

Social and Human Service Programs Review Advisory Council

July 19, 2024

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Project Background

Legislative Charge

- The Office of the Health Insurance Commissioner (OHIC) has been charged with conducting a comprehensive review of all "social and human service programs" having a contract with or licensed by the state as required by State of Rhode Island General Laws (RIGL) 42-14.5-3(t).
- Subject areas specified in RIGL § 42-14.5-2.1(5):
 - Social
 - Mental health
 - Developmental disability
 - Child welfare
 - Juvenile justice
 - Prevention services
 - Habilitative
 - Rehabilitative
 - Substance use disorder treatment
 - Residential care
 - Adult or adolescent day services
 - Vocational
 - Employment and training
 - Aging

Key Deliverables

Finance

Task 1: Social and human service program rates

Task 3: Utilization trends from 1/1/17 to 12/31/21

Task 8: National and regional Medicaid rates in comparison to Rhode Island social and human service provider rates

Task 9: Usual and customary rates paid by private pay for similar social and human service providers

Programmatic

Task 2: Eligibility standards and processes of social and human service programs

Task 4: Structure of state government as it relates to the provision of services by social and human service providers including eligibility and functions of the provider network

Task 5: Accountability standards for services for all social and human service programs

Task 6: Professional licensed and unlicensed personnel requirements for established rates for social and human service programs pursuant to a contract or established fee

Task 7: Access to social and human service programs, to include waitlists and length of time on waitlists in each service

Task 10: Assessment and review process that results in recommended rate adjustments

OHIC 2023 Final Report: Rate Recommendations

Considerations and General Approach

Rate recommendation considerations

Determination of in-scope services

Stakeholder feedback

Utility of each quantitative analysis

- **IRM modeling:** Transparent, considers necessary costs from the ground up under existing economic conditions
- **Rate benchmarks:** Assumes appropriateness of given rate benchmark and normalization of variances in service and reimbursement structure
- **Inflation** (from prior effective date to present): Assumes prior rate was adequate at the time

Access report

General rate recommendation approach

- For services out of scope, no recommendation was made.
- For services with an IRM rate, the IRM comparison rate was recommended.
- For services without an IRM rate (due to time and resource constraints), rates were generally adjusted for inflation.
 - The Personal Consumption Expenditures Price Index (PCE), excluding food and energy, was used for most services.
 - Reimbursement rates were adjusted for inflation from the last rate update to a July 1, 2025, effective date.
- Static rate benchmarks do not cleanly align with the statutory definition of rate review as the “reporting of specific trending factors that influence the cost of service” and were considered but not directly used in rate recommendations.

OHIC 2023 Final Report: Rate Recommendations

Medicaid FFS Rate Recommendations

Behavioral Health

- Adoption of IRM comparison rates produces a range of rate adjustments from **(33%)* to 71%**.
- IRM comparison rates were developed for services comprising approximately **45%** of total Behavioral Health Medicaid FFS expenditures.
- Inflation adjusted rates produce a range of rate adjustments from **6.0% to 68.2%**.

**Note: Rate recommendations with material decreases are generally for office visits performed by a PCNS.*

Home and Community-Based Services

- Adoption of IRM comparison rates produces a range of rate adjustments from **18.4% to 74.5%**.
- IRM comparison rates were developed for services comprising approximately **60%** of total HCBS Medicaid FFS expenditures.
- Inflation adjusted rates produce a range of rate adjustments from **2.5% to 84.0%**.
- Certain HCBS receive annual inflationary rate increases.

Children's Services

- Adoption of IRM comparison rates for Early Intervention services produces a range of rate adjustments from **(3.1%) to 38.7%**.
- IRM comparison rates were developed for services comprising approximately **20%** of total Children's Services FFS expenditures.
- Inflation adjusted rates produce a range of rate adjustments from **3.0% to 86.8%**.

OHIC 2023 Final Report: Rate Recommendations

I/DD and Other Non-Medicaid Programs

Intellectual and Development Disability (I/DD)

- Review of most I/DD services were deferred as they were recently reviewed pursuant to the state's Consent Decree Action Plan.
- OHIC made recommendations to certain home care services delivered to individuals with I/DD based on the IRM comparison rates.

Other Non-Medicaid Programs

- The following non-Medicaid programs are not reimbursed through the MMIS fee schedule, and **no rate recommendations were made** in this rate cycle.
 - DCYF: Child welfare and behavioral health services
 - DHS: Child Care Assistance Program and certain Vocational Rehabilitation services
 - DOH: Tobacco Quit Line
 - OHA: Care Breaks at the Office of Healthy Aging

2024 Legislative Session Review

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State Fiscal Year 2025 Budget as Enacted

FY 2025 budget highlights related to the Social and Human Service Programs Review

- Governor’s Budget Amendment #8 was not included in the final FY 2025 budget.
 - There were no changes to current law, R.I.G.L. [§ 42-14.5-2.1](#) and [§ 42-14.5-3\(t\) – \(v\)](#).
 - Review scope remains the same and primary care services are **not** included.
- The legislature appropriated approximately \$800,000 for contracted services for the 2024 – 2025 review, which is approximately \$600,000 less than what was included in the Governor’s January budget.
 - The 2022 – 2023 review process had a budget of \$1.3M for contracted services.
- Article 9 of the budget fully funded the 2023 rate increases recommended by OHIC and included recommended revisions made by EOHHS.
- DCYF received an appropriation of \$1.5M to establish rates for Medicaid and non-Medicaid funded programs, including home-based services and congregate care.
 - The DCYF rate setting process will be a separate process from OHIC’s rate review process.

Governor's Budget Amendment #8

Summary of Proposed Changes

Re-allocating resources within the rate review process

- Retiring/streamlining certain reports:
 - **Retire:** Programmatic reports on eligibility, state government structure, accountability standards, and licensure requirements.
 - **Streamline:** Finance reports containing rate benchmarks.
- Allocating more resources to financial analysis and stakeholder engagement.

Process adjustments

- Add primary care to the review and move to an annual rate review cycle that focuses on specific service areas each year starting July 1, 2024.
 - Allow OHIC to use discretion to add or remove services in any given rate review cycle.
- Formalize the responsibilities of the Social and Human Services Review Advisory Council.
- Clarify definitions such as “rate review” and “rate setting”.

EOHHS Rate Implementation Update

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Authority / CMS Approval

- State Plan Amendment (SPA) Approval
 - 30-Day Public Comment Period
 - SPA Submitted to CMS for Approval (90-day Review Process)
 - EOHHS plans to submit for public comment by 8/1
- 1115 Demonstration Waiver
 - Submit the Waiver Request to CMS for Approval (No Designated CMS Review Window)
 - EOHHS Plans to submit waiver request by 8/1
- If EOHHS receives federal approval after the effective date of 10/1, all relevant claims will be re-adjudicated back to 10/1 (retro-payment).

EOHHS Rate Implementation Update – Continued

Administrative Implementation Work

- Managed Care:
 - Establishing a new minimum fee schedule for managed care that reflects the FFS recommendations of the rate review
 - Working with the State’s actuary to update the managed care capitation rates to reflect the impact of the new minimum fee schedule
- Technical updates to the MMIS system