

State of Rhode Island Office of the Health Insurance Commissioner
Social and Human Service Programs Review Advisory Council
Meeting Minutes
March 1, 2023
11:00 A.M. to 12:00 P.M.

Attendance

Members:

Co-Chair Commissioner Cory King, Co-Chair Elena Nicolella, Co-Chair Sam Salganik, Beth Bixby, Garry Bliss, Margaret Holland McDuff, Tanja Kubas-Meyer, Maureen Maigret, Carrie Miranda, James Nyberg, Nicholas Oliver, Laurie-Marie Pisciotta, Lisa Tomasso (on behalf of Teresa Paiva Weed), John Tassoni

Rhode Island Office of the Health Insurance Commissioner Staff:

Josh Estrella, Molly McCloskey

Unable to attend:

Linda Katz

Minutes

1. Call to Order

Commissioner King called the meeting to order.

2. Review of January Meeting Minutes

There were a couple of minor changes proposed to be made to the January meeting minutes. The council approved the amended minutes.

3. OHIC Social and Human Service Programs Review Updates

Molly McCloskey reviewed OHIC updates. She welcomed Carrie Miranda, the executive director of Looking Upwards, to her first advisory council meeting. Now that Tina Spears is a member of the general assembly, Carrie will be representing I/DD providers on the council.

Molly explained that OHIC has been working on service prioritization and further refining the scope of the review. OHIC and Milliman have been interviewing advisory council members to learn more about their perspectives and priorities relating to the review. Molly thanked the advisory council members for participating in the interviews, which she described as being very informative.

Molly let council members know that Milliman created an agency data request to collect information on non-Medicaid services, and Medicaid services not reimbursed on a fee-for-service basis (i.e., services not found on the Medicaid fee schedule). Services included on the Medicaid fee schedule are being evaluated using publicly available information. The requests went to all of the agencies within the scope of the review – the Executive Office of Health and Human Services (including Medicaid), the Department of Behavioral Health Care, Developmental Disabilities, and Hospitals (BHDDH), the Department of Children, Youth, and Families (DCYF), the Department of Health (DOH), the Department of Human Services (DHS), the Office of Healthy Aging (OHA), and the Office of Veterans Services (VETS). Molly thanked the state agencies for completing the data requests, which OHIC and Milliman are currently reviewing.

Molly updated the council that OHIC has reconvened the interagency work group and said that OHIC will meet with the work group monthly to consult and collaborate with OHIC's partners across state government.

Molly announced that the next advisory council meeting will be held on Thursday, March 23rd from 10:00 AM – 11:00 AM at RIPIN. The Milliman team will be attending that meeting in person.

Jim Nyberg asked for examples of services that would be included in the agency data request. Molly gave the example of DCYF services that are not on the Medicaid fee schedule. Another example included the Home Visiting program at DOH.

4. Vendor Introduction

OHIC's contractor, Milliman, introduced themselves. OHIC and Milliman presented on the project's background, timeline, and progress thus far. The presentation slides can be viewed [here](#).

Commissioner King presented slide 10, which summarized the phase-in approach to the project and the project timeline. The commissioner reminded the council that the purchase order for the project was issued on January 26th, OHIC was not able to engage with Milliman prior to that. Once the purchase order was issued, OHIC met with Milliman and quickly started generating data requests and engaging state agencies and the advisory council to firm up the project scope.

The commissioner explained that OHIC has decided to break the in-scope services into two phases. Phase 1 services will be run through all of the "tasks" (i.e., deliverables 1-9 found in the statute), with the exception of rate recommendations, which will be made in the summer. The phase 1 reports will go to the general assembly in May during the current legislative session. Phase 2 will include services that are more complex and require additional engagement. Phase 2 will be completed during the summer. The commissioner explained that he feels that this is the best approach to the project while making sure that project integrity is not sacrificed.

The commissioner shared that OHIC has not yet decided what services would be included in phase 1 versus phase 2 – that will depend on the review of the agency data requests, OHIC's reflections on what we have learned from the advisory council member interviews, and what council members submitted as their priority codes/services. The commissioner stated that he planned to formally communicate the phase-in approach to general assembly leadership before April 1st.

After the commissioner presented on the phase-in approach, the council members asked questions and had a discussion.

Tanja Kubas-Meyer acknowledged that the timeline for this project is challenging. She asked if OHIC would have time to have the recommendations done by August so that the state agencies have adequate time to review the recommendations before they make budget proposals. The commissioner stated that he has been addressing this internally with OHIC's partners at EOHHS. OHIC will have to work very closely with EOHHS. OHIC will need to make sure that we have the data required for EOHHS to create the necessary decision packages that go into their budget development. The commissioner said that that is one of the reasons OHIC asked for resources to continue into fiscal year 2024 – he wants OHIC to be available as a resource for the budget development process.

Sam Salganik asked if OHIC has started making decisions around which services will be in phase 1 and phase 2. The commissioner stated that OHIC is getting closer to that. OHIC is reviewing and reflecting on the information we have collected to date. OHIC is not in a position today to present a decision. Ultimately, the purpose of this council is to hold us accountable. The commissioner stated that he is cognizant that we are probably going to miss something in this process and that there will be opportunities for us to correct that going forward. Sam followed up by asking if OHIC is planning on sharing draft versions of the phases before it is finalized. The commissioner said that he had not decided that yet. He said that he didn't want to be in a position where we are bargaining one provider group against another in a public forum. The commissioner said that if he makes the decision, he will own it and deal with the consequences of that decision.

Nicholas Oliver referenced slide 8 and asked about how OHIC might identify groups or services that are not represented at the advisory council. The commissioner responded that, in part, OHIC will rely on the council to raise that with OHIC. If there are provider groups that are not represented here, please let us know. The commissioner said that we have pretty good coverage. To the broader point of stakeholder engagement, the general assembly gave OHIC a broad mandate but not a playbook. The commissioner said that he is interested in what would actually need to be put in place to have a robust annual rate review process. That is something that Milliman will advise him on. The commissioner said that we might not have all the pieces we need today to conduct a robust, ongoing rate review process that can process the feedback that is necessary to run the type of rate model that Milliman is going to describe to you all in detail. He said that he wanted to flag that we are doing the current work, but we are also trying to think ahead, if this is something that the general assembly and executive branch want us to do, and do well, then we need to figure that out.

Carrie Miranda asked about how prioritization decisions for the phase-in approach will be made. The commissioner explained that OHIC will not be making a value judgment on services. For the phase-in approach, some rates might be clearer in their structure, and some might require additional research. More complex services and reimbursement arrangements will naturally need to fall into phase 2.

Margaret Holland McDuff expressed that having a long-term framework for the social and human service programs review process is critical to her. She is willing to take some criticism on the timeline of this process if that is what is needed for it to be done well. She said that as much as we all want to rush to the final product, having a longer-term solution so that we are not at the general assembly every year is the goal.

Sam said that in the list of service categories on slide 6, he did not see anything on children with special needs – applied behavioral analysis (ABA) for children with autism are services that someone might think are clinical services, and not social and human services – for the record, I think that should be included.

Lisa Tomasso asked if EOHHS and other state agencies intend to use this report to inform what needs to be done on the managed care side of the equation because not addressing managed care is not going to solve the problem. The commissioner thanked her for raising the question and stated that someone from Medicaid would need to answer it.

Milliman continued the presentation. After slide 17, which introduced the independent rate model (IRM) approach, council members asked questions.

Tanja asked about how facility costs would be factored into the IRM. Ian McCulla, from Milliman, said that those costs would generally go into the administration bucket, and Milliman can break that out into finer detail as appropriate for certain service types.

Beth Bixby stated that she wanted to ensure that when we think about travel expenses, we think about time. There are equity issues that get created because some providers like to choose highly concentrated parts of the state and then other parts of the state are like a service desert. She said that she wants to ensure that that is something we recognize. Beth continued to say that for some programs there are a lot of activities that are not in the fee-for-service model (e.g., summons to court, school meetings, professional certification, continuing education, etc.). These are activities that are mandatory within the scope of service.

Margaret added that professional certification for licensing for CEUs, technology for those doing direct services, and medical supplies that are needed to provide a service all need to be accounted for in the model.

Elena Nicoletta asked how the independent rate model (IRM) would be used. Ian McCulla said that IRM is one of the tools used in the rate review. Some of the other deliverables include benchmarking to other state's rates or to commercial and private pay markets. IRM is Milliman's method for quantifying, for example, some of those professional licensure requirements and the costs associated with those. Elena asked where the inputs into the model come from. Ian replied that it will vary depending on the expense type – for example, for wages Milliman would review the BLS information and ideally will also be collecting information from the providers either through a survey or focus group. Milliman is working on developing those requests right now and figuring out what they have time for within the current legislative timelines. The commissioner stated that he looks at the IRM as a very important input into the commissioner's decision-making process for rate recommendations. It's hard to divorce rate review from rate setting because we are trying to assess the necessary and reasonable costs that an efficient provider would incur to produce a service. There are a lot of complexities that go into this. He stated that part of his responsibility will be to inform policy makers, particularly in the general assembly, about what it takes to do a process like this well.

Tanja stated that she would like to see the best model framework created. Whether the state agencies choose to accept it is a different matter. In DCYF, there is not a standardized rate setting process. She said that she thinks some of us are looking for an ideal model to be created.

The commissioner said that when we are reviewing a rate, as a part of the assessment, he wants to know what other states are paying, what private payers are paying, and what a local rate build up would look like. Those are three data pieces that he wants to look at. It does kind of look like rate setting. It is a core ingredient to this process because he has to then make recommendations as to whether an existing rate should stay the same, go up, or go down. The commissioner stated that it has been made clear to him, that just looking at what Massachusetts or Connecticut pays is not sufficient. This independent rate model seems to provide a framework for some localized inputs.

Sam stated that he thinks that most of us see the statute as clearly requiring OHIC to make recommendations on rates. And many of us understand that that's a little awkward. If this body's work and Milliman's work can be useful to the agency with the actual statutory rate setting authority, that would be a really good outcome.

Margaret stated that she thinks that the timing in the legislation was based on when departments have to submit their budget. There are many complexities, and the timeline might be a little off. She understood the intention of the legislation is to inform the budgeting process and then be an ongoing system. Some tough budgeting decision might have to be made.

John Tassoni stated that it has been so long since rates have been adjusted that there will be sticker shock going into fiscal year 2024. He said that he is very optimistic, but also very cautious based on his previous experiences. He guessed that this is going to cost \$300 million, and that's on the low end. He asked, where will the money come from? He said that when he came into this sector, RI was number one or number two in the country for behavioral health. Now RI is number 48 because no one has paid attention to the issue.

Garry Bliss said that he sees a similarity between this process and the process of working to get an education funding formula enacted years ago. Yes, there was a method for how much money would go to local communities each year for education, but it was only based on what money was leftover. Then an education funding formula was enacted and there, theoretically, was math and logic behind it. This process is a way for us to have a two-variable conversation. Currently, it is a one-variable conversation based on how much money is leftover, which effectively determines rates. The independent rate model will allow us to see what it actually costs to deliver efficient high-quality services. At the end of the day, it will need to meet the budget reality of what money is available. However, instead of rates purely being driven by what money is available, it will now be a two-variable conversation.

Maureen Maigret asked why the utilization end dates seen in the presentation only went through 2021. She asked if we would be able to include 2022 utilization data. Molly explained that the statutory language requires data through 2021. Maureen said that, if possible, it would be helpful if some 2022 data was included.

5. Public Comment

Tina Spears, CPNRI, stated that she wanted to remind everyone that managed care organizations benchmark against the fee-for-service schedule. EOHHS would have to adjust their actuarial process with their MCOs if the fee-for-service schedule changes. Tina asked if the codes providers were asked to submit will be published publicly. The commissioner said that if people are comfortable with that, then we can certainly do that. Tina stated that the purpose of the legislation was to specifically address the lack of an application of a rate setting process within the state agencies statutorily required to set rates. She said that regardless of whether it is their authority, it has not been done, which is why this legislation came to be. She said that while we may be concerned with the outcome of this process, that is not the role of the advisory committee or the community. She said that our role is to inform this process to get the best result and use that information for decision making.

The commissioner stated that OHIC is trying to do its best with this work. He said that he is really happy that the advisory council members are a part of this process, and the kind of discussion had today is the kind of discussion we'll continue to have going forward. He said that there will be a need to reassess the process, based on what we learn going through the first pass of this project, and it is going to be painful at times, but we will ultimately get there.

6. Adjournment