

Public Meeting Review of Social & Human Services

September 26, 2025

**RHODE
ISLAND**

Agenda

- Introductions and Public Comment Ground Rules
- Project Background
- Programmatic Reports
- Finance Reports
- Independent Rate Model Analysis
- 2023 Cycle Independent Rate Model Updates
- Final Report and Rate Recommendations
- Public Comment

Introductions and Public Comment Ground Rules

Public Comment Ground Rules

- This meeting is being recorded. The slides, recording, and written comments will be posted online.
- Please hold all questions and comments until the end of the presentation.
- All participants will be muted during the presentation.
- Public Comment Process
 - In person: sign in on public comment sheet.
 - Virtual: use the “raise hand” feature and OHIC will take you off mute to speak OR put your question or comment in the chat.
 - All: Please state your name and organization.
 - To submit written comments, please email Molly.McCloskey@ohic.ri.gov with “Review of Social and Human Services — 2025 Public Comment” in the subject line.

Project Background

Project Background

- **Mandate:** The Office of the Health Insurance Commissioner (OHIC) was 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) by September 1, 2023, and biennially thereafter.
- **Scope of work:** Programs: 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.
- **Ten tasks/deliverables:** Analysis, reports, and studies to be published in three phases
 - Phase 1 (Tasks 1 – 5) concluded January 1, 2025
 - Phase 2 (Tasks 6 – 9) concluded April 1, 2025
 - Phase 3 concluded September 1, 2025, with the publishing of the Final Report and Rate Recommendations
- **Scope:** In-scope services and programs for financial and programmatic review are defined in the Task 1 (Program Rates) and Task 2 (Eligibility Standards) reports, respectively

Key Deliverables

Finance

Task 1: Social and human service program rates

Task 3: Utilization trends from calendar year (CY) 2019 through CY 2023

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 payers for similar social and human service providers

Independent Rate Model (IRM) Analysis: Development of comparison rates based on independent rate modeling

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

Programmatic Reports

2025 Cycle Updates to Programmatic Reports

The programmatic reports are generally consistent with the reports from the 2023 Social and Human Service Programs review cycle with the following updates.

Task 2 – Eligibility standards and processes of social and human service programs: The report was updated to include the Ticket to Work program and for corresponding updates to the Sherlock Plan.

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: No updates.

Task 5 – Accountability standards for services for all social and human service programs: Included discussion of DCYF Council of Accreditation and updated the reported accountability measures such as Medicaid managed care state directed payments and NCQA ratings.

Task 6 – Professional licensed and unlicensed personnel requirements for established rates for social and human service programs pursuant to a contract or established fee: Updated report to cover services selected for independent rate model review: home health, community health workers, certain children’s services, adult day, and psychiatric rehabilitative residential services.

Task 7 – Access to social and human service programs, to include waitlists and length of time on waitlists in each service: Updated report to propose recommended access measures for residential mental health for adults, assisted living services, and intellectual/developmental disability services for adults, services identified with highly limited availability of quantitative access data in the 2023 cycle report.

Finance Reports

Task 1

Social and human service program rates

- Report 1 established the in-scope services of the rate review.
- Services in-scope represent approximately \$609.4 million in Medicaid Management Information System (MMIS) fee-for-service expenditures in State Fiscal Year (SFY) 2024.

STATE FISCAL YEAR 2024 MMIS FEE-FOR-SERVICE (FFS) EXPENDITURES

MAJOR SERVICE CATEGORY	FFS EXPENDITURES (\$Millions)
Intellectual and Developmental Disability Services	\$ 402.8
Nursing Home and Hospice	344.0
Home and Community Based Services	133.1
Hospital	173.7
Behavioral Health Providers	29.5
Children’s Services	44.0
Physician / Advanced Practice Providers	6.6
RICLAS	25.4
Other	92.1
Total	\$ 1,245.8
Total for I/DD, HCBS, BH Providers, and Children’s Services	\$ 609.4

Notes:
1. See report for full methodology notes and analysis limitations.

Data Sources

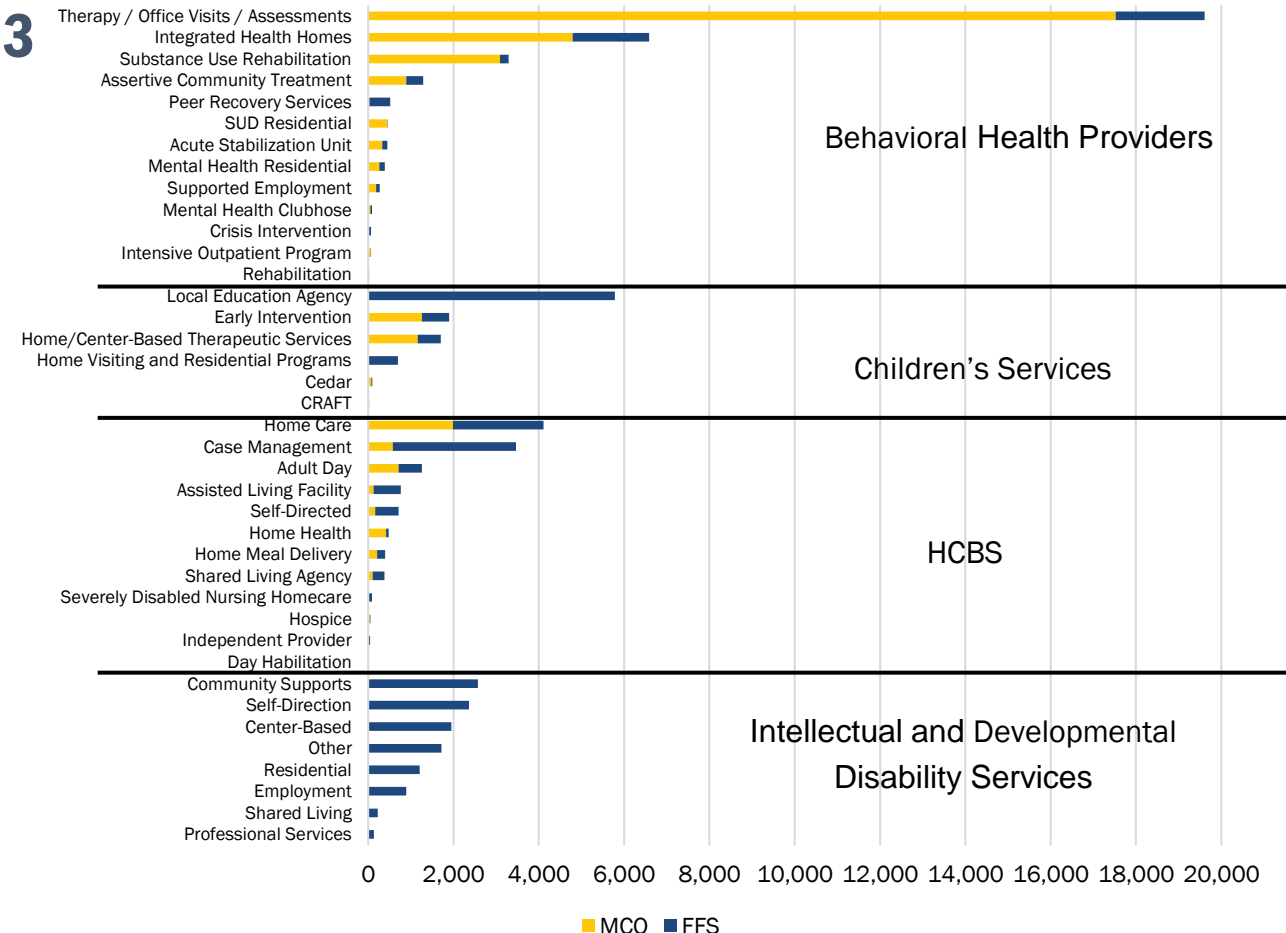
- Social and Human Service Programs 2023 Rate Recommendations
- Medicaid fee-for-service rate changes effective October 1, 2024
- Advisory Council and state agency survey

Task 3

Utilization trends from CY 2019 through CY 2023

- Report contains average unique monthly utilizer and expenditure metrics for in-scope services on the MMIS fee-for-service (FFS) fee schedule.
 - The report provides these metrics at the major service category level, and service category detail level.
 - Values are reported separately for the FFS and managed care organization (MCO) delivery systems.
- The primary delivery system varies by service.
 - Most behavioral health services are provided by MCOs.
 - Intellectual and development disability services are provided only through FFS.
 - Children's services and HCBS are provided by a combination of MCOs and FFS.

CY 2023 AVERAGE UNIQUE MONTHLY UTILIZERS BY SERVICE CATEGORY



Notes:

- Self-directed services provided by the MCOs are not submitted as encounters and therefore MCO utilizers are not represented in the figure.
- See report for full methodology notes and analysis limitations.

Task 8

Medicaid Rate Comparisons

- The Task 8 report compared select Rhode Island reimbursement rates for social and human services to rates of other **New England states**.
- This evaluation included select services for **Intellectual and Developmental Disability (I/DD) Service** codes and available modifiers for comparison, building upon the benchmarking analysis completed under task 8 in 2023.
- Significant variation was observed around the **service requirements and timing of the rate setting processes** in other state Medicaid programs (e.g., fee schedules may have the same effective date but there may be differences when states completed a comprehensive rate study or adjusted the funding of their rates).
- **Care should be exercised when using rate benchmarks for rate review.** 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.”
- Even after rates are adjusted for variation, **OHIC observed significant differences when comparing rates across states.** These differences may be due to several factors including underlying cost and wage variances across geographies, regulatory complexity and requirements, state-specific policy and service incentives, service definitions and provider qualifications, varying demand for services, and the timing and structure of rate setting processes in other state Medicaid programs.

Task 8

STATE	SERVICE NAME	RATE	PERCENT VARIANCE
Community Supports (Day Services)			
Rhode Island	Community-based Supports	\$12.36	Baseline
Connecticut	Individualized Day Supports	\$11.08	10.4%
Maine	Community Supports / Community Membership - Individual	\$12.54	(1.5%)
Massachusetts	N/A	N/A	N/A
New Hampshire	N/A	N/A	N/A
Vermont	Community Supports, Non-Facility Individual	\$16.64	(34.6%)
Community Supports			
Rhode Island	Community-based Supports	\$12.36	Baseline
Connecticut	Personal Supports	\$12.43	(0.6%)
Maine	Home Support	\$10.94	11.5%
Massachusetts	In-Home Supports	\$9.09	26.5%
New Hampshire	Community Support	\$7.00	43.4%
Vermont	N/A	N/A	N/A
Residential Supports			
Rhode Island	Residential care not otherwise specified, waiver, per diem (Group Home)	\$293.79	Baseline
Connecticut	Community Living Arrangements (CLA)	N/A	N/A
Maine	Residential Home Support (Habilitation, residential, waiver)	\$94.48	67.8%
Massachusetts	Residential Supports	\$354.06	(20.5%)
New Hampshire	Residential Habilitation, i.e. Personal Care	\$69.61	76.3%
Vermont	Group Living, Three and Four Participant Homes	\$480.81	(63.7%)
Professional			
Rhode Island	Rn nurse service/15 minutes, Community	\$24.20	Baseline
Connecticut	RN services, up to 15 minutes (must bill with S9123)	\$24.63	(1.8%)
Maine	Services of skilled nurse in home health setting (RN)	\$38.97	(61.0%)
Massachusetts	Continuous skilled nursing services, Agency, RN Weekday	\$23.61	2.4%
New Hampshire	N/A	N/A	N/A
Vermont	RN services, up to 15 minutes	\$13.51	44.2%
Employment			
Rhode Island	Group Supported Employment	\$5.79	Baseline
Connecticut	Group Supported Employment	N/A	N/A
Maine	Work Support (Supported Employment)	\$5.20	10.2%
Massachusetts	Group Supported Employment Services	\$5.88	(1.6%)
New Hampshire	Supported Employment	\$5.23	9.7%
Vermont	Ongoing Support to Maintain Employment	\$6.97	(20.4%)

Medicaid Rate Comparisons

Identified a high level of variability among the New England states in how services are defined and reimbursed among the observed set of services. Select observations include:

- **Community Supports (Day Services).** States vary in the degree to which day services are delivered in community or center-based settings and whether transportation costs are included in the rate.
- **Community Support Services.** Rhode Island's community-based supports service specifically excludes home settings, while other states permit the community support service to extend to in-home activities. For comparative purposes, we included other states services that are both in the community and in the home.
- **Residence Supports.** Residential services have the widest differences in cost between states (e.g., acuity tiers, varying service mix, residence size).

Notes

1. Connecticut's Individualized Day Supports is paid in an hour unit, which was converted to a 15-minute unit.
2. All rates are 15-minute units, except Residential Services that are per diem units.
3. See report for full methodology notes and analysis limitations

Task 9

Private pay rate benchmarks

- Report compared Medicaid MMIS fee-for-service reimbursement rates effective October 1, 2024, to:
 - Provider billed amounts to commercial insurers (CY 2023)
 - Commercially negotiated allowed rates (CY 2023)
 - Medicare rates (CY 2025)
 - Rhode Island Medicaid MCO rates (SFY 2024)
- Medicaid MCO rates are prior to implementation of the October 1, 2024, minimum fee schedule
- The unique nature of social and human service programs results in limited commercial and Medicare benchmarks

PERCENTAGE OF FFS & MEDICAID MCO EXPENDITURES BENCHMARKED

SERVICE CATEGORY	PERCENTAGE BENCHMARKED			
	TOTAL EXPENDITURES	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

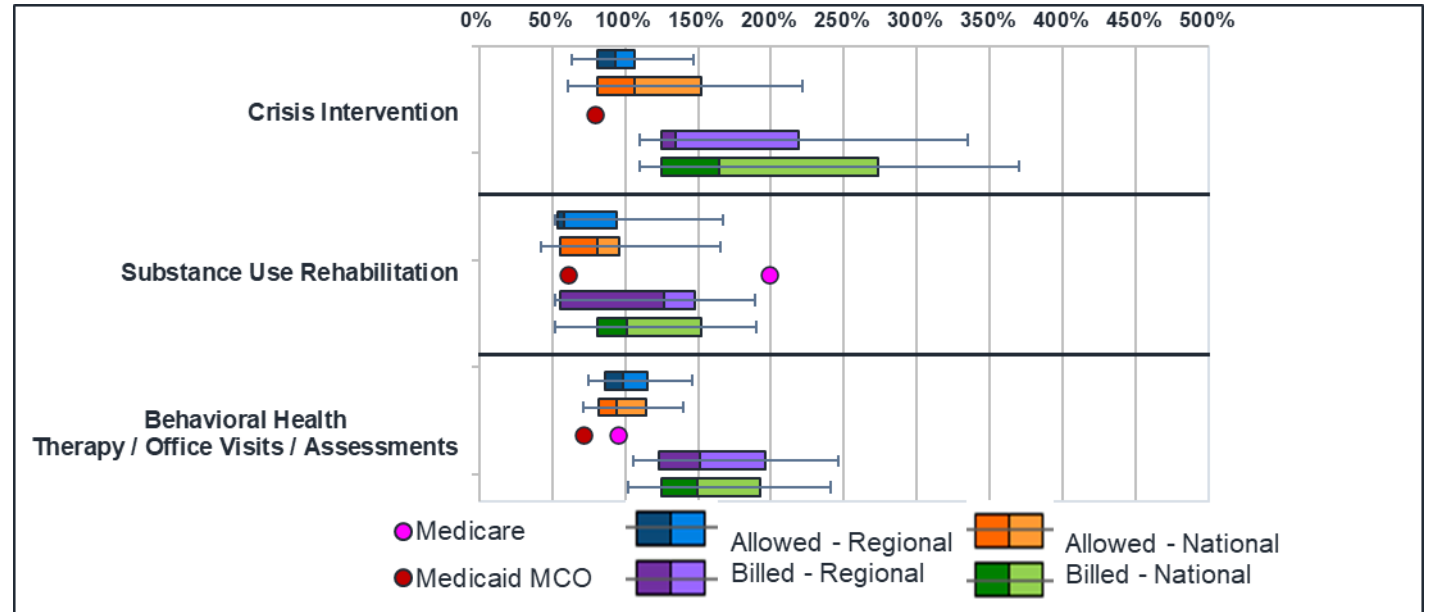
1. FFS expenditures represent Rhode Island Medicaid SFY 2024 billed units multiplied by the October 1, 2024, FFS rate. The illustrated amount will vary from actual paid SFY 2024 expenditures due to fee schedule changes, third party payers, and other payment adjustments.
2. See report for full methodology notes and analysis limitations.

Task 9

Private pay rate benchmarks

- Commercial allowed amounts at the 25th to 75th percentile vary from ~50% to 150% of the Medicaid rate, while billed charges vary substantially.
- Benchmark data for substance use rehabilitation is comprised solely of methadone administration program. Medicaid FFS requirements for this service include therapy, counseling, and testing that may not be covered under the commercial rates.
- Medicare reimbursement averaged to be 200% of the Medicaid FFS rate for substance use rehabilitation and 95% of the Medicaid FFS rate for behavioral health therapy, office visits, and assessments.

BEHAVIORAL HEALTH PROVIDERS BENCHMARKS AS A PERCENTAGE OF MEDICAID FFS



Notes

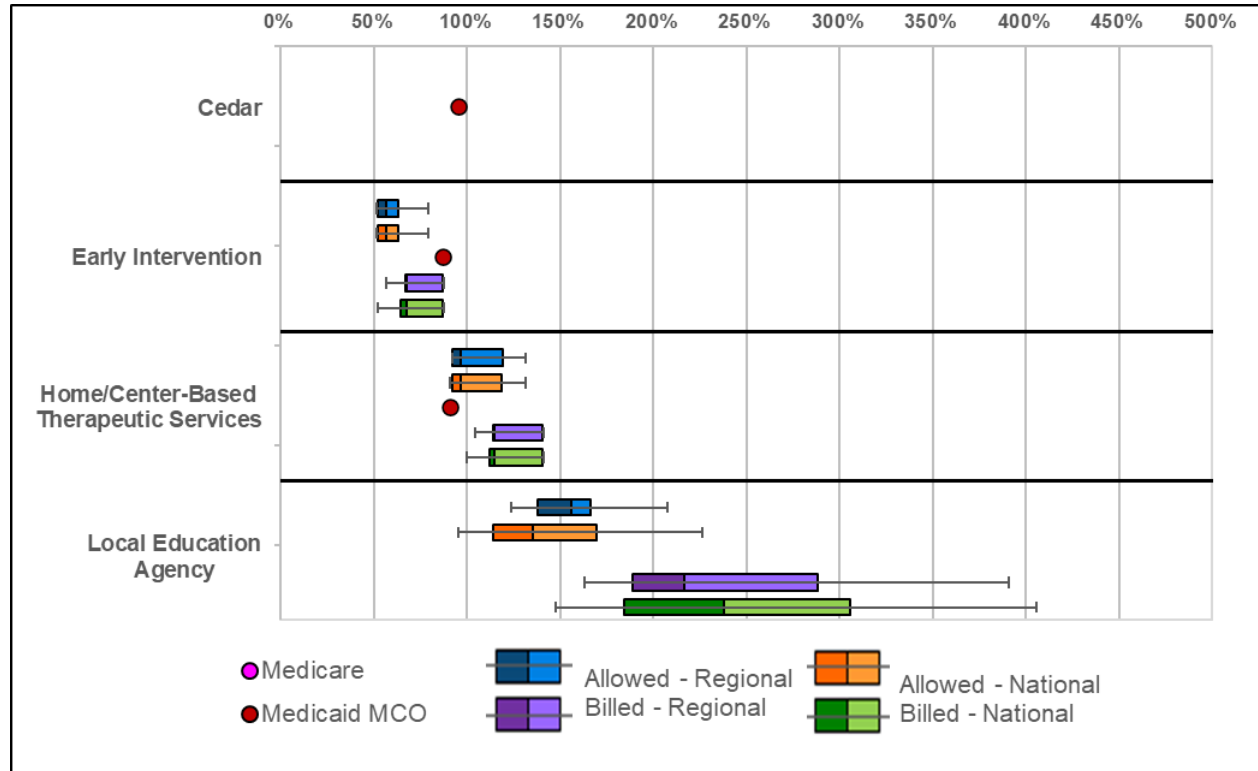
- Bar graphs for allowed and billed amounts represent the 10th, 25th, 50th, 75th, and 90th percentile benchmark rate at each vertical line, from left to right.
- The Medicaid FFS rates are effective as of October 1, 2024, and the time period represented by the benchmarks vary from this date.
- As of October 1, 2024, Medicaid MCOs are contractually required to pay the Medicaid FFS rate at a minimum. The gap between Medicaid MCO rates and the Medicaid FFS rate represents the payment differential between the average SFY 2024 rate and the minimum FFS rate required as of October 1, 2024.
- Individual service reimbursement rate relativities may vary materially relative to the composite service category relativities illustrated.
- See report for full methodology notes and analysis limitations.

Task 9

Private pay rate benchmarks

- Private insurers are required to pay for early intervention services at or above the Medicaid FFS rate per Rhode Island statute. Private early intervention rates is expected to increase as data for more recent time periods becomes available.
- Home/center-based therapeutic services commercial allowed and billed amounts generally falls between 100% and 150% of the October 1, 2024, Medicaid rate.
- Commercial allowed amounts and billed charges exceed the Medicaid rate by the largest percentage for Local Education Agency services.

CHILDREN'S SERVICES BENCHMARKS AS A PERCENTAGE OF MEDICAID FFS



Notes

1. Bar graphs for allowed and billed amounts represent the 10th, 25th, 50th, 75th, and 90th percentile benchmark rate at each vertical line, from left to right.
2. The Medicaid FFS rates are effective as of October 1, 2024, and the time period represented by the benchmarks vary from this date.
3. As of October 1, 2024, Medicaid MCOs are contractually required to pay the Medicaid FFS rate at a minimum. The gap between Medicaid MCO rates and the Medicaid FFS rate represents the payment differential between the average SFY 2024 rate and the minimum FFS rate required as of October 1, 2024.
4. Reimbursement rate relativities at the individual service level may vary materially relative to the composite service category relativities illustrated above.
5. See report for full methodology notes and analysis limitations.

Independent Rate Model Analysis

IRM Overview / Benefits



Ground-up approach

- Rates are built from the ground up
- Based on sum of independently determined rate inputs and components
- Inputs are based on expected resources required to provide the service



Commonly applied method for rate determination for community-based services

- Many states employ independent rate model approach
- Employed by Rhode Island for various provider reimbursement rate analyses
- One acceptable method based on CMS guidance for home and community-based services



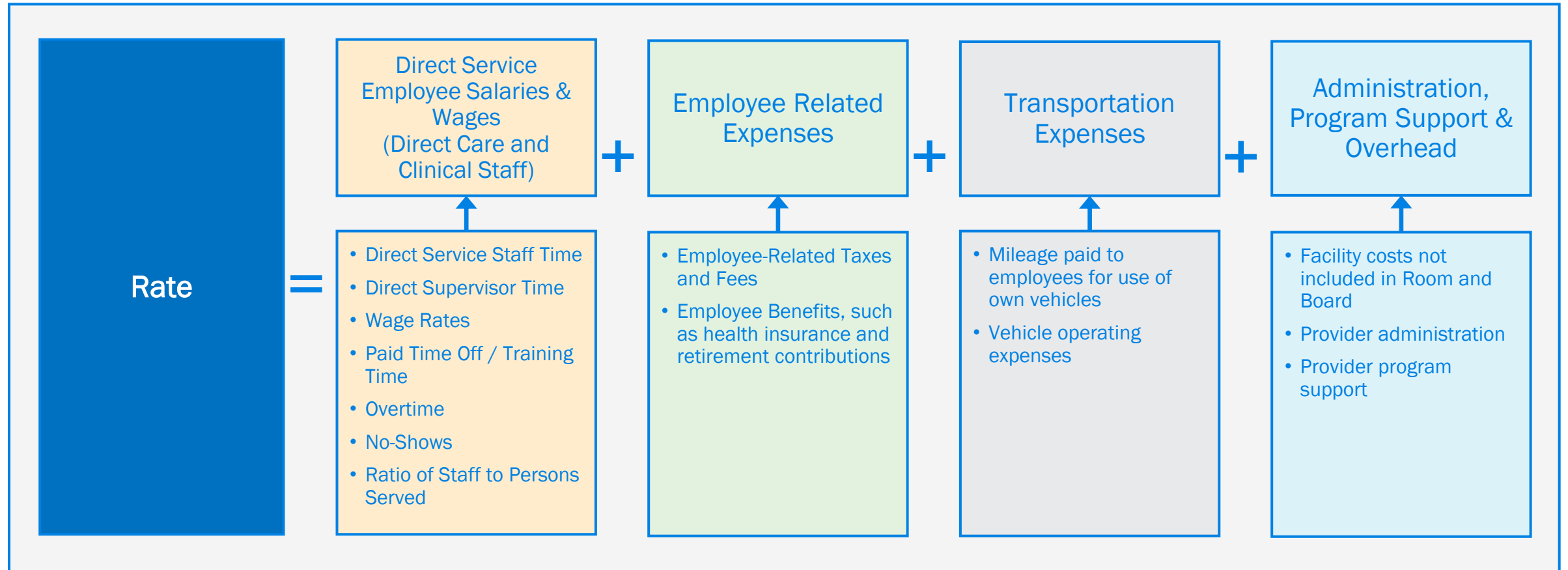
Benefits

- Provides transparency as to the reasonable costs required to provide the service
- Focuses dialogue on the measurable and objective rate components
- Facilitates rational relationships between rates for different services
- Supports payment rate updates and modifications
- Developed independently from historical costs incurred, allowing consideration of market conditions

Independent Rate Model

Framework

- The IRM approach estimates what the costs for each service could be given the resources (salaries and other expenses) reasonably expected to be necessary, on average, while delivering the service.



Detail Rate Development Example

T1024 (Home Based Therapeutic Services – Specialized Treatment and Treatment Support)

Ref.	Description	Direct Care Worker	Supervisor	Total	Notes
A	Average minutes of direct time per unit	30.00			30 minute unit
B	Average minutes of indirect time per unit	2.00			Assuming 5.5 units of service are delivered per date of service, with 11 minutes of indirect time in total
C	Average minutes of transportation time per unit	3.30			Assuming 5.5 units of service are delivered per date of service, with 18.15 minutes of transportation time in total
D	Total minutes per unit	35.30			$D = A + B + C$
E	No-Show Load	3.0%			Assumes 3.0% increase to direct, indirect, and transportation time due to no shows
F	Staffing ratio	1			1 beneficiary receiving service
G	Supervisor span of control		30		30 employees assumed to be managed by 1 supervisor
H	Supervisor minutes per worker		1.18		$H = D / G$
I	PTO / training / conference time adjustment factor	13.9%	19.1%		Based on separate PTO build
J	Adjusted total minutes per unit	40.86	1.40		$J = \{ [(A * 0.5 + C) / (1 - E)] + [(A * (1 - 0.5) + B)] \} / F * (1 + I)$
K	Hourly wage	\$ 25.60	\$ 49.17		Based on separate wage build
L	Total wages expense per unit	\$ 17.43	\$ 1.15	\$ 18.58	$L = K * J / 60$
M	Employee related expense (ERE) percentage	40.0%	28.1%		Based on separate ERE build
N	Total ERE expense per unit	\$ 6.97	\$ 0.32	\$ 7.29	$N = L * M$
O	Estimated average MPH			30.0	Based on assumptions
P	Estimated miles driven per unit			1.7	$P = O * C / 60 / F$
Q	Federal reimbursement rate			\$ 0.75	Assuming current federal reimbursement rate of \$0.70 per mile, with 3% trend
R	Total transportation expense per unit			\$ 1.23	$R = P * Q$
S	Administration / program support / overhead			25.0%	Portion of total rate
T	Total administration expenses			\$ 9.03	$T = (L + N + R) * S / (1 - S)$
U	30 Minutes Rate			\$ 36.14	$U = L + N + R + T$

IRM Timeline and Process

Nov-Dec 2024

- Developed and reviewed **draft provider survey** with state agencies mid-November.
- Met with state agencies to discuss final provider survey mid-December.

Q1 2025

- Published and **distributed provider survey**.
- Held meetings with individual provider groups upon request.

April 2025

- Processed and **reviewed survey results**.
- Discussed survey results with state agencies.
- Gathered **publicly available data sources**.

May 2025

- Hosted **cross-workgroup meeting** to set provider workgroup expectations.
- Hosted **individual provider workgroup meetings** with each of the five provider groups.

June 2025

- Hosted follow up provider workgroup meetings as needed.
- **Met with state SMEs** to discuss draft comparison rates.
- Hosted all-provider meeting and provided **draft comparison rate materials**.

July 2025

- Hosted follow up provider workgroup meetings as needed.
- **Solicited feedback** on rate report from state agencies and providers.
- Completed **final comparison rate report**.

August 2025

- Developed OHIC's rate recommendations for all **~1,500 codes** that includes the IRM comparison rates.
- Completed fiscal impact analysis.

September 2025

- **Final OHIC rate recommendations** and corresponding report published (9/1).
- **Public meeting** providing an overview and opportunity for comment on Social and Human Service Programs Review.

Independent Rate Model

Codes selected for IRM comparison rate development

PROCEDURE CODES	SERVICE DESCRIPTION
Home-Based Therapeutic Services (HBTS)	
H0046	Lead Therapy
H0046-HO	Clinical Supervision – Master Level Clinician
H0046-HP	Clinical Supervision – Doctoral Level Clinician
H2014	Specialized Treatment Consultation
H2014-HO	Treatment Consultation – Master Level Therapist
H2014-HP	Treatment Consultation – Doctoral Level Therapist
T1013	Interpretation
T1016 (HBTS)	Treatment Coordination
T1024	Home Based – Specialized Treatment and Treatment Support
H0046	Lead Therapy
H0046-HO	Clinical Supervision – Master Level Clinician
Adult Day Care	
S5102	Basic Level - Half Day
S5102-U2	Basic Level - Full Day
S5102-U1	Enhanced Level - Half Day
S5102-U1-U2	Enhanced Level - Full Day

Notes

- 1. See report for full methodology notes and analysis limitations.

PROCEDURE CODES	SERVICE DESCRIPTION
First Connections	
H1000	Pre-Natal Intake
99502	Pre-Natal Follow-up Paraprofessional
99502-AJ	Pre-Natal Follow-up LICSW
99502-TD	Pre-Natal Follow-up Nurse
99501	Post-Natal Intake
99502-HA	Post-Natal Follow-up Paraprofessional
99502-AJ-HA	Post-Natal Follow-up LICSW
99502-TD-HA	Post-Natal Follow-up Nurse
Healthy Families America (HFA)	
99600-HD	Pre/Post-Natal Intake/Follow-up
Mental Health Psychiatric Rehabilitative Residences (MHPRR)	
H0019-U1	On-site Supportive Psychiatric Rehabilitative Apartments
H0019-U3	Support Mental Health Psychiatric Rehabilitative Residence Apartments
H0019-U4	Basic Mental Health Psychiatric Rehabilitative Residence
H0019-U5	Specialized Mental Health Psychiatric Rehabilitative Residence
H0019-U6	Enhanced Mental Health Psychiatric Rehabilitative Residence
Home Health Services	
G0156	Home Health Aide
X0043	Home Health Nursing and Therapy Visits

- Due to changes to the community health worker (CHW) services, OHIC decided to exclude CHW services from the IRM scope of work.

Independent Rate Model (IRM) Results

Comparison Rates

- IRM comparison rates were higher than current FFS rates in composite but varied materially by service.
- IRM comparison rates assumed a two-year effective period starting October 1, 2026 (an October 1, 2027, midpoint).
- IRM results were one of multiple comparisons considered by OHIC in development of rate recommendations.
- Refer to the [IRM Report](#) for detailed comparison rates by procedure code.

Composite percent difference between IRM comparison rates and current FFS rates	
Home-Based Therapeutic Services (HBTS)	4.9%
Home Health Services	34.2%
First Connections	21.2%
Healthy Families America (HFA)	11.0%
Adult Day Care	30.1%
Mental Health Psychiatric Rehabilitative Residences (MHPRR)	33.8%

Notes

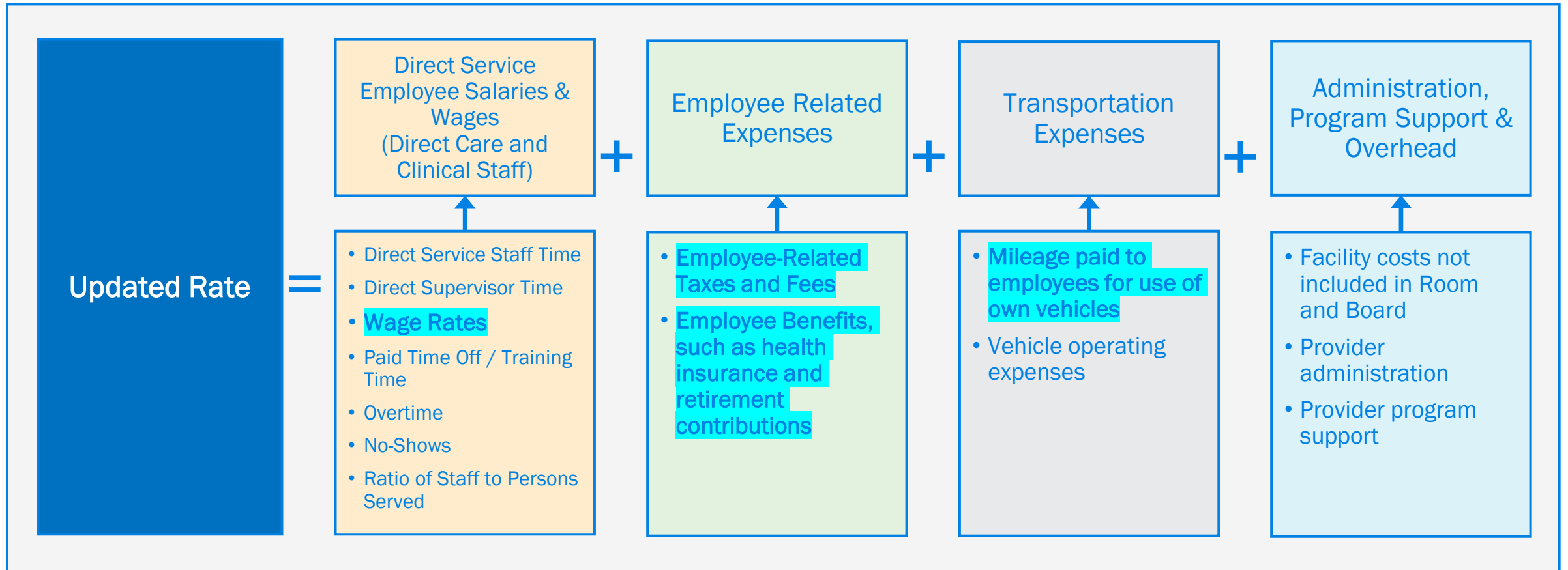
1. Comparison rates are based on assumptions that are trended to October 1, 2027, the midpoint of a 2-year expected rate effective period, October 1, 2026 through September 30, 2028.
2. Current FFS rates reflect the rates effective as of October 1, 2024.
3. Composite percent differences reflect weighted average percent increases for each program based on October 1, 2024 through March 31, 2025 FFS and encounter claims utilization. Because encounter data is not reported with program indicator, service categories are assigned to claims based on procedure code, modifier, provider NPI, and provider FEIN, in order to align encounter data with comparable FFS service groupings.
4. See report for full methodology notes and analysis limitations.

2023 Cycle Independent Rate Model Updates

Independent Rate Model – Framework

Updates to IRMs developed during the 2023 Social and Human Service Programs review cycle

- IRM rates were developed for 92 procedure code/modifier combinations during the 2023 review cycle. The approach for updating the 2023 IRMs uses the same framework as discussed previously with targeted updates to the following bolded and highlighted components.



Independent Rate Model – Assumptions

Updates to IRMs developed during the 2023 Social and Human Service Programs review cycle

- Wages were inflation-indexed and generally increased 7.4% over the two-year period from the prior assumptions.
- Individual components of employee related expenses (ERE), were updated to be consistent with the 2025 IRM cycle assumptions. See the exhibit to the right for detail.
- The mileage reimbursement rate assumption was increased to be consistent with the 2025 IRM cycle assumption. This represented a 14.2% increase.
- Refer to the [2023 Cycle IRM Updates Report](#) for additional detail.

ERE Component	ERE Amount		
	2023 IRM	2023 IRM Updated for 2025 Cycle Rate Review	Percent Difference
Medicare Tax	1.45%	1.45%	0.0%
Workers' Compensation	Varies	Varies	0.0%
Retirement	3.91%	4.00%	2.3%
Social Security Tax	6.20%	6.20%	0.0%
Social Security Taxable Wage Limit	\$ 171,300	\$ 190,238	11.1%
FUTA	6.00%	6.00%	0.0%
FUTA Taxable Wage Limit	\$ 7,000	\$ 7,000	0.0%
SUI	2.46%	2.50%	1.6%
SUI Taxable Wage Limit	\$ 28,200	\$ 31,849	12.9%
Insurance	\$ 10,000	\$ 12,000	20.0%

Independent Rate Model – Results

Updates to IRMs developed during the 2023 Social and Human Service Programs review cycle

- IRM rates generally increased around 8.8% as shown in the exhibit below.
- Behavioral Health services have a higher rate change as a result of the Bachelors Level and Licensed Chemical Dependency Professional (LCDP) provider groups receiving slightly greater wage trends based on BLS data available at the time of rate development.
- Substance Use Disorder services have a lower rate change because of components of the H0020 methadone bundle rate that are blended with Medicare rates.
- Refer to the [2023 Cycle IRM Updates Report](#) for additional detail and procedure code specific rate changes.

Composite Percent Increase from 2023 Cycle IRM Rate	
Behavioral Health	9.0%
Substance Use Disorder	7.6%
Early Intervention	8.8%
Home Care	8.8%

Notes

1. Composites were calculated based on October 2024 through March 2025 FFS utilization.
2. See report for full methodology notes and analysis limitations.

Final Report and Rate Recommendations

Final Report Rate Recommendations

Various rate benchmarks and methodologies were reviewed in developing the rate recommendations.

- Rate recommendations were provided for ~1,500 fee-for-service codes that vary by program, procedure code, and modifier.
- Recommendations may support EOHHS's managed care program state directed minimum fee schedule.
- Data supporting the rate recommendations includes:
 - IRMs
 - 2025 Cycle IRMs
 - Consistent with comparison rates developed as described earlier.
 - 2023 Cycle IRMs
 - Rates modeled with the IRM process during the 2023 rate review cycle were updated for this cycle.
 - Individual components of the IRMs were updated rather than inflation-indexing the total rate.
 - I/DD Rates
 - Services that were part of the 2023 BHDDH I/DD Rate and Payment Options Study were reviewed including consideration for inflationary changes.
 - Other Payer Benchmarks
 - Reports published on April 1, 2025, provide Medicare, commercial, self-pay, and Medicaid managed care rate benchmarks for applicable services.
 - Rate Alignment
 - Rate recommendations considered relationships between services and corresponding rate relativities that may be applied to other services.
 - Examples include aligning rates for common services across programs or creating rate relativities for services provided by multiple types of providers.
 - Inflation
 - Codes that were inflated during the prior rate review cycle or are new to this rate review cycle were reviewed including consideration for inflationary changes.

Final Report Rate Recommendations

Inflation-Indexed Rate Recommendations

- Inflationary indices were developed using the PCE All Expenditures Excluding Food & Energy Index through May 2025. Trend after May 2025 is assumed to be 2.75% annually based on PCE historical data from May 2023 - May 2025.
- Services that were inflation-indexed and included in the 2023 rate review cycle were inflated from July 1, 2024 to October 1, 2027 (3.25 years).
- Recommendations for these services are generally 8.7% rate increases for inflation (2.6% annually).
- Example below for S9485 crisis intervention mental health services, per diem for the Behavioral Health Link program.

	[1]	[2]	[3] Years of Inflation Applied From Index Start Date to 10/1/2027	[4]	[5] = [4]^(1 / [3]) - 1 Annualized Inflationary Percentage	[6]=[2]x[4]	
Effective Date	Index Start Date	Index Rate	Inflationary Index		Inflation Indexed Rate	Current Rate	
10/1/2024	7/1/2024	\$ 701.66	3.25	1.087	2.61%	\$ 762.93	\$ 701.66

Final Report Rate Recommendations

Rate Recommendations for I/DD Rates

- A comprehensive rate review of all I/DD rates was performed in 2023 through the BHDDH I/DD Rate and Payment Options Study with rates effective July 1, 2023. These rates were not reviewed further during the 2023 OHIC rate review cycle.
- As part of the 2025 cycle, these rates were reviewed and considered for inflationary updates from January 1, 2024, to October 1, 2027 (3.75 years). Individual rate component updates were not made.
- Meetings were held with BHDDH to understand these services and any discrepancies between the Rate and Payment Options Study rate recommendations and actual rates in the fee schedule.
- Recommendations for these services are generally 10.6% rate increases for inflation (2.7% annually).
- Example below for H0038 self-help/peer services, per 15 minutes for the BHDDH Community Support program.

Effective Date	[1] Index Start Date	[2] Index Rate	[3] Years of Inflation Applied From Index Start Date to 10/1/2027	[4] Inflationary Index	[5] = [4]^(1 / [3]) - 1 Annualized Inflationary Percentage	[6]=[2]x[4] Inflation Indexed Rate	Current Rate
7/1/2023	1/1/2024	\$ 11.65	3.75	1.106	2.73%	\$ 12.89	\$ 11.65

Final Report Rate Recommendations

Rate Recommendations using Rate Alignment

- Rate recommendations were provided for ~100 fee-for-service codes that were based on rate relativity or rate alignment. The adjustments were based on expected relationships between procedure codes and expected relationships between procedure codes and modifiers.
- Many of these codes include therapy / office visits / assessments codes that are expected to have consistent code/modifier relationships.
- Example below is from Appendix 1 of the Final report and demonstrates the relationship between therapy / office visits / assessments procedure codes.
 - 90833 and 90836 are for the same service and are only differentiated by the billing unit (30 minutes vs. 45 minutes).
 - The TD TF modifier represents a psychiatric clinical nurse specialist as the service provider while no modifier represents a psychiatrist as the service provider.

Procedure Code	Mod 1	Mod 2	Current Rate Effective Date	Current Rate	Rate Recommendation	Rate Change	Methodology	Notes
90833			10/1/2024	52.89	57.51	8.7%	Inflation Indexed	
90833	TD	TF	10/1/2024	47.22	51.34	8.7%	Inflation Indexed	
90836			10/1/2024	53.68	58.37	8.7%	Inflation Indexed	
90836	TD	TF	10/1/2024	53.68	52.11	(2.9%)	Rate Relativity / Rate Alignment	Recommend setting rate using a consistent rate relativity between the TD TF modifier rate and no modifiers as the 90833 procedure code.

Final Report Rate Recommendations

Fiscal Impact Estimates and Average Recommended Rate Changes – Behavioral Health and Children’s Services

- Mental Health Residential and Home Visiting and Residential Programs increases are from IRM comparison rate development.
- Most other rate changes are around 8.7% (inflationary rate). Differences from 8.7% are primarily due to 2023 IRMs and rate rationalization.
- If rate changes are extended to Medicaid MCOs, the estimated impact is an additional \$17.5M for Behavioral Health Services and \$5.8M for Children’s Services.

Notes:

1. Annualized baseline expenditures are based on FFS expenditures incurred between October 1, 2024 and March 31, 2025, paid through June 30, 2025, multiplied by two to assume total annualized baseline expenditures. Services included in the table are consistent with those included in Appendix 1 of the Final Report.
2. Expenditure estimates using proposed rates are FFS expenditures increased by the dollar weighted difference between the current effective rate and the proposed rate.
3. No adjustments have been made for completion, seasonality, trend, or other utilization impacts. The exhibit above represents an estimated cost per unit change based on the service utilization mix included in the baseline expenditures.

Service Category Detail	FFS Annualized Baseline Expenditures	% Change	FFS Expenditure Estimates using Proposed Rates	FFS Difference
Behavioral Health Services				
Acute Stabilization	2,374,544	8.7%	2,581,885	207,341
Assertive Community Treatment	608,146	8.9%	661,990	53,844
Crisis Intervention	11,574	8.7%	12,584	1,010
Integrated Health Homes	1,228,574	9.3%	1,343,327	114,753
Intensive Outpatient Program	5,531	8.7%	6,014	483
Mental Health Clubhouse	238,278	8.7%	259,090	20,812
Mental Health Residential	9,392,047	29.7%	12,184,168	2,792,121
Peer Recovery Services	143,741	8.7%	156,317	12,576
Rehabilitation	4,641,012	8.7%	5,046,217	405,205
Substance Use Rehabilitation	1,311,656	8.0%	1,416,408	104,753
SUD Residential	2,306,930	8.7%	2,508,388	201,458
Supported Employment	2,717	8.7%	2,955	238
Therapy / Office Visits / Assessments	2,101,319	9.2%	2,294,481	193,162
Composite	\$ 24,366,070	16.9%	\$ 28,473,825	\$ 4,107,755
Children's Services				
Cedar	25,936	8.7%	28,202	2,265
CRAFT	3,533,914	8.7%	3,842,472	308,559
Early Intervention	5,033,549	8.4%	5,455,890	422,342
Home Visiting and Residential Programs	12,878,996	12.1%	14,437,711	1,558,715
Home/Center-Based Therapeutic Services	17,306,734	7.4%	18,589,764	1,283,031
Local Education Agency	27,587,948	8.2%	29,838,548	2,250,600
Composite	\$ 66,367,076	8.8%	\$ 72,192,588	\$ 5,825,512

Final Report Rate Recommendations

Fiscal Impact Estimates and Average Recommended Rate Changes – HCBS and I/DD Services

- Adult Day and Home Health material increases are from IRM comparison rate development.
- Most other rate changes are around 8.7% (HCBS inflationary rate) or 10.6% (I/DD inflationary rate). Differences are primarily due to 2023 IRMs, rate rationalization, and discussions with BHDDH.
- Home Meal Delivery expenditures have been excluded due to annual legislatively mandated rate increases.
- If rate changes are extended to Medicaid MCOs, the estimated impact is an additional \$13.1M for HCBS.

Service Category Detail	FFS Baseline Expenditures	% Change	FFS Expenditure Estimates using Proposed Rates	FFS Difference
HCBS				
Adult Day	8,147,251	30.5%	10,629,884	2,482,632
Assisted Living Facility	25,250,596	8.7%	27,455,825	2,205,228
Case Management	21,824,659	12.7%	24,592,858	2,768,199
Day Habilitation	529,603	8.8%	576,122	46,519
Home Care	160,216,326	8.9%	174,441,473	14,225,147
Home Health	779,714	16.6%	909,325	129,611
Home Meal Delivery	-	N/A	-	-
Hospice	1,464,836	9.2%	1,599,637	134,801
Self-Directed	1,329,484	8.7%	1,445,597	116,113
Severely Disabled Nursing Homecare	7,827,611	8.6%	8,502,396	674,785
Shared Living Agency	10,330,177	8.7%	11,232,217	902,040
Composite	\$ 237,700,259	10.0%	\$ 261,385,335	\$ 23,685,075
Intellectual and Developmental Disability Services				
Center-Based	6,134,153	7.6%	6,598,192	464,039
Community Supports	170,988,312	10.3%	188,682,964	17,694,652
Employment	6,674,470	11.5%	7,439,262	764,792
Peer Supports	-	N/A	-	-
Professional Services	4,568,746	10.6%	5,054,488	485,743
Residential	180,915,858	9.5%	198,190,903	17,275,045
Self-Direction	6,128,948	13.9%	6,983,345	854,398
Shared Living	31,402,958	10.6%	34,744,342	3,341,384
Other	17,547,471	10.3%	19,352,170	1,804,699
Composite	\$ 424,360,915	10.1%	\$ 467,045,667	\$ 42,684,752

Notes:

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2. Expenditure estimates using proposed rates are FFS expenditures increased by the dollar weighted difference between the current effective rate and the proposed rate.
3. No adjustments have been made for completion, seasonality, trend, or other utilization impacts. The exhibit above represents an estimated cost per unit change based on the service utilization mix included in the baseline expenditures.

Next Steps



Public Comment

Public Comment Process

- In person: sign in on public comment sheet.
- Virtual: use the “raise hand” feature and OHIC will take you off mute to speak OR put your question or comment in the chat.
- All: Please state your name and organization.
- To submit written comments, please email Molly.McCloskey@ohic.ri.gov with “Review of Social and Human Services – 2025 Public Comment” in the subject line.



Thank You!

[Link to all published reports](#)

Please email Molly.McCloskey@ohic.ri.gov for any questions

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