

MILLIMAN REPORT

2025 Social and Human Service Programs Review:

Private Payer, Medicare, and Medicaid MCO Rate Benchmarks

State of Rhode Island, Office of the Health Insurance Commissioner

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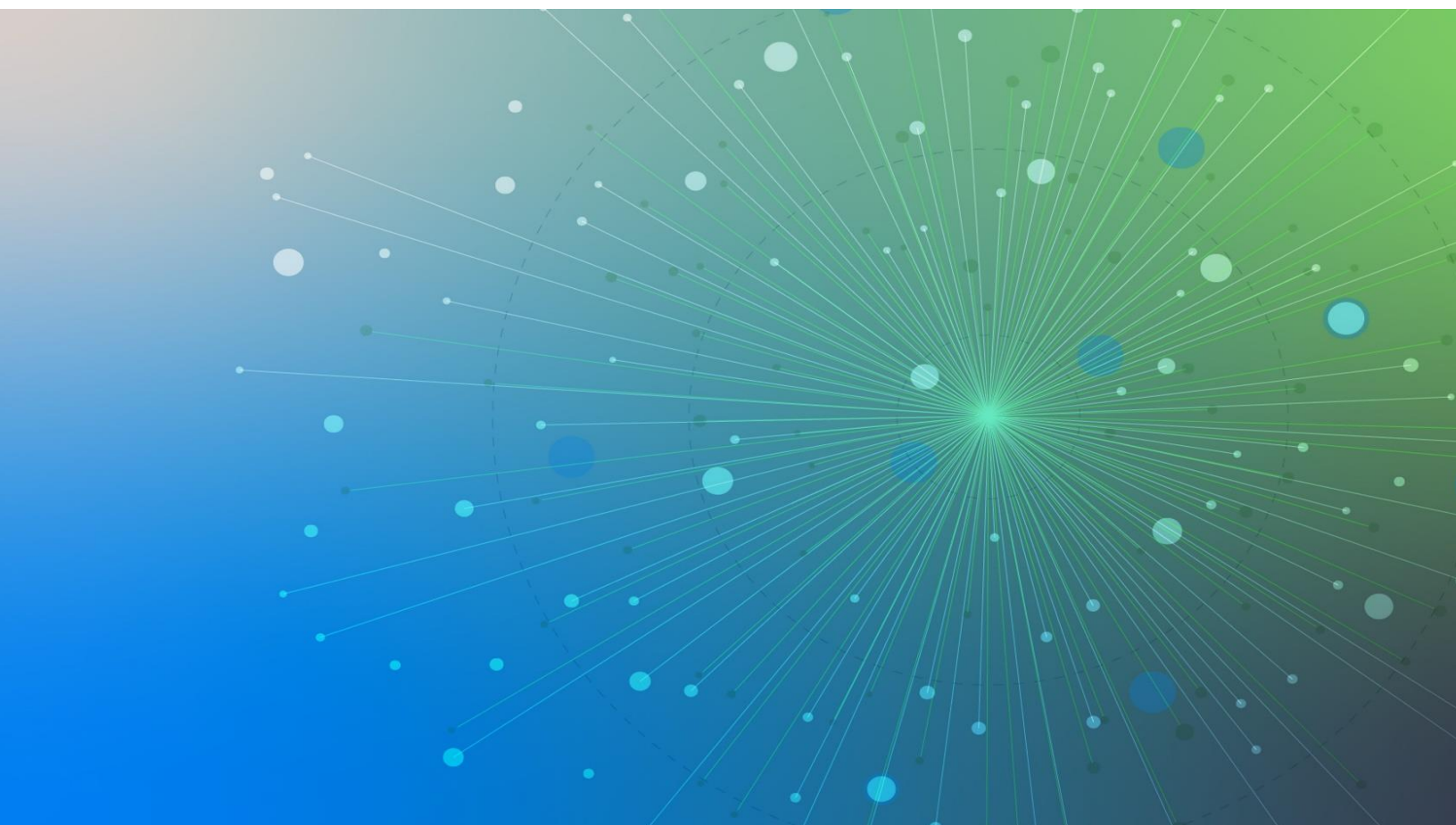


Table of Contents

BACKGROUND	1
EXECUTIVE SUMMARY	2
Key Observations	4
RESULTS	5
METHODOLOGY	9
Rhode Island Medicaid Fee Schedule For Selected Services	9
Private Pay and Commercial Rates.....	9
Rhode Island Medicaid MCO Allowed Amounts.....	9
Medicare Reimbursement Rates	9
Data Use and Exclusions	10
CONCLUSION	12
LIMITATIONS AND DATA RELIANCE	12
APPENDIX 1A: REGIONAL COMMERCIAL ALLOWED BENCHMARKS: PROCEDURE CODE	13
APPENDIX 1B: REGIONAL COMMERCIAL BILLED BENCHMARKS: PROCEDURE CODE	14
APPENDIX 1C: NATIONAL COMMERCIAL ALLOWED BENCHMARKS: PROCEDURE CODE	15
APPENDIX 1D: NATIONAL COMMERCIAL BILLED BENCHMARKS: PROCEDURE CODE	16
APPENDIX 1E: MEDICAID MCO BENCHMARKS: PROCEDURE CODE	17
APPENDIX 1F: MEDICARE BENCHMARKS: PROCEDURE CODE	18
APPENDIX 2A: REGIONAL COMMERCIAL ALLOWED BENCHMARKS: SERVICE CATEGORY	19
APPENDIX 2B: REGIONAL COMMERCIAL BILLED BENCHMARKS: SERVICE CATEGORY	20
APPENDIX 2C: NATIONAL COMMERCIAL ALLOWED BENCHMARKS: SERVICE CATEGORY	21
APPENDIX 2D: NATIONAL COMMERCIAL BILLED BENCHMARKS: SERVICE CATEGORY	22
APPENDIX 2E: MEDICAID MCO BENCHMARKS: SERVICE CATEGORY	23
APPENDIX 2F: MEDICARE BENCHMARKS: SERVICE CATEGORY	24

Background

Milliman, Inc. (Milliman) has been retained by the State of Rhode Island Office of the Health Insurance Commissioner (OHIC) to conduct a comprehensive review of all social and human service programs having a contract with or licensed by the state, inclusive of the State of Rhode Island Executive Office of Health and Human Services (EOHHS) and the state agencies under its purview. This review is required by State of Rhode Island General Laws (RIGL) § 42-14.5-3(t). This statute requires nine assessments covering various rate and programmatic elements of the social and human service programs, with a final assessment being a culmination of the prior nine assessments. Social and human service programs include services in the following subject areas: social, mental health, developmental disability, child welfare, juvenile justice, prevention services, habilitative, rehabilitative, substance use disorder treatment, residential care, adult/adolescent day services, vocational, employment and training, and aging. As a whole, this series of reports may be used as one set of resources to provide education and insight into current Rhode Island social and human service programs' provider reimbursement and programmatic structure.

The first iteration of the Social and Human Service Programs Review was completed in 2023, culminating in the publication of OHIC's final report and rate recommendations on September 1, 2023. The mandated public meeting subsequently took place on September 22, 2023¹. This report is part of the 2025 cycle of the review, which is scheduled to conclude with the release of OHIC's final report and rate recommendations by September 1, 2025, followed by a public meeting in September 2025.

The rate recommendations included in OHIC's final September 1, 2023, report were focused on the Medicaid program. Rhode Island largely adopted and funded OHIC's recommended rates for both the Medicaid FFS and managed care programs with an effective date of October 1, 2024. The status of the rate implementation (along with other rate initiatives) is available on the EOHHS website².

This report addresses RIGL § 42-14.5-3(t) task 9: "An assessment and reporting on usual and customary rates paid by private insurers and private pay for similar social and human service providers, both nationally and regionally." The report provides a comparison of the Rhode Island Medicaid fee-for-service (FFS) fee schedule rates to comparable provider reimbursement rates for the commercial insurance market and provider-billed charges. In addition, this report includes a comparison of Rhode Island FFS rates to Medicare provider reimbursement rates and the Rhode Island Medicaid managed care program average provider reimbursement, subject to data availability limitations described in this report.

¹ The reports and meeting material for the Social and Human Service Programs Review is available at <https://ohic.ri.gov/regulatory-review/social-and-human-service-programs-review>.

² For more information see <https://eohhs.ri.gov/FY25-Medicaid-Rates>

Executive Summary

For purposes of this and other reports on provider reimbursement rates required by RIGL § 42-14.5-3(t), we define social and human service program rates as those in which the state has a contract with a nonstate entity to provide services reimbursed on a FFS basis. The services included in this analysis were limited to those listed in Appendix 1 of the *2025 Social and Human Service Programs Review: Reimbursement Rates* (Reimbursement Rates Report). The information in this report contains provider reimbursement benchmarks that are useful in understanding Rhode Island Medicaid FFS reimbursement relative to reimbursement by other local, regional, and national payers and programs. Within this report, regional benchmarks include data from Rhode Island, Massachusetts, and Connecticut.

The provider reimbursement rates for Rhode Island Medicaid FFS services as of October 1, 2024, the effective date of reimbursement increases resulting from the 2023 Social and Human Service Programs Review, were compared against the following benchmarks:

- **Calendar year (CY) 2023 commercial claims allowed amounts.** We developed separate national and regional benchmarks illustrating commercial insurance carrier reimbursement levels for CY 2023 dates of service.
- **CY 2023 commercial claims billed amounts.** We utilized billed amounts, or the provider charges, as a proxy for self-pay rates. We developed separate national and regional benchmarks based on CY 2023 commercial insurance claims data³.
- **CY 2025 Medicare fee-for-service fee schedule.** We adjusted the CY 2025 Medicare fee schedule to Rhode Island-specific Medicare reimbursement rates using the Rhode Island Geographic Practice Cost Index (GPCI).
- **State Fiscal Year (SFY) 2024 Rhode Island Medicaid managed care allowed amounts.** To develop Medicaid managed care benchmarks, we analyzed the average Medicaid managed care organization (MCO) reimbursement in Rhode Island for SFY 2024, subject to data availability restrictions.

We determined that the above benchmarks were not suitable for the Home and Community-Based Services (HCBS) and Intellectual and Developmental Disability (I/DD) service categories. These services are typically not covered by commercial payers and Medicare. In addition, the primary Medicaid managed care program has limited coverage of these services, which results in the few benchmarks that were available not meeting the minimum data robustness thresholds required to present Rhode Island Medicaid MCO benchmarks. The minimum data robustness thresholds are discussed further in the Methodology section of this report.

We established commercial and Medicare benchmarks for 23% of combined Medicaid managed care and Medicaid FFS behavioral health expenditures. We established commercial benchmarks for approximately 29% of children's services, while there are no corresponding children's services benchmarks for Medicare. The report also includes a Medicaid MCO benchmark for 95% of behavioral health services and 76% of children's services. The percentage of benchmarked services under the Medicaid FFS program is lower because the FFS program encompasses more specialized behavioral health programs, which are often not provided in commercial, Medicare, or Medicaid MCO programs. Results from the benchmarked set of services may not extrapolate to the services not benchmarked for a given service category.

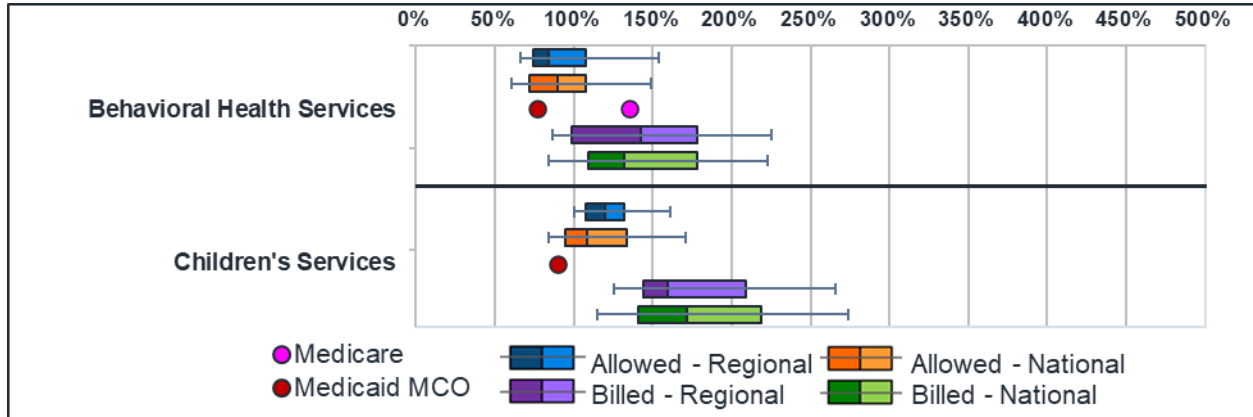
To facilitate comparison across service categories and different payers, all values from this benchmarking analysis have been converted into a percentage of Rhode Island Medicaid FFS fee schedules. The following box and whisker plots present a visual comparison of the Medicaid FFS fee schedule to the benchmark experience for behavioral health services and children's services. While the data points below are all represented as a percentage of Rhode Island Medicaid FFS provider reimbursement rates, it is important to note that the underlying mix of services between

³ With less than 3% of Rhode Island's population uninsured (see https://healthsourceri.com/wp-content/uploads/HIS-2024_Executive-Summary-FINAL-10.4.24.pdf), the number of individuals who self-pay is significantly lower than those enrolled in other health insurance coverage sources benchmarked in this report. Additionally, many self-paying individuals may negotiate reductions in the provider's billed charges, potentially leading to payments that are lower than the figures presented in this report.

the commercial, Medicaid managed care, and Medicare benchmarks is not consistent due to the differing data restrictions and availability for each source.

In addition, the Medicaid FFS provider reimbursement rates are effective as of October 1, 2024, while the benchmarks using commercial, Medicare, and Medicaid MCO data have underlying time periods of CY 2023, CY 2025, and SFY 2024, respectively. As a result, fee schedule or contracting modifications that occurred subsequent to the underlying time periods of the benchmark data would not be reflected in this report. For example, as of October 1, 2024, Medicaid MCOs are contractually required to pay the Medicaid FFS rate. The gap between Medicaid MCO rates and the Medicaid FFS rate represents the payment differential between the average July 1, 2023, through June 30, 2024, (SFY 2024) MCO rates and the minimum FFS fee schedule rate required as of October 1, 2024.

FIGURE 1: MAJOR SERVICE CATEGORY BENCHMARKS AS A PERCENTAGE OF MEDICAID FFS



Notes

- Services included are limited to those listed in Appendix 1 of the Reimbursement Rates Report.
- The Medicaid FFS reimbursement rates are effective as of October 1, 2024, and the time period represented by the benchmarks vary from this date.
- Medicare reimbursement rates represent CY 2025 Medicare fee schedules. The Medicare reimbursement rates are matched at the code level since none of the Rhode Island FFS modifiers are present on the 2025 Medicare fee schedule. Adjustments to the Medicare rate for provider credentials were made when applicable.
- Regional commercial benchmark data was limited to CY 2023 and experience within Rhode Island, Massachusetts, and Connecticut.
- Average Medicaid MCO reimbursement rates represent SFY 2024 Medicaid MCO claims where each MCO had submitted at least one claim at the procedure code and modifier level.
- The underlying mix of services between the commercial, Medicaid MCO, and Medicare benchmarks is not consistent due to the differing data restrictions and availability between each source. However, the mix of services included is consistent between regional and national commercial benchmarks.
- Insight into service requirements (e.g., required professional credentials) or payment structure (e.g., billed unit type) is not available for claims-based benchmarks. Differences in these items may contribute to the reimbursement variances noted in this report.
- Benchmarks are subject to data availability. Not all Medicaid services within a service category are benchmarked. See the Methodology section for further information.

The information provided in Figure 1 represents the following data elements:

- The box and whiskers plots reflect the range of fees observed in the commercial benchmark experience.
 - The darker shaded boxes represent the 25th to 50th percentiles of our benchmark data.
 - The lighter shaded boxes represent the 50th to 75th percentiles of our benchmark data.
 - The whiskers surrounding the boxes represent the 10th and 90th percentiles of our benchmark data.
- The blue/orange and purple/green plots represent the aggregated commercial allowed and billed benchmarks, respectively.

- The red data points represent the average Rhode Island Medicaid MCO reimbursement for services that had at least one claim from each of the three MCOs incurred in SFY 2024.
- The pink data points represent the CY 2025 Medicare reimbursement for services that have a corresponding Medicare reimbursement rate.

KEY OBSERVATIONS

We observed the following patterns when comparing the benchmark data to the Rhode Island Medicaid FFS rates:

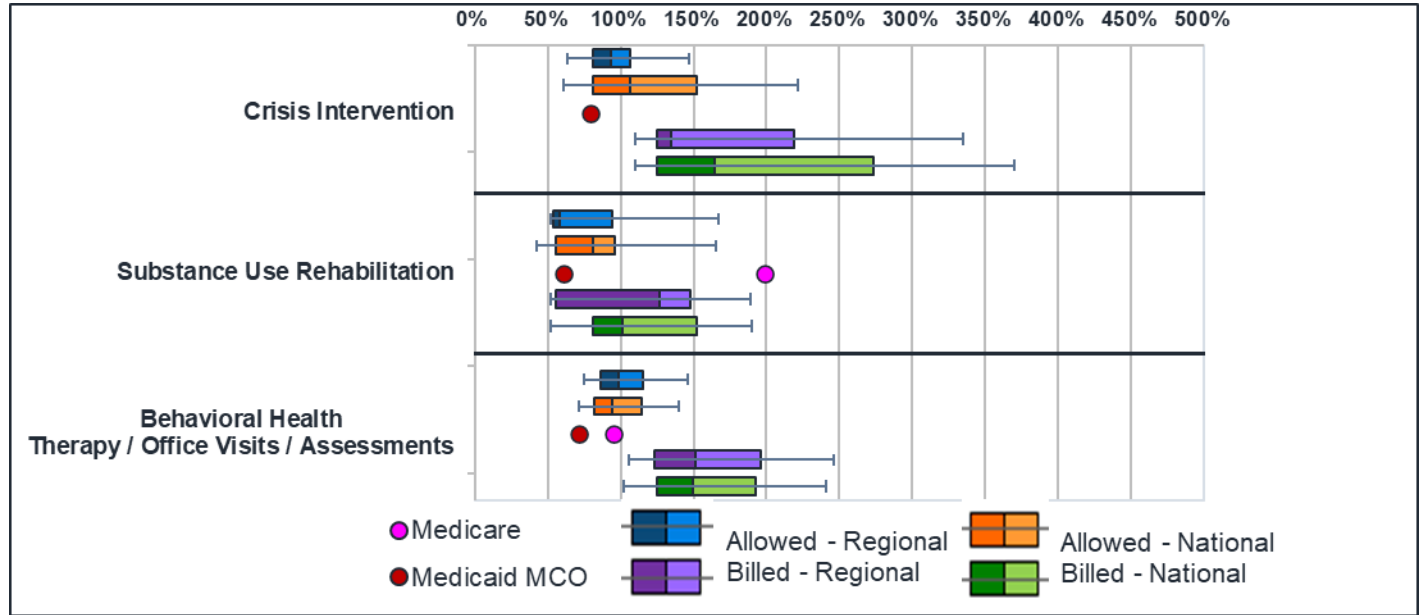
- For behavioral health services, the 25th to 75th percentiles of regional and national commercial allowed charges range from 70% to 110% of the Medicaid FFS rate. For children's services, these percentiles range from 95% to 135% of the Medicaid FFS rate.
- Medicare reimburses behavioral health services at approximately 135% of the Medicaid FFS rate.
- Rhode Island Medicaid MCOs pay approximately 77% of the Medicaid FFS rate for benchmarked behavioral health services and 90% for benchmarked children's services. However, this variation is attributable to differences in the reimbursement period reviewed for Medicaid MCOs (July 1, 2023, through June 30, 2024) and the October 1, 2024, Medicaid FFS rate used for comparison. As of October 1, 2024, Medicaid MCOs are contractually required to pay the Medicaid FFS rate.
- The billed charges varied materially from the 10th to 90th percentiles both regionally and nationally.

Results

Expanding upon the analysis described in the Executive Summary of this report, we performed benchmarking analyses at the detailed service category level within each major service category. Figure 2 and Figure 3 provide box and whisker plots of the Rhode Island Medicaid FFS fee schedule to the benchmark experience for behavioral health services and children’s services, with comparative benchmarks converted to a percent of the Rhode Island Medicaid FFS rate. The following section contains the results of our benchmarking analysis specific to each major service category.

BEHAVIORAL HEALTH SERVICES

FIGURE 2: BEHAVIORAL HEALTH SERVICES BENCHMARKS AS A PERCENTAGE OF MEDICAID FFS



Notes

1. Services included are limited to those listed in Appendix 1 of the Reimbursement Rates Report. Some services are not shown due to lack of benchmarking data.
2. The Medicaid FFS reimbursement rates are effective as of October 1, 2024, and the time period represented by the benchmarks vary from this date.
3. Medicare reimbursement rates represent CY 2025 Medicare fee schedules. The Medicare reimbursement rates are matched at the code level since none of the Rhode Island FFS modifiers are present on the 2025 Medicare fee schedule. Adjustments to the Medicare rate for provider credentials were made when applicable.
4. Regional commercial benchmark data was limited to CY 2023 and experience within Rhode Island, Massachusetts, and Connecticut.
5. Average Medicaid MCO reimbursement rates represent SFY 2024 Medicaid MCO claims where each MCO had submitted at least one claim at the procedure code and modifier level.
6. The underlying mix of services between the commercial, Medicaid MCO, and Medicare benchmarks is not consistent due to the differing data restrictions and availability between each source. However, the mix of services included is consistent between regional and national commercial benchmarks.
7. Insight into service requirements (e.g., required professional credentials) or payment structure (e.g., billed unit type) is not available for claims-based benchmarks. Differences in these items may contribute to the reimbursement variances noted in this report.
8. Benchmarks are subject to data availability. Not all Medicaid services within a service category are benchmarked. See the Methodology section for further information.

The box and whiskers plot is structured consistently with the descriptions included under Figure 1.

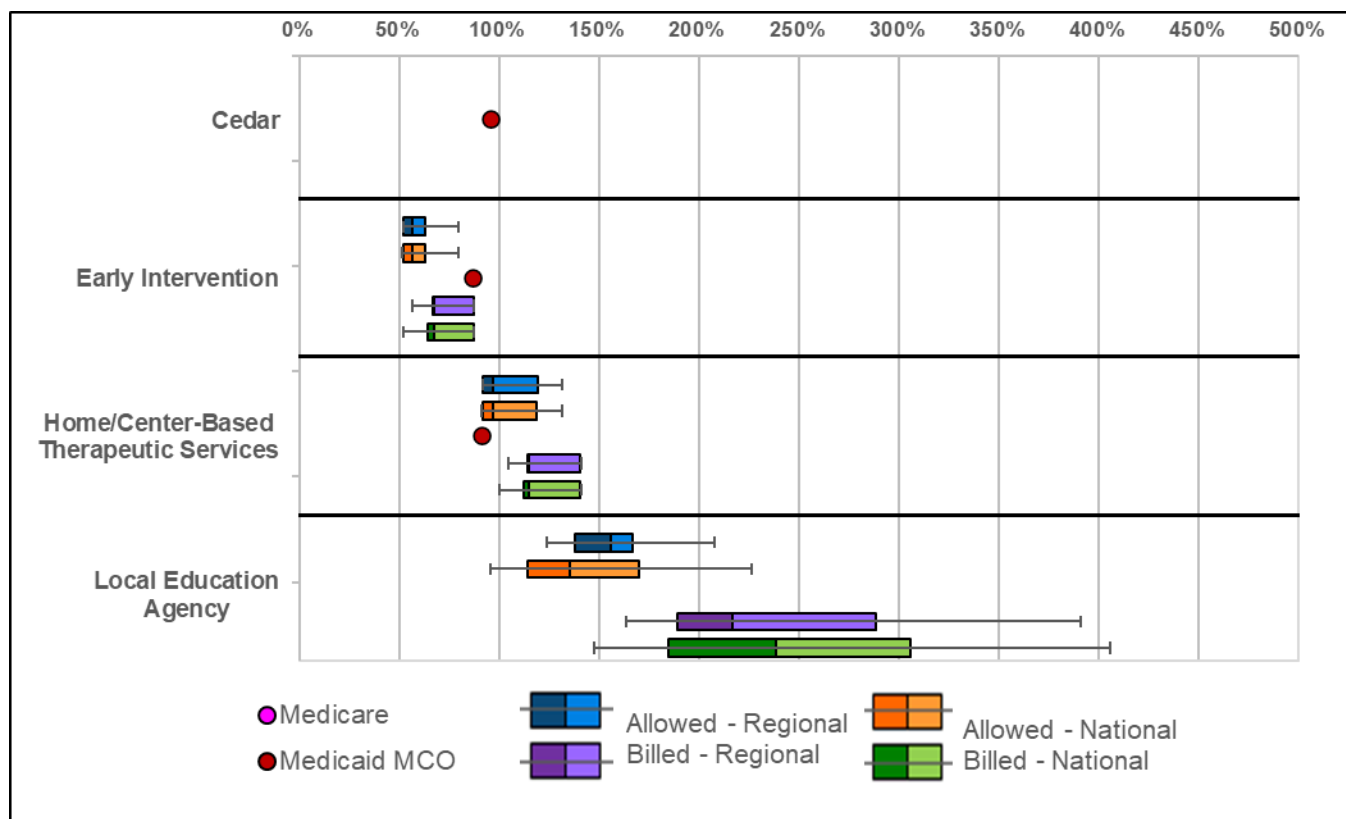
KEY OBSERVATIONS: BEHAVIORAL HEALTH SERVICES

We observed the following when reviewing Rhode Island Medicaid FFS reimbursement relative to the benchmark data for behavioral health services. It should be noted that certain detailed service categories are excluded from Figure 2 due to lack of robust benchmark data.

- Commercial allowed amounts at the 25th to 75th percentile vary from approximately 50% to 150% of the Medicaid rate, while billed charges vary substantially.
- Commercial allowed amounts for substance use rehabilitation are less than 100% of the Medicaid FFS rate. However, benchmark data for this service category is comprised solely of methadone administration program, and the Medicaid FFS requirements for this service include therapy, counseling, and testing that may not be covered under the commercial rates.
- Medicare reimburses at approximately 200% of the Medicaid FFS rate for substance use rehabilitation. Medicare reimburses at approximately 95% of the Medicaid FFS rate for behavioral health therapy, office visits, and assessments based on average Medicaid FFS utilization. However, the relativity varies materially at the procedure code level as illustrated in Appendix 1F. A Medicare benchmark is unavailable for Crisis Intervention services.
- Medicaid MCO behavioral health reimbursement benchmarks are available for additional service categories beyond those illustrated in Figure 2. SFY 2024 Medicaid MCO reimbursement across most behavioral health service categories was approximately 60% to 95% of the Medicaid FFS Rate as of October 1, 2024, as illustrated in Appendix 2E. Medicaid MCO rates for intensive outpatient program are approximately 225% of the Medicaid FFS rate. As described above, Medicaid MCOs are contractually required to pay the Medicaid FFS rate beginning October 1, 2024.

CHILDREN'S SERVICES

FIGURE 3: CHILDREN'S SERVICES BENCHMARKS AS A PERCENTAGE OF MEDICAID FFS



Notes

1. Services included are limited to those listed in Appendix 1 of the Reimbursement Rates Report.
2. The Medicaid FFS reimbursement rates are effective as of October 1, 2024, and the time period represented by the benchmarks vary from this date.
3. Regional commercial benchmark data was limited to CY 2023 and experience within Rhode Island, Massachusetts, and Connecticut.
4. Average Medicaid MCO reimbursement rates represent SFY 2024 Medicaid MCO claims where each MCO had submitted at least one claim at the procedure code and modifier level.
5. The underlying mix of services between the commercial, Medicaid MCO, and Medicare benchmarks are not consistent due to the differing data restrictions and availability between each source. However, the mix of services included is consistent between regional and national commercial benchmarks.
6. Insight into service requirements (e.g., required professional credentials) or payment structure (e.g., billed unit type) is not available for claims-based benchmarks. Differences in these items may contribute to the reimbursement variances noted in this report.
7. Benchmarks are subject to data availability. Not all Medicaid services within a service category are benchmarked. See the Methodology section for further information.

The box and whiskers plot is structured consistently with the descriptions included under Figure 1.

KEY OBSERVATIONS: CHILDREN'S SERVICES

We observed the following when reviewing Rhode Island Medicaid FFS reimbursement relative to the benchmark data for children's services.

- Commercial allowed and provider billed charges are not available for Cedar services given the unique nature of the program. Similarly, Medicare benchmarks are not available for children's services.
- Commercial allowed amounts at the 25th to 75th percentile for other children's services vary from approximately 50% to 170% of the Medicaid rate, while billed charges vary substantially.

- Commercial allowed amounts and billed charges exceed the Medicaid rate by the largest percentage for Local Education Agency services.
- Medicaid MCO reimbursement is approximately 85% to 95% of the Medicaid FFS rate for children's services. As described above, Medicaid MCOs are contractually required to pay the Medicaid FFS rate beginning October 1, 2024. Local Education Agency services are not covered by Rhode Island Medicaid MCOs.
- Similarly, private insurers are required to pay for early intervention services at or above the Medicaid FFS rate under Rhode Island General Law § 27-20-50(b). The Rhode Island portion of the commercial allowed amount would be expected to increase between the reimbursement rates in effect as of the CY 2023 data and October 1, 2024, when the new Medicaid FFS early intervention rates are effective.

Methodology

RHODE ISLAND MEDICAID FEE SCHEDULE FOR SELECTED SERVICES

We focused our benchmarking analysis on the Rhode Island Medicaid services provided on a FFS basis. The services included in this analysis were limited to those listed in Appendix 1 of the Reimbursement Rates Report. To be included in Appendix 1, the service must be included in the Medicaid fee schedule and identified as in-scope of the social and human service programs review. Services were further limited to behavioral health services and children services since limited coverage for HCBS and I/DD services is provided by commercial, Medicare, and Rhode Island Medicaid MCO payers.

PRIVATE PAY AND COMMERCIAL RATES

The Rhode Island Medicaid FFS fee schedule was benchmarked against commercial allowed reimbursement and billed charges from the Milliman Consolidated Health Cost Guidelines™ Sources Database (CHSD). Provider billed charges were used as a proxy for private pay or self-pay rates. Several national and regional health plans representing over 75 million commercially insured lives contribute their annual enrollment and claims detail to the CHSD. In recognition of the sensitivity of plan reimbursement rates, there are data use restrictions that require certain levels of aggregation when using CHSD data. The regional commercial allowed and billed charges benchmarks are representative of reimbursement rates in Rhode Island, Massachusetts, and Connecticut, while the national benchmarks are representative of all 50 states.

There are Rhode Island Medicaid FFS-specific procedure codes or services that have Medicaid-specific modifiers that do not appear in the commercial dataset. To the extent these procedure code and modifier combinations do not exist in the commercial market, they have been excluded from the benchmarking analysis. In addition, procedure codes that did not have at least 500 units of utilization in our commercial benchmarking data or data from at least 10 unique commercial providers were excluded from our analysis. We developed these thresholds based on our review of the variability of the benchmarked provider reimbursement rates, sensitivity testing the thresholds, and balancing the objectives of excluding benchmarks with low volume and including the benchmarks for the widest breadth of Medicaid FFS services.

Commercial allowed and billed charges benchmarks at the procedure code level of detail are available in Appendix 1A through Appendix 1D. Commercial allowed and billed charges benchmarks at the service category detail level are available in Appendix 2A through 2D.

RHODE ISLAND MEDICAID MCO ALLOWED AMOUNTS

The Rhode Island Medicaid FFS fee schedule was also benchmarked against Rhode Island Medicaid MCO allowed amounts from the SFY 2024 period. In recognition of the sensitivity of provider contracting and individual plan reimbursement amounts, the average allowed amounts at the procedure code with modifier level were only included if there was at least one claim from each of the three MCOs operating in Rhode Island. Encounter data was matched to FFS rates based on procedure code and modifier information. Differences in service requirements or reimbursement procedures may account for some of the variances observed between the average Medicaid MCO rates and FFS rates. In addition, differences in the time periods between the Medicaid MCO encounters and the FFS fee schedule may explain some rate variances.

Medicaid MCO benchmarks at the procedure code level of detail are available in Appendix 1E. Medicaid MCO benchmarks at the service category detail level are available in Appendix 2E.

MEDICARE REIMBURSEMENT RATES

The Rhode Island Medicaid FFS fee schedule was benchmarked against the CY 2025 Medicare physician fee schedule using Rhode Island GPCIs. Medicare fee schedules were obtained from the Centers for Medicare and Medicaid Services (CMS) website (<https://www.cms.gov/Medicare/Medicare.html>). For the purpose of this analysis, the procedure codes were matched ignoring the presence of modifiers, as there was no overlap between modifiers on the Medicare fee schedule and the Rhode Island Medicaid FFS fee schedule. However, adjustments to the Medicare rate for provider credentials were made when applicable based on the Medicaid FFS fee schedule modifiers. There were many codes that were absent from the Medicare fee schedule or listed as statutory exclusions on the Medicare

fee schedule. In both of these situations, the services are not covered by Medicare and were excluded from our analysis. Medicare reimbursement is limited to services reimbursed on the physician fee schedule.

Medicare benchmarks at the procedure code level of detail are available in Appendix 1F. Medicare benchmarks at the service category detail level are available in Appendix 2F.

DATA USE AND EXCLUSIONS

Figure 4 summarizes the percentage of Rhode Island Medicaid FFS expenditures for which a benchmark value was provided, illustrating the impact of the data availability and limitations for each of the benchmarks. FFS expenditures were calculated as the October 1, 2024, Medicaid reimbursement rate for each service multiplied by the SFY 2024 units of utilization to better represent estimated expenditures after implementation of the October 1, 2024, rate recommendations.

Certain areas with low benchmarked percentages are expected due to the unique nature of the services within the Medicaid program and these services not being covered in Medicare or commercial programs. In addition, certain services were excluded from the analysis due to apparent comparability issues. For example, emergency behavioral health services (S9485) were excluded from this analysis based on a review of the unit cost information, which appeared to indicate a material variance in the service requirements or payment structure for these service codes between payers.

FIGURE 4: PERCENTAGE OF FFS EXPENDITURES BENCHMARKED

SERVICE CATEGORY	FFS EXPENDITURES	PERCENTAGE BENCHMARKED		
		COMMERCIAL	MEDICARE	MEDICAID MCO
Behavioral Health Services				
Acute Stabilization	\$ 2,172,340	0.0%	0.0%	0.0%
Assertive Community Treatment	6,726,077	0.0%	0.0%	100.0%
Crisis Intervention	42,049	1.3%	0.0%	98.7%
Integrated Health Homes	12,030,597	0.0%	0.0%	100.0%
Intensive Outpatient Program	5,531	0.0%	0.0%	100.0%
Mental Health Clubhouse	213,594	0.0%	0.0%	100.0%
Mental Health Residential	7,465,452	0.0%	0.0%	93.6%
Peer Recovery Services	474,508	0.0%	0.0%	86.2%
Rehabilitation	5,259,464	0.0%	0.0%	0.0%
Substance Use Rehabilitation	1,252,741	50.1%	50.1%	99.9%
SUD Residential	1,673,345	0.0%	0.0%	100.0%
Supported Employment	233,347	0.0%	0.0%	100.0%
Therapy / Office Visits / Assessments	1,835,603	60.2%	54.0%	62.6%
Total	\$ 39,384,649	4.4%	4.1%	78.0%
Children's Services				
Cedar	\$ 44,817	0.0%	0.0%	100.0%
CRAFT	4,184,659	0.0%	0.0%	0.0%
Early Intervention	5,416,030	48.8%	0.0%	98.5%
Home Visiting and Residential Programs	7,558,272	0.0%	0.0%	0.0%
Home/Center-Based Therapeutic Services	17,884,155	13.2%	0.0%	71.5%
Local Education Agency	38,820,715	15.8%	0.0%	0.0%
Total	\$ 73,908,649	15.0%	0.0%	24.6%

Notes

- Total lines are composited based on FFS expenditures.
- FFS expenditures represent Rhode Island Medicaid SFY 2024 billed units multiplied by the October 1, 2024, FFS rate illustrated in Appendix 1. The illustrated amount will vary from actual paid SFY 2024 expenditures due to fee schedule changes, third party payers, and other payment adjustments.
- A SUD residential FFS billing structure change was implemented October 1, 2024. We estimated annual FFS expenditures using the most complete month (December 2024) as a baseline for estimating annual utilization.

Commercial and Medicare benchmarks are not available for most behavioral health services given the unique nature of the Medicaid behavioral health services. The absence of a benchmark for these service categories results in less than 5% of behavioral health services having a benchmark from each source, based on FFS expenditures. However, the Medicaid MCO benchmark is associated with 78% of overall FFS service expenditures, ranging from 60%-100% of data when available.

There is no Medicare benchmark and limited commercial benchmark data for children's services. For children's services covered by Medicaid MCOs, over 70% of FFS expenditures in each children's service category has a benchmark available.

To provide broader context of the use of these services in the Rhode Island Medicaid program, Figure 5 provides the same information as Figure 4 based on total Medicaid program expenditures (FFS and Medicaid MCO expenditures).

FIGURE 5: PERCENTAGE OF FFS & MEDICAID MCO EXPENDITURES BENCHMARKED

SERVICE CATEGORY	TOTAL EXPENDITURES	PERCENTAGE BENCHMARKED		
		COMMERCIAL	MEDICARE	MEDICAID MCO
Behavioral Health Services				
Acute Stabilization	\$ 3,846,097	0.0%	0.0%	0.0%
Assertive Community Treatment	20,426,656	0.0%	0.0%	100.0%
Crisis Intervention	84,569	5.6%	0.0%	94.4%
Integrated Health Homes	36,025,851	0.0%	0.0%	100.0%
Intensive Outpatient Program	4,274,281	0.0%	0.0%	100.0%
Mental Health Clubhouse	489,044	0.0%	0.0%	100.0%
Mental Health Residential	64,480,149	0.0%	0.0%	99.3%
Peer Recovery Services	1,879,230	0.0%	0.0%	96.5%
Rehabilitation	9,188,594	0.0%	0.0%	0.0%
Substance Use Rehabilitation	14,103,400	93.9%	93.9%	100.0%
SUD Residential	122,379,674	0.0%	0.0%	100.0%
Supported Employment	1,390,115	0.0%	0.0%	100.0%
Therapy / Office Visits / Assessments	73,241,229	93.0%	92.4%	93.3%
Total	\$ 351,808,890	23.1%	23.0%	94.7%
Children's Services				
Cedar	\$ 468,187	0.0%	0.0%	100.0%
CRAFT	4,184,659	0.0%	0.0%	0.0%
Early Intervention	14,153,410	51.7%	0.0%	97.9%
Home Visiting and Residential Programs	7,558,272	0.0%	0.0%	0.0%
Home/Center-Based Therapeutic Services	228,869,012	31.7%	0.0%	90.9%
Local Education Agency	38,820,715	15.8%	0.0%	0.0%
Total	\$ 294,054,255	29.2%	0.0%	75.6%

Notes

1. Total lines are composited based on FFS and Medicaid MCO expenditures.
2. FFS expenditures represent Rhode Island Medicaid SFY 2024 billed units multiplied by the October 1, 2024, FFS rate illustrated in Appendix 1. The illustrated amount will vary from actual paid SFY 2024 expenditures due to fee schedule changes, third party payers, and other payment adjustments.
3. MCO expenditures include SFY 2024 paid amounts and are limited to procedure code and modifier combinations included in Appendix 1 of the Reimbursement Rates Report. MCO expenditures are limited to instances where the service was identifiable in the MCO encounter data.
4. A SUD residential FFS billing structure change was implemented October 1, 2024. We estimated annual FFS expenditures using the most complete month (December 2024) as a baseline for estimating annual utilization.

As illustrated in Figure 4 and Figure 5, behavioral health services are primarily provided through the Medicaid managed care program. Figure 5 illustrates that a commercial and/or Medicare benchmark is provided for approximately 23% of behavioral health services when considering Medicaid managed care expenditures. In addition, a greater percentage of children's services have an associated commercial and Medicaid MCO benchmark when considering Medicaid managed care expenditures, primarily attributable to home/center-based therapeutic services.

Conclusion

Among the social and human services included in this benchmarking exercise, we observed material variability in the provider reimbursement rates and their coverage in the commercial, Rhode Island Medicaid MCO, and Medicare benchmark data. For many social and human services reviewed, there was sparse data that prevent a detailed benchmarking analysis. Despite the limitations, meaningful patterns can be observed from the benchmarking analysis and the box and whisker plots for the services reviewed. This research, in combination with the other rate analysis reports required under RIGL § 42-14.5-3(t), can be used in informing the 2025 OHIC rate recommendations.

Limitations and Data Reliance

The information contained in this correspondence, including any enclosures, has been prepared for the State of Rhode Island, Office of the Health Insurance Commissioner (OHIC) and their advisors. Milliman's work is prepared solely for the use and benefit of the State of Rhode Island, Office of the Health Insurance Commissioner (OHIC) in accordance with its statutory and regulatory requirements. Milliman recognizes this report will be public record subject to disclosure to third parties; however, Milliman does not intend to benefit and assumes no duty or liability to any third parties who receive Milliman's work. To the extent that the information contained in this correspondence is provided to any third parties, the correspondence should be distributed in its entirety.

Milliman has developed certain models to estimate the values included in this correspondence. The intent of the models was to provide private payer, Medicare, and Medicaid MCO rate benchmarks for the scope of services subject to the social and human service programs review. We have reviewed the models, including their inputs, calculations, and outputs for consistency, reasonableness, and appropriateness to the intended purpose and in compliance with generally accepted actuarial practice and relevant actuarial standards of practice (ASOP). The models rely on data and information as input to the models. We have relied upon certain data and information provided by OHIC for this purpose and accepted it without audit. To the extent that the data and information provided is not accurate, or is not complete, the values provided in this correspondence may likewise be inaccurate or incomplete. Milliman's data and information reliance includes the sources discussed in this correspondence. The models, including all input, calculations, and output may not be appropriate for any other purpose.

Service requirement differences between payers are unable to be evaluated based on the claims-based benchmarking approach. Differences in service requirements or rate payment structure may contribute to the reimbursement variances noted in this report.

Guidelines issued by the American Academy of Actuaries require actuaries to include their professional qualifications in all actuarial communications. Ian McCulla and Zach Hunt are members of the American Academy of Actuaries and meet the qualification standards for performing the analyses in this report.

Appendix 1A: Regional commercial allowed benchmarks:
Procedure code

Appendix 1B: Regional commercial billed benchmarks:
Procedure code

Appendix 1C: National commercial allowed benchmarks:
Procedure Code

Appendix 1D: National commercial billed benchmarks:
Procedure Code

Appendix 1E: Medicaid MCO benchmarks:
Procedure Code

Appendix 1F: Medicare benchmarks:
Procedure Code

Appendix 2A: Regional commercial allowed benchmarks:
Service category

Appendix 2B: Regional commercial billed benchmarks:
Service category

Appendix 2C: National commercial allowed benchmarks:
Service category

Appendix 2D: National commercial billed benchmarks:
Service category

Appendix 2E: Medicaid MCO benchmarks:
Service category

Appendix 2F: Medicare benchmarks:
Service category