



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

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MEMORANDUM

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

The Honorable William J. Conley, Jr.
Chairman, Senate Finance Committee

From: Thomas A. Mullaney *Thomas A. Mullaney*
Executive Director/State Budget Officer

Date: February 1, 2018

Subject: Amendments to Articles 13 and 14 of the FY 2019 Appropriations Act
(18-H-7200)

The Governor requests that Article 13 entitled "Relating to Medical Assistance" and Article 14 entitled "Relating to Medicaid Reform Act of 2008 Resolution" submitted on January 18, 2018 be amended as reflected in the attached versions.

Section 1 of Article 13 is amended for two items. First, to clarify who would be exempt from the proposal to establish co-payments for adults for Medicaid-funded services. Second, to correct an error in the date used with regards to the outpatient and inpatient hospital rate freeze. The dates should have read January 1, 2018, not January 1, 2017.

Section 4 of Article 13 is amended to clarify the intent of the proposed changes to the Graduate Medical Education (GME) program to eliminate reference to Level 1 Trauma Centers and to require the Executive Office of Health and Human Services to include mental health and substance abuse training in the use any funding appropriated for GME.

Article 14 is amended to explicitly include references to proposed changes to Managed Care Organization plan rates and the risk margin component in section (a) of the resolution. They were already identified in section (f).

If you have any questions regarding these amendments, please feel free to call me at 222-6300.

TAM:sma 19-Amend-3

cc: Sharon Reynolds Ferland, House Fiscal Advisor
Stephen Whitney, Senate Fiscal Advisor
Michael DiBiase, Director of Administration

TDD#: 277-1227

Jonathan Womer, Director, Office of Management and Budget
John Raymond, Chief Budget Analyst
Eric Beane, Secretary, Executive Office of Health and Human Services

1 Implementation of adjustments may require amendments to the Rhode Island's Medicaid State Plan and/or
2 Section 1115 waiver under the terms and conditions of the demonstration. Further, adoption of new or
3 amended rules, regulations and procedures may also be required.

4 (b) *Section 1115 Demonstration Waiver – Implementation of Existing Authorities.* To achieve the
5 objectives of the State's demonstration waiver, the Executive Office proposes to implement the following
6 approved authorities:

7 (i) Upon meeting federal guidelines for the timely processing of applications, elimination of
8 retroactive coverage for Medicaid beneficiaries, except for pregnant women and newborn infants, and
9 promulgate rules, regulations, and/or procedures that establish criteria to provide a hardship exemption for
10 eligible persons who have a significant need;

11 (ii) Expanded expedited eligibility for long-term services and supports (LTSS) applicants who are
12 transitioning to a home or community-based setting from a health facility, including a hospital or nursing
13 home; and

14 (iii) Institute the multi-tiered needs-based criteria for determining the level of care and scope of
15 services available to applicants with developmental disabilities seeking Medicaid home and community-
16 based services in lieu of institutional care.

17 (c) *Section 1115 Demonstration Waiver – Extension Request* – The Executive Office proposes to
18 seek approval from our federal partners to extend the Section 1115 demonstration as authorized in §42-
19 12.4. In addition to maintaining existing waiver authorities, the Executive Office proposes to seek
20 additional federal authorities to:

21 (i) Further the goals of LTSS rebalancing set forth in §40-8.9, by expanding the array of health
22 care stabilization and maintenance services eligible for federal financial participation which are available
23 to beneficiaries residing in home and community-based settings. Such services include adaptive and home-
24 based monitoring technologies, transition help, and peer and personal supports that assist beneficiaries in
25 better managing and optimizing their own care. The Executive Office proposes to pursue alternative
26 payment strategies financed through the Health System Transformation Project (HSTP) to cover the state's

1 share of the cost for such services and to expand on-going efforts to identify and provide cost-effective
2 preventive services to persons at-risk for LTSS and other high cost interventions.

3 (ii) Leverage existing resources and the flexibility of alternative payment methodologies to provide
4 integrated medical and behavioral services to children and youth at risk and in transition, including targeted
5 family visiting nurses, peer supports, and specialized networks of care.

6 (d) *Financial Integrity – Asset Verification and Transfers*. To comply with federal mandates
7 pertaining to the integrity of the determination of eligibility and estate recoveries, the Executive Office
8 plans to adopt an automated asset verification system which uses electronic data sources to verify ownership
9 and the value of the financial resources and real property of applicants and beneficiaries and their spouses
10 who are subject to asset and resource limits under Title XIX. In addition, the Executive Office proposes to
11 adopt new or amended rules, policies and procedures for LTSS applicants and beneficiaries, inclusive of
12 those eligible pursuant to §40-8.12, that conform to federal guidelines related to the transfer of assets for
13 less than fair market value established in Title XIX and applicable federal guidelines. State plan
14 amendments are required to comply fully with these mandates.

15 (e) *Service Delivery*. To better leverage all available health care dollars and promote access and
16 service quality, the Executive Office proposes to:

17 (i) Restructure delivery systems for dual Medicare and Medicaid eligible LTSS beneficiaries who
18 have chronic or disabling conditions to provide the foundation for implementing more cost-effective and
19 sustainable managed care LTSS arrangements. Additional state plan authorities may be required.

20 (ii) Expand the reach of the RIte Share premium assistance program through amendments to the
21 Medicaid state plan to cover all adults, ages 19 and older, who have access to a cost-effective Executive
22 Office approved employer-sponsored health insurance program.

23 (f) *Non-Emergency Transportation Program (NEMT)*. To implement cost effective delivery of
24 services and to enhance consumer satisfaction with transportation services by:

25 (i) Expanding reimbursement methodologies; and

1 (ii) Removing transportation restrictions to align with Title XIX of Federal law.

2 (g) *Community First Choice (CFC)*. To seek Medicaid state plan and any additional waiver
3 authority necessary to implement the CFC option.

4 (h) *Alternative Payment Methodology*. To develop, in collaboration with the Department of
5 Behavioral Healthcare, Development Disabilities and Hospitals (BHDDH), a health home for providing
6 conflict free person-centered planning and a quality and value based alternative payment system that
7 advances the goal of improving service access, quality and value.

8 (i) *Opioid and Behavioral Health Crisis Management*. To implement in collaboration with the
9 Department of Behavioral Healthcare, Development Disabilities and Hospitals (BHDDH), a community
10 based alternative to emergency departments for addiction and mental health emergencies.

11 (j) *Federal Financing Opportunities*. The Executive Office proposes to review Medicaid
12 requirements and opportunities under the U.S. Patient Protection and Affordable Care Act of 2010
13 (PPACA) and various other recently enacted federal laws and pursue any changes in the Rhode Island
14 Medicaid program that promote service quality, access and cost-effectiveness that may warrant a Medicaid
15 State Plan amendment or amendment under the terms and conditions of Rhode Island's Section 1115
16 Waiver, its successor, or any extension thereof. Any such actions by the Executive Office shall not have
17 an adverse impact on beneficiaries or cause there to be an increase in expenditures beyond the amount
18 appropriated for state fiscal year 2019.

19 Now, therefore, be it: RESOLVED, the General Assembly hereby approves proposals and be it
20 further;

21 RESOLVED, the Secretary of the Executive Office is authorized to pursue and implement any
22 waiver amendments, State Plan amendments, and/or changes to the applicable department's rules,
23 regulations and procedures approved herein and as authorized by 42-12.4; and be it further

24 RESOLVED, that this Joint Resolution shall take effect upon passage.

25 SECTION 2. This Article shall take effect upon passage