



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Department of Administration  
BUDGET OFFICE  
One Capitol Hill  
Providence, R.I. 02908-5886

**Memorandum**

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

The Honorable Daniel DaPonte  
Chairman, Senate Finance Committee

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

**Date:** May 13, 2016

**Subject:** Amendment to Article 9 – Relating to Medical Assistance and Uncompensated Care (16-H-7454)

The Governor requests that Article 9 entitled “Relating to Medical Assistance and Uncompensated Care” be replaced with the attached changes. The modifications to the original version of the article are denoted by shading.

This amendment will permit home care provider agencies participating in the wage pass-through program targeted to increase wages for direct care home care workers to retain any costs related to payroll taxes, insurance contributions and only those other expenses of implementing the wage increase that are required by state and federal law.

If you have any questions regarding this amendment, please feel free to contact me (222-6300).

TAM: 17-Amend-11  
Attachment

cc: Sharon Reynolds Ferland, House Fiscal Advisor  
Stephen Whitney, Senate Fiscal Advisor  
Michael DiBiase, Director of Administration  
Jonathan Womer, Director, Office of Management and Budget  
Gregory Stack, Supervising Budget Analyst

ARTICLE 9 (Revised 5/13/16)

RELATING TO MEDICAL ASSISTANCE AND UNCOMPENSATED CARE

**Proposed Amendment to Article 9, Section 7, page 22 lines 28-34 and page 23 lines 1-7 amended as noted highlighting below:**

(3) By October 1, 2016, institute an increase in the base payment rates for home care service providers, in an amount to be determined through the appropriations process, for the purpose of implementing a wage pass-through program for personal care attendants and home health aides assisting long-term care beneficiaries. On or before September 1, 2016, Medicaid funded home health providers seeking to participate in the program shall submit to the secretary for his or her approval a written plan describing and attesting to the manner in which the increased payment rates shall be passed fully through to personal care attendants and home health aides in their salaries or wages less any attendant costs incurred by the provider for additional payroll taxes, insurance contributions, and other costs required by federal or state law, regulation or policy and directly attributable to the wage pass-through program established in this section. Any such providers contracting with a Medicaid managed care organization shall develop the plan for the wage pass-through program in conjunction with the managed care entity and shall include assurances by both parties that the base-rate increase is implemented in accordance with the goal of raising the wages of the health workers targeted in this subsection. Participating providers who do not comply with the terms of their wage pass-through plan shall be subject to a clawback, paid by the provider to the state, for any portion of the rate increase administered under this section that the secretary deems appropriate.