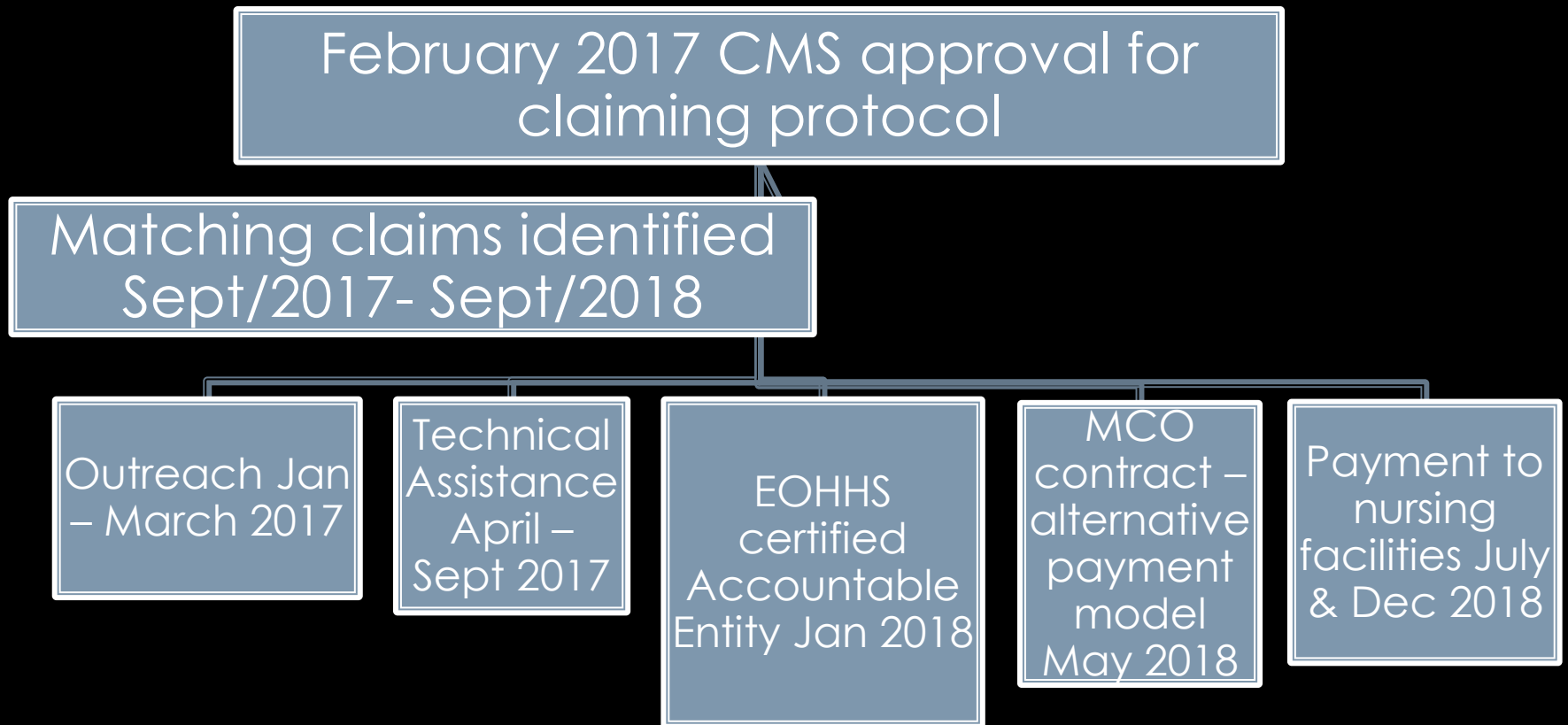
EOHHS

- Issues:
 - Health System Transformation Project
 - Medical Assistance
 - Caseload changes
 - Crossover programs with BHDDH that impact current year or out-year spending
 - Not accounted for in the recommended budget
 - UHIP:
 - Impacts EOHHS and umbrella agencies

Health System Transformation Program

- Phase I
 - \$7.0 million for nursing facilities
 - \$13.5 million for hospitals
- Phase II
 - Partnership/Accountable Entity Development Investment
 - Enter into agreements with accountable entities for management of long term care services

Health System Transformation Program



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		Yes

Health System Transformation Program

Timeline	Action	Funding
FY 2019 Gov. Rec,	<p data-bbox="355 476 1561 811">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.</p> <p data-bbox="355 896 1568 1302">Shared savings incentive programs are:</p> <ol data-bbox="355 968 1568 1302" style="list-style-type: none"> <li data-bbox="355 968 1568 1096">1. Hospital & Nursing Home Incentive program - operate for 9 months <li data-bbox="355 1110 1568 1302">2. Accountable Entity Incentive Program – managed long term services and supports through rebalancing strategy 	

Health System Transformation Program

Expenses	FY 2017 Spent	FY 2018 Enacted	FY 2018 Rev	FY 2019 Rec
Administrative	\$1.0	\$2.2	\$5.7	\$9.4
Payments	7.0	23.5	23.5	23.5
Total	\$8.0	\$25.7	\$29.2	\$32.9
\$ in millions				

- December 2017 CMS guidance to states
 - No longer accept state proposals for Designated State Health Programs (DSHP)
 - RI's waiver seeks authority to spend approved funding another 5 years

Health System Transformation Program

Contractor	Activity	FY 2018	FY 2019
Conduent	Project Support	\$1.7	\$2.7
Adil	Staff Support	0.8	-
URI*	Health Workforce Development & Technical Assistance	1.1	1.6
RIC		0.5	0.7
CCRI		0.4	0.6
Other	Staffing & evaluation	1.2	2.0
TBD		-	1.7
\$ in millions	Total	\$5.7	\$9.4

*supports 25 positions

Health System Transformation Program

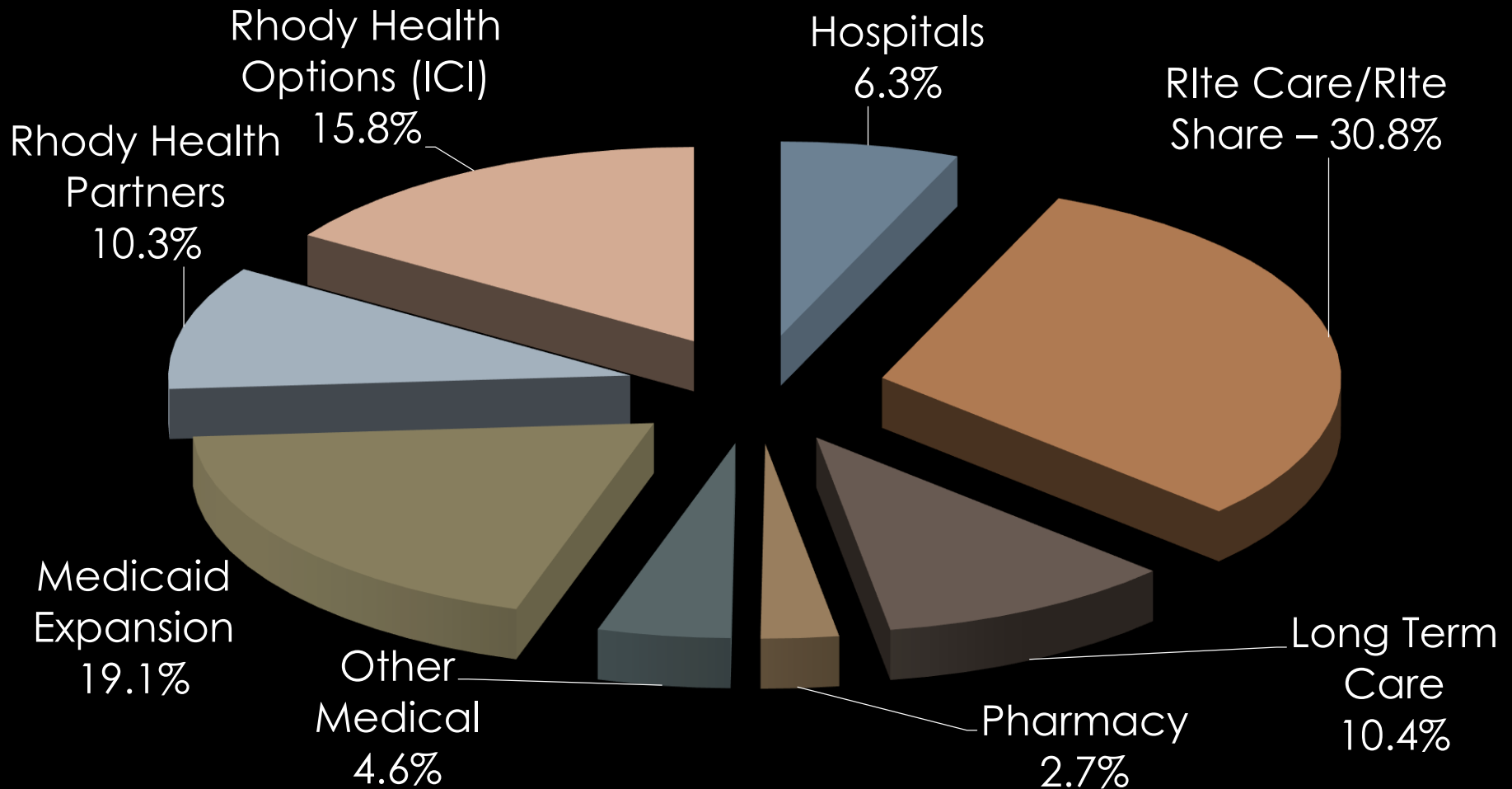
Payments	Activity	FY 2018	FY 2019
Accountable Entities	Incentive Based Infrastructure Payments	\$10.2	\$22.6
Vital State Health Programs	??	0.4	0.9
Hospital Incentives	One-time payments	13.5	-
Total		\$23.5	\$23.5
\$ in millions			

Medical Assistance

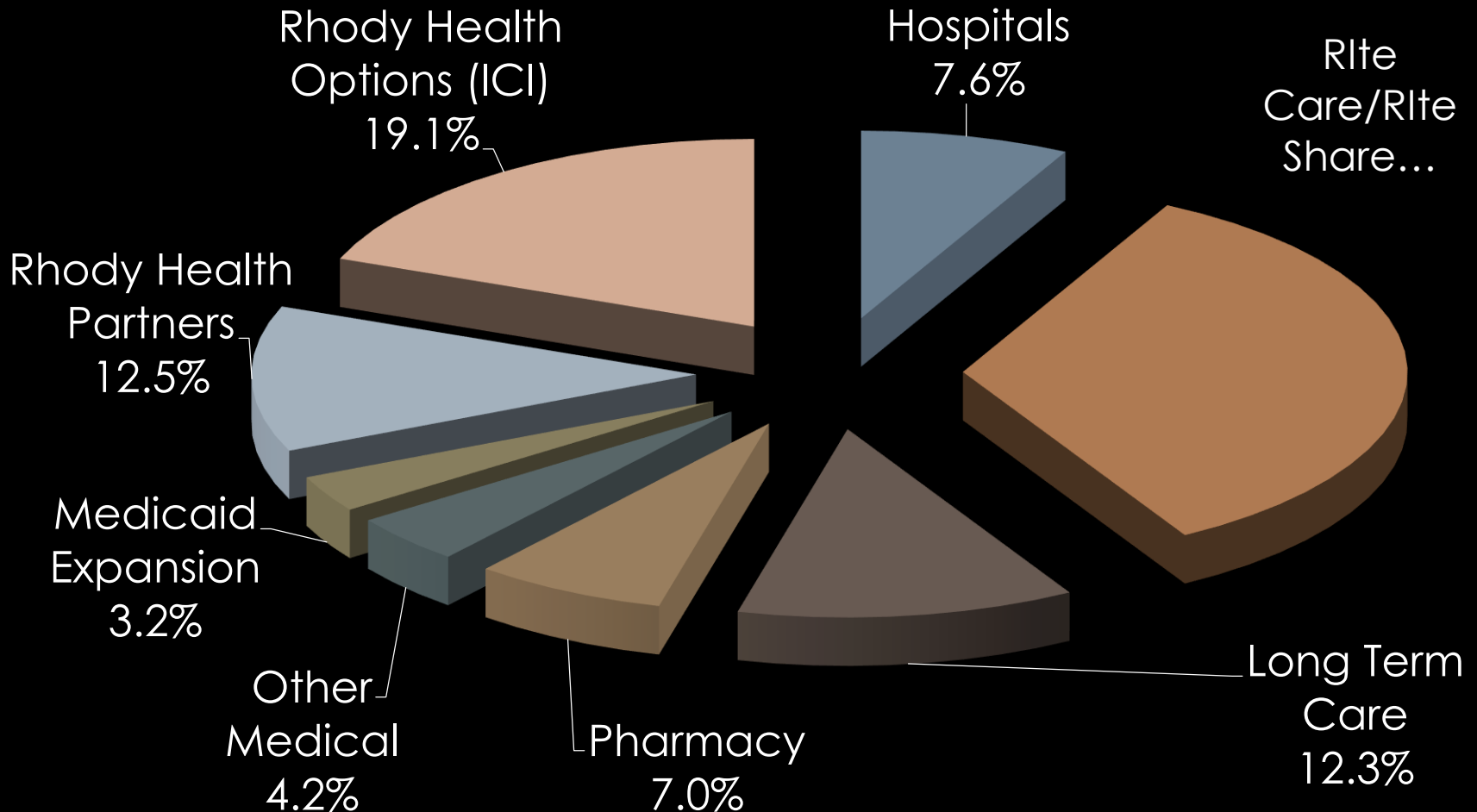
Caseload Estimating Conference

- 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

FY 2019 Governor's Rec : EOHHS All Funds

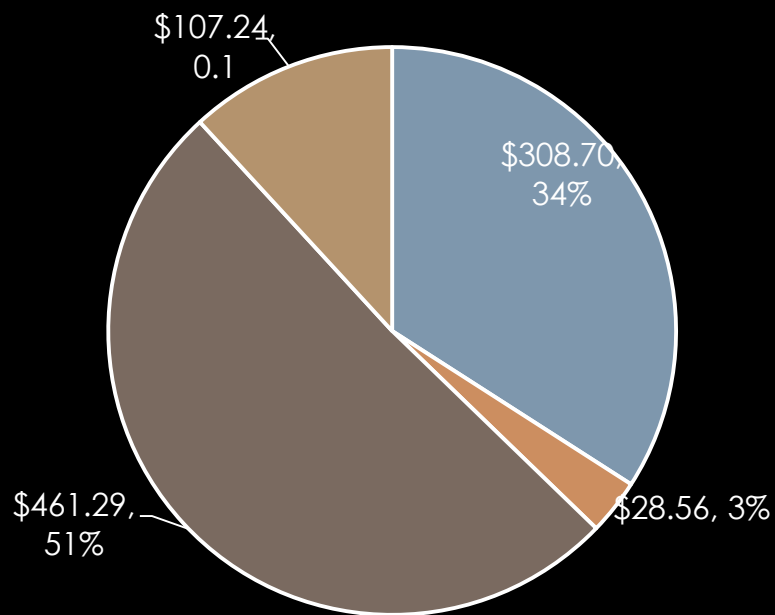


FY 2019 Governor's Rec: EOHHS General Revenues



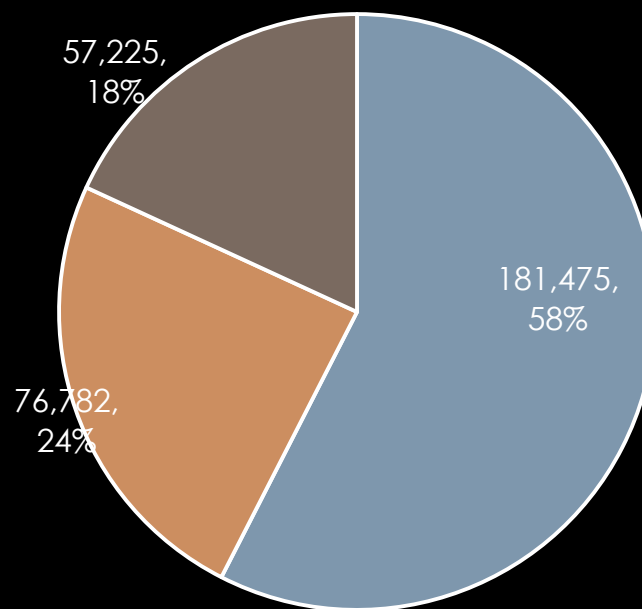
FY 2019 Governor's Rec: EOHHS by Population

PROGRAM EXPENSES: GENERAL REVENUES



- Children & Parents
- Elderly & Disabled
- Expansion
- Other

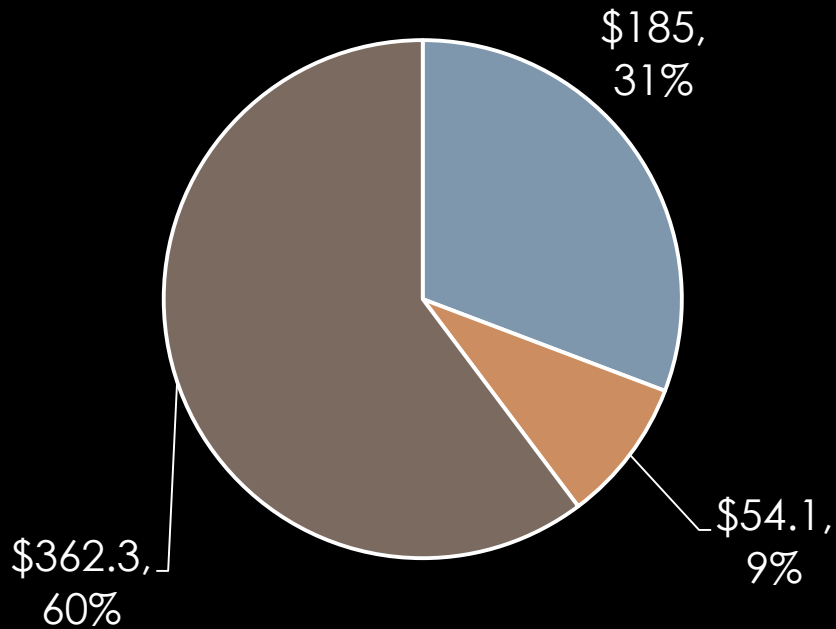
ENROLLMENT



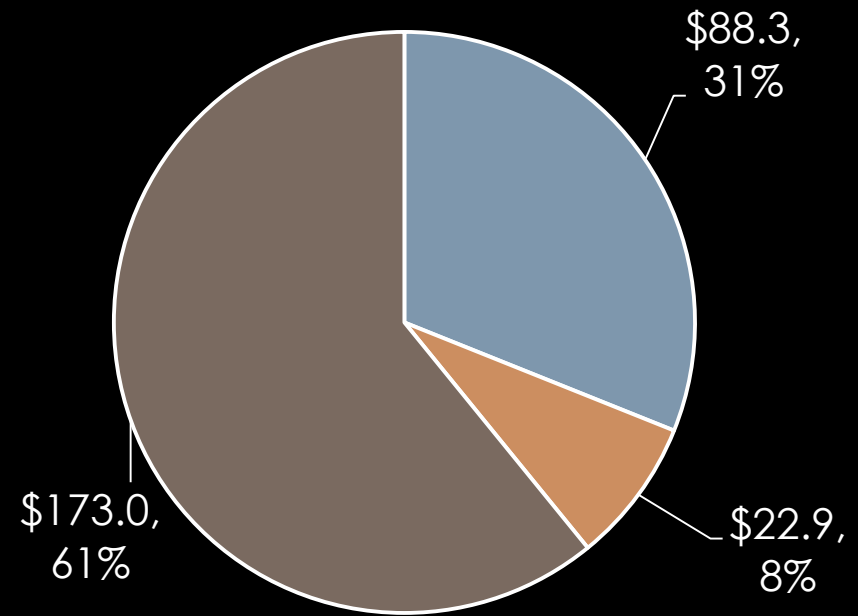
- Children & Parents
- Elderly & Disabled
- Expansion

FY 2019 Gov. Rec.: Long Term Care

All Funds = \$601.4 million



Gen. Rev. = \$284.2 million



- Nursing Homes
- Home & Community Care
- Rhody Health Options (ICI)

Medical Assistance FY 2018

Revised

	General Revenues	All Funds
FY 2018 Enacted*	\$937.3	\$2,366.5
FY 2018 Nov CEC	\$965.9	\$2,391.7
Nov CEC to Enacted	\$28.6	\$25.3
FY 2018 Gov. Rev Rec	\$951.2	\$2,379.9
FY 2018 Gov. Rev Rec to Nov CEC	(\$14.6)	(\$11.9)

*Excludes Medicaid funding for Health System Transformation Program

\$ in millions

Medical Assistance FY 2018

Revised

- Governor recommends \$11.9 million less than November CEC
 - \$14.6 million less from general revenues
- \$7.0 million more from general revenues for CHIP reauthorization
- \$4.0 million less from elimination of Graduate Medical Education Program
- \$6.2 million less from elimination of Sullivan/Perry funds
- \$1.7 million less for state only programs

Medical Assistance FY 2018

Revised

- State only programs \$1.7 million less from all funds - \$0.6 million general revenues
 - \$750,000 from ending Cortical Integrated Therapy coverage
 - 2 incorrect additions of state funds
 - Recovery Navigation Program
 - To be supported through federal funds
 - Budget incorrectly added \$0.1 million
 - Patient Centered Medical Home
 - added \$25,465 to program that also ended in 2017

Medical Assistance FY 2019

	General Revenues	All Funds
FY 2018 Enacted*	\$937.3	\$2,366.5
FY 2018 Nov CEC	\$965.9	\$2,391.7
FY 2019 Nov CEC	\$1,003.7	\$2,459.5
Nov CEC to Enacted	\$66.4	\$93.1
FY 2019 Gov. Rec	\$905.8	\$2,294.0
FY 2019 Gov. Rec to Nov CEC	(\$97.9)	(\$165.6)

*Excludes Medicaid funding for Health System Transformation Program

\$ in millions

Medical Assistance

Program	FY 2018 Enacted	FY 2018 Gov. Rev	FY 2019 Gov. Rec
Hospitals	\$198.0	\$190.2	\$143.5
Long Term Care	238.7	243.9	239.1
Managed Care	690.5	712.5	705.7
Expansion	478.5	456.6	437.8
Rhody Health Partners	236.3	243.9	236.5
Rhody Health Options	355.3	364.5	362.3
Pharmacy	62.1	62.0	62.4
Other Medical	107.1	106.3	106.5
Total	\$2,366.5	\$2,379.9	\$2,294.0
\$ in millions			

Medical Assistance FY 2019

Proposals Impacting Multiple Programs	Gen Rev	All Funds
MC Reimbursement Rates	(\$23.7)	(\$70.0)
Hospital Rates	(5.4)	(15.5)
LTSS Eligibility	(5.3)	(11.1)
Rhody Health Options Redesign	(7.3)	(15.4)
Adult Co-Pays	(3.2)	(10.9)
Non Emergency Transport.	(3.8)	(9.5)
Nursing Home Rates	(2.6)	(5.4)
Total	(\$51.3)	(\$137.8)
\$ in millions		

Medical Assistance FY 2019

Initiative	Explanation
Hospital Rates	Freezes rates at FY 2018 levels
Upper Payment Limit Reimbursement (UPL)	Eliminates inpatient payment
Graduate Medical Education (GME)	Eliminates \$4.0 million payment to Lifespan & includes new \$1.5 million pool for all community hospitals with concentration on mental health and substance abuse training
Managed Care Reimbursements	Reduction to medical component including quality withhold, admin. rates and margin reserve

Medical Assistance FY 2019

Initiative	Explanation
Nursing Home Rates	Limits October 1, 2018 rate increase to 1 %
Long Term Care Eligibility	Asset verification, retroactive coverage
Rhody Health Options Redesign	At Article hearing, EOHHS testified that it would take back payment processing ; NHP would continue with customer service functions.
Adult Co-payments	Institute co-payments: \$8 non-ER services, \$3 inpatient hospital visit, \$3 non-preventive visit
Non Emergency Transportation	Re-procuring the current contract with Logisticare

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: Plan choice of Neighborhood Health, UnitedHealth or Tufts
 - 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 access to employer sponsored benefits
 - State pays monthly cost sharing & deductibles

Managed Care

	Gen. Rev.	All Funds
FY 2018 Enacted	\$305.7	\$690.5
Nov CEC Change	54.1	62.5
Nov CEC Estimate	\$359.8	\$753.0
Governor's Initiatives	(51.1)	(47.3)
FY 2019 Governor	\$308.7	\$705.7
\$ in millions		

Managed Care: FY 2019 Initiatives

Proposals	Gen. Rev.	All Funds
MC Reimbursement Rates	(\$15.3)	(\$32.0)
Hospital Rates	(3.2)	(6.6)
Nursing Home Rates	(2.6)	(5.4)
Adult Co-pays	(1.0)	(2.1)
CHIP Reauthorization	(28.5)	-
Non Emergency Transportation	(1.9)	(3.9)
State Only Programs	(0.3)	(0.5)
Total	(\$52.8)	(\$50.5)
\$ in millions		

Managed Care Plans

Initiative	Explanation
Managed Care Reimbursement Rates	Reduction to medical component, including quality withhold, administrative rates and margin reserve
Adult Co-payments	Institute co-payments: \$8 non-ER services, \$3 inpatient hospital visit, \$3 non-preventive visit
Non-Emergency Transportation	Reprocuring the current contract with Logisticare
State Only Programs	Recovery Navigation Program
Revenue Maximization	Shifting to Expansion program if appropriate

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 2018 Enacted	\$115.7	\$236.3
Nov CEC Change	8.7	22.9
Nov CEC	\$124.4	\$259.2
Governor's Initiatives	(10.8)	(22.7)
FY 2019 Governor	\$113.6	\$236.5
\$ in millions		

Rhody Health Partners: FY 2019 Initiatives

Proposals	Gen. Rev.	All Funds
Managed Care Rates	(\$6.5)	(\$13.6)
Adults Co-Pays	(1.9)	(4.1)
Hospital Rates	(1.2)	(2.5)
Non-Emergency Transp.	(0.5)	(1.1)
Revenue Maximization – Rlte Share	(0.7)	(1.4)
Total	(\$10.8)	(\$22.7)
\$ in millions		

Managed Care Plans

Initiative	Explanation
Managed Care Reimbursement Rates	Reduction to medical component, administrative rates and margin reserve
Adult Co-payments	Institute co-payments: \$8 non-ER services, \$3 inpatient hospital visit, \$3 non-preventive visit
Non-Emergency Transportation	Re-procuring the current contract with Logisticare
Revenue Maximization	Expand Rlte Share

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 2018 Enacted	\$26.4	\$478.5
Nov CEC Change	4.4	(6.5)
Nov CEC	\$30.8	\$472.0
Governor's Initiatives	(2.2)	(34.2)
FY 2019 Governor	\$28.6	\$437.8
\$ in millions		

Expansion: FY 2019 Initiatives

Proposals	Gen. Rev.	All Funds
MC Reimbursements	(\$1.5)	(\$23.7)
Adult Co-Pays	(0.3)	(4.7)
Hospital Rates	(0.3)	(4.9)
Non-Emergency Transp.	(0.1)	(1.7)
State Only Programs	(.02)	(0.4)
Revenue Maximization	0.1	1.2
Total	(\$2.2)	(\$34.2)
\$ in millions		

Expansion

Initiative	Explanation
Managed Care Rate Reductions	medical component, administrative rates and reserve
Adult Co-payments	Institute co-payments: \$8 non-ER services, \$3 inpatient hospital visit, \$3 non-preventive visit
Non-Emergency Transportation	Re-procuring the current contract with Logisticare
State Only Programs	Recovery Navigation Program
Revenue Maximization	Shifting beneficiaries from Rite Care to expansion

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
2017	2.5%	\$429.3	\$8.6	\$8.6
2018	5.5%	\$431.4	\$25.2	\$8.6
2019	6.5%	\$437.8	\$28.6	\$8.2
2020*	8.5%	\$397.6	\$33.8	\$8.0
2021*	10.0%	\$462.0	\$46.2	\$9.2
2022*		\$474.0	\$47.4	\$9.4
2023*		\$486.6	\$48.6	\$9.7

* 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 2018 Enacted	\$173.0	\$355.3
Nov CEC Change	11.3	30.7
Nov CEC	\$184.3	\$386.0
Governor's Initiatives	(11.2)	(23.7)
FY 2019 Governor*	\$173.0	\$362.3
\$ in millions		

**does not reduce \$200.0 million from RHO to fee for service programs to reflect proposal to redesign RHO*

Rhody Health Options

Proposals	General Revenues	All Funds
RHO Redesign	(\$7.3)	(\$15.4)
Nursing Home Rates	(1.3)	(2.7)
Sullivan/Perry	(1.5)	(3.1)
Non-Emergency Transp.	(0.9)	(1.8)
Hospital Rates	(0.3)	(0.7)
Total	(\$11.2)	(\$23.7)
\$ in millions		

Rhody Health Options

Initiative	Explanation
RHO Redesign	At Article hearing, EOHHS testified that it would take back payment processing ; NHP would continue with customer service functions.
Nursing Home Rates	Limit to 1% increase
Sullivan/Perry	Eliminate adjustment
Non-Emergency Transportation	Reprocuring the current contract with Logisticare
Hospital Rates	Freeze hospital rates at FY 2018 level

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 2018 Enacted	\$87.0	\$178.8
Nov CEC Change	6.3	16.9
Nov CEC	\$93.4	\$195.7
Governor's Initiatives	(5.1)	(10.7)
FY 2019 Governor*	\$88.3	\$185.0
\$ in millions		

**Governor's budget does not shift \$106.5 million from RHO to nursing facilities for redesign in FY 2019*

Long Term Care – Home & Community Based Services

	Gen. Rev.	All Funds
FY 2018 Enacted	\$29.1	\$59.9
Nov CEC Change	(0.4)	0.1
Nov CEC	\$28.8	\$60.0
Governor's Initiatives	(5.8)	(5.9)
FY 2019 Governor	\$22.9	\$54.1

\$ in millions

**Governor's budget does not shift \$35.7 million from RHO to home & community based care for redesign in FY 2019*

Long Term Care: FY 2019 Initiatives

Proposal	General Revenues	All Funds
Nursing Home Rates	(\$1.3)	(\$2.7)
Community First Choice	(3.0)	-
Sullivan Perry	(1.5)	(3.1)
LTSS Eligibility	(4.8)	(10.0)
Managed Care Rates	(0.4)	(0.8)
Total	(\$10.9)	(\$16.6)
\$ in millions		

Long Term Care

Initiatives	Explanation
Nursing Home Rates	<ul style="list-style-type: none">• Limits October 1, 2018 rate increase to 1 %
LTSS Eligibility Changes	<ul style="list-style-type: none">• Asset verification & retroactive coverage
Community First Choice	<ul style="list-style-type: none">• Provide services otherwise not covered to keep individuals at home• Was not implemented in FY 2015 when first approved by the Assembly
Sullivan/Perry	<ul style="list-style-type: none">• Eliminated funding

Long Term Care Payments

- Single Audit for FY 2017
- Findings of Auditor General
 - State is not complying with timely determination of eligibility requirements
 - EOHHS made advanced payments of \$12.5 million between Sept 2016 and January 2017
 - Federally reimbursed but did not meet the criteria for reimbursement

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 2018 Enacted	\$97.2	\$198.0
Nov CEC Change	(18.8)	(36.7)
Nov CEC	\$78.4	\$161.2
Governor's Initiatives	(9.4)	(17.7)
FY 2019 Governor	\$69.0	\$143.5
\$ in millions		

Hospitals: FY 2019 Initiatives

Proposals	General Revenues	All Funds
Rate Freeze	(\$0.4)	(\$0.8)
UPL Payments	(5.6)	(14.1)
GME Payment	(3.3)	(2.5)
LTSS Eligibility	(0.2)	(0.3)
Total	(\$9.4)	(\$17.7)

\$ in millions

Hospitals

Initiatives	Explanation
Rates	Freeze at FY 2018 levels
UPL Payments	Eliminate inpatient reimbursement
GME	Eliminates \$4.0 million payment to Lifespan & includes new \$1.5 million pool for all hospitals w/ concentration on mental health & sub. abuse training
LTSS Eligibility	Retroactive Coverage & Asset Verification
Uncompensated Care Payment	CEC included impact of federal reduction to payment - reduction has since been delayed

Uncompensated Care Payment

- Affordable Care Act included phased-in reduction to the federal payment for uncompensated care
 - Was to take effect FFY 2014
 - Payment is matched by state funds
- Congress previously delayed the reduction to FFY 2018
- No further action at time of November CEC

Uncompensated Care Payment

- Cost excluded from Nov CEC estimate
- Congress delayed reduction to FFY 2020 in February

UC for Community Hospitals	Gen. Rev.	Total
FY 2018 Enacted	\$68.4	\$139.7
FY 2018 Nov CEC/Gov. Rec.	\$68.4	\$139.7
FY 2019 Nov CEC/Gov. Rec.	\$51.6	\$106.2
FY 2019 Change to Enacted	\$(16.8)	\$(33.5)
\$ 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 2019 estimate of \$63.8 million from general revenues
- Fee-for-Service Drugs:
 - Governor includes FY 2019 savings \$1.4 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 \$106.5 million;
\$38.3 million general revenues
 - Medicare Part B Payments
 - Durable Medical Equipment
 - Physician Services/Rehabilitation Services
 - Payments to Tavares Pediatric Center

Other Medical Services

	Gen. Rev.	All Funds
FY 2018 Enacted	\$40.1	\$107.1
Nov CEC Change	0.4	2.9
Nov CEC	\$40.5	\$110.0
Governor's Initiatives	(2.2)	(3.5)
FY 2019 Governor	\$38.3	\$106.5

\$ in millions

**Governor's budget does not shift \$13.2 million to home & community based care for RHO redesign in FY 2019*

Other Medical Services: FY 2019 Initiatives

Proposals	General Revenues	All Funds
Non Emergency Transp.	(\$0.4)	(\$0.9)
LTSS Eligibility	(0.4)	(0.8)
State Only –Cortical Integrated Therapy	(1.0)	(1.0)
State Only – Other Programs	(0.4)	(0.7)
Total	(\$2.2)	(\$3.5)
\$ in millions		

Other Medical: FY 2019 Initiatives

Initiative	Explanation
Non-Emergency Transportation	Reprocuring the current contract with Logisticare
LTSS Eligibility	Retroactive Coverage & Asset Verification
State Only Programs	<ul style="list-style-type: none">• Cortical Integrated Therapy• Recovery Navigation Program• Patient Centered Medical Home

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 2018 Gov.	Change
General Revenues	\$27.0	\$27.2	\$0.3
Federal Funds	97.9	130.8	32.8
Restricted Receipts	7.9	14.5	6.6
Total	\$132.9	\$172.6	\$39.7
FTE	285.0	285.0	-
\$ in millions			

Central Management – FY 2018

Change	Gen Rev	All Funds
UHIP	(\$0.8)	\$21.7
Reappropriation	0.3	1.5
HSTP	-	4.0
New Contracts	0.8	4.4
HIV Services & Admin	-	8.0
BHDDH Consent Decree	0.5	0.5
Admin & All Other	(1.1)	(0.4)
Total	(\$0.3)	\$39.7
\$ in millions		

Central Management

New Contracts	Contractor	Gen. Rev.	Total	Purpose
Contact Center	AHS	\$0.5	\$1.0	Supplement HSRI costs
All Payer Claims Database	Several	\$0.2	\$1.5	Transferred costs from DOH
MMIS Reprocurement	PCG	\$0.2	\$0.4	Write new RFP
Health Info Tech Enhancements – Opioid Reporting	RI Quality Institute	\$-	\$1.5	Enable emergency rooms to identify those at risk & sends alerts to primary care providers

Central Management

	FY 2018 Enacted	FY 2019 Gov. Rec.	Chge
General Rev.	\$27.0	\$30.1	\$3.1
Federal Funds	97.9	100.9	3.0
Restricted Receipts	7.9	9.2	1.3
Total	\$132.9	\$140.3	\$7.4
FTE	285.0	295.0	10.0
\$ in millions			

Central Management – FY 2019

Change	Gen. Rev.	All Funds
Admin for Medicaid Proposals	\$1.3	\$4.4
UHIP	(1.3)	(10.4)
Mental Health Parity Study	0.2	0.2
HSTP	-	7.2
HIV/AIDS Care Program	-	2.6
BHDDH Consent Decree	0.5	0.5
SIM Grant and All Other	2.4	1.7
Total	\$3.1	\$6.2

Central Management – FY 2019

Managed Care Proposals	Item	Gen Rev	Total
Adult Co-Pays	2.0 FTE	\$250,002	\$500,004
	System Changes	50,000	500,000
	Subtotal	\$300,002	\$1,000,004
Non Emergency Transportation	1.0 FTE	\$125,001	\$250,002
Revenue Maximization	2.0 FTE	\$125,002	\$250,004
	Contracted Services	150,000	450,000
	Subtotal	\$275,002	\$750,004
Total		\$700,005	\$2,000,010

Central Management – FY 2019

Long Term Care Proposals	Item	Gen Rev	Total
LTSS Eligibility and Asset Verification	2.0 FTE	\$125,002	\$282,004
	System Changes	187,500	1,500,000
	Subtotal	\$312,502	\$1,750,004
LTSS RHO Redesign	3.0 FTE	\$187,503	\$375,006
	Contracted Services	62,500	250,000
	Subtotal	\$250,003	\$625,006
Total		\$526,505	\$2,375,010

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/withdrawn	\$96.7	\$487.4
May 2017	\$87.5	\$443.6
August 2017	\$89.3	\$444.5
\$ in millions		

UHIP Development & Operations

EOHHS/DHS	Gen Rev	All Funds*
FY 2016 Spent	\$15.9	\$101.9
FY 2017 Spent	\$6.9	\$46.3
FY 2018 Enacted	\$7.5	\$44.5
FY 2018 Governor Revised *	\$8.9	\$72.4
<i>Revised to Enacted</i>	\$1.4	\$27.9
FY 2019 Governor*	\$6.8	\$44.2
<i>Rec to FY 2018 enacted</i>	(\$0.7)	(\$0.3)
Two-Year Total	\$0.7	\$27.6
\$ in millions		

*Includes use of IT funds in DOA budgets

UHIP Development & Operations

	FY 2018 Enacted	FY 2018 Gov Rev	FY 2019 Gov Rec	Change to Enacted
Salaries & Benefits	\$1.1	\$4.4	\$5.0	\$3.9
Contracted Services	36.3	55.0	23.6	(12.7)
Other Operating	1.8	1.2	0.2	(1.6)
Total	\$39.2	\$60.7	\$28.8	\$(10.4)
FTE	9.1	33.0	33.0	23.9
\$ in millions				

UHIP Development & Operations

Contractors	FY 2018 Enacted	FY 2018 Gov Rev	FY 2019 Gov Rec	Change to Enacted
AHS (Contact Center)	\$4.7	\$11.6	\$10.1	\$5.5
Deloitte	26.0	14.1	-	(26.0)
Faulkner Consulting	-	2.7	2.1	2.1
DXC	1.9	4.2	2.6	0.7
Freedman Healthcare	1.7	2.4	2.3	0.6
IBM	-	5.9	2.3	2.3
\$ in millions				

UHIP Development & Operations

Contractors	FY 2018 Enacted	FY 2018 Gov Rev	FY 2019 Gov Rec	Change to Enacted
KPMG	\$-	\$9.3	\$2.1	\$2.1
Northrup Grumman	0.5	1.9	1.5	1.0
PCG Consulting	-	0.9	-	-
Conduent	-	0.5	-	-
Wakely Consulting	1.3	-	-	(1.3)
Other Services	0.2	1.5	0.6	0.4
Total	\$36.3	\$55.0	\$23.6	(\$12.7)

\$ in millions

Parity Health Study

- Governor adds \$150,000 for behavioral health parity study
- OHIC issued a January report outlining work it was undertaking to promote parity across reg & reform functions
- Study of commercial health insurance carriers' offerings of primary preventive mental health care in comparison to primary preventive health care

State Innovation Model Grant

- Governor includes \$5.8 million for FY 2018 & \$4.6 million for FY 2019
 - \$4.0 million for contracted services in both years
 - \$0.8 million in FY 2018 and \$0.4 million in FY 2019 for providers
 - Hope Hospice
 - \$0.3 million in FY 2018 & \$0.1 million in FY 2019 for staffing and operating

State Innovation Model Grant

Provider	Activity	FY 2018	FY 2019
Care Transformation Collaborative (CTC)	2 projects: integrated behavioral health for adults & primary care medical home for kids (PCMH-Kids)	\$0.4	?
URI/RIC	Evaluation	0.7	?
RI Quality Institute	Statewide common provider directory of SIM efforts	0.3	?
Autism Project	Pilot program in 3 schools	0.2	?
Bradley Hospital	Child Psychiatry Access Project	0.2	?
TBD		3.0	?
(\$ in millions)	Total	\$4.7	\$4.0

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	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	

\$ in millions

All Payer Claims Database

- FY 2018 enacted budget includes \$0.3 million from SIM Grant & \$0.1 million from general revenues in Dept. of Health
 - \$0.3 million to Freedman Health Care for management services related to the All Payer Claims Database
- Revised and FY 2019 funding shifted to general revenues matched by Medicaid in EOHHS

All Payer Claims Database

- HealthFacts RI
 - Jointly managed by EOHHS, DOH, Office of the Health Insurance Commissioner and HealthSource RI
 - Data collection of healthcare utilization, cost and trends for people living in RI
 - Health insurers with more than 3,000 members are required to submit enrollment & provider data and medical and pharmacy claims dating back to 2011

EOHHS

Office of
Data
Analytics

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

All Payer
Claims
Database

- DOH in cooperation with EOHHS, OHIC & HSRI
- Data collection of healthcare utilization, cost and trends for people living in RI
- How are two coordinated?

HIV/AIDS Care Program

- Governor includes \$19.6 million for FY 2018
 - FY 2018 revised is \$8.0 million more than enacted
- FY 2019 recommendation is \$14.3 million
 - \$2.6 million more than enacted
 - \$5.3 million less than revised rec.
- Program expenses supported by Ryan White federal funds and drug rebates

HIV/AIDS Care Program

- Drugs: \$6.5 million in FY 2018 & FY 2019
 - About 650 individuals
- Medical Care & Treatment Services: \$7.0 million in FY 2018 & \$4.3 million in FY 2019
 - Oral health, substance abuse/residential treatment, early intervention services
- Social Support & Services: \$2.0 million for FY 2018 & \$1.6 million for FY 2019
 - Food bank, home delivered meals & transportation

HIV/AIDS Care Program

- Co-Exist Project
 - 3-year \$19.5 million agreement between EOHHS, BHDDH, URI, Rhode Island College & community providers
 - Expand services to HIV positive individuals
 - Including residential and outpatient treatment for individuals with substance abuse issues
 - Training and evaluation through URI & RIC
- Supported by drug rebates & federal funds

Co-Exist Project

Dept/Agency	Activity	FY 2018	FY 2019
BHDDH	Recover & Residential treatment	\$0.8	\$0.3
Corrections	Outreach & testing	0.2	0.1
URI	Mobile clinic, testing, workforce development	0.9	0.3
RIC	Case management, workforce & development	1.4	0.6
\$ in millions			

Co-Exist Project

Dept/Agency	Activity	FY 2018	FY 2019
HealthSource RI	Supports consumer escalation analyst to support and navigation for private insurance	\$0.6	\$0.4
Miriam Hospital	Care management services and testing	0.3	0.3

Co-Exist Project

Agency	Activity	FY 2018	FY 2019
AIDS Care Ocean State	Housing & Intervention	\$2.5	\$1.6
Community Care Alliance	Residential Care, Recovery Center, Transitional Housing	1.8	0.8
RI Public Health Institute	Intervention Services	1.2	0.5
Family Service of RI	Agreement with RI Public Health Institute	1.1	1.1
Total (\$ in millions)		\$6.6	\$4.0

BHDDH Consent Decree

- FY 2018 enacted budget includes \$450,000 to pay court monitor for consent decree activities in the Division of Developmental Disabilities at BHDDH
 - \$250,000 from general revenues matched by Medicaid
- Governor's FY 2018 and FY 2019 budgets transfer funding to EOHHS
 - \$450,000 from general revenues and did not include Medicaid match

EOHHS Organization

Contractor	Responsibilities	Award
DXC Technology	<ul style="list-style-type: none"> • Process Medicaid claims • Clinical Review & Training • Utilization Management 	<ul style="list-style-type: none"> • \$210.0 million • 1/1/2013 to 12/31/2020
Conduent – (formerly Xerox)	<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"> • \$48.7 million • 10/1/2010 to 12/31/18
Logisitcare	<ul style="list-style-type: none"> • Operate non-emergency transportation services for EOHHS agencies 	<ul style="list-style-type: none"> • \$138.8 million • 5/1/2014 to 12/31/2018
Sandata	<ul style="list-style-type: none"> • Operate Electronic Visit Verification System 	<ul style="list-style-type: none"> • \$1.6 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 11/30/2017 • \$0.5 million 12/1/17 to 1/1/19

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
- 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?

Salaries and Benefits

	Gen. Rev.	All Funds
FY 2017 Spent	\$11.3	\$24.4
FY 2018 Enacted	\$11.8	\$23.7
FY 2018 Gov Rev.	\$11.8	\$27.6
Gov. Chg. to Enacted	\$-	\$3.9
FY 2019 Request	\$13.4	\$27.7
FY 2019 Gov. Rec.	\$14.9	\$31.8
Gov. Chg. to Enacted	\$3.1	\$8.1

\$ in millions

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 – Yes
Medicaid Report to the Senate (resolution)	Quarterly starting 9/15/2010	Yes
Long Term Care Exp. Report	Twice annually, 6 months apart	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	Yes
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	2016 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

Issues to Consider

- May caseload estimate
- 3rd quarter spending for EOHHS agencies
 - How will address any overspending?
- Oversight of proposals in the Governor's recommended budget
 - Feasibility of the proposals
 - Included in the corrective action plans
- Starting programs with federal funds then shifting costs to state funds
 - Usually to the Medicaid program

2018 – H 7200

Related Budget Articles

- Article 7 – Hospital License Fee
- Article 13 – Medical Assistance
- Article 14 – Medicaid Resolution

Executive Office of Health and Human Services

Staff Presentation to the House Finance Committee
FY 2018 Revised and FY 2019 Budgets
April 11, 2018
