

# Executive Office of Health and Human Services

Staff Presentation to Subcommittee on Human Services  
FY 2025 Revised and FY 2026 Budgets  
April 2, 2025

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# EOHHS

- *Overview*
  - *EOHHS Agencies*
  - *Items of Interest*
  - *Audit Findings*
  - *Federal Uncertainties*
- *EOHHS*
  - *Summary*
  - *Medical Assistance*
  - *Administration*

# Overview

- Governor's Budget
  - Caps or freezes some provider rates
  - Enhances program integrity staff to reduce expenditures assumed to be the result of improper payments or mismanagement
  - Enhanced staffing for statewide DATA RI
  - Continues enhanced use of contracted services
  - Assumes January 2025 federal laws and policies

# EOHHS – Overview

- Principal agency to manage the 4 health and human service agencies
  - BHDDH, DHS, DCYF & DOH
  - Governor appoints the directors of the 4 agencies under the EOHHS umbrella
  - Retain statutory authority
- Medicaid funded programs in each of the agencies

# EOHHS – Overview

- Stated purposes
  - Improve the economy, efficiency, coordination, & quality of health & human services policy & planning, budgeting, & financing
  - Design strategies & implement best practices that foster service access, consumer safety, and positive outcomes
  - Maximize & leverage funds from all available public and private sources, including federal financial participation, grants, and awards

# EOHHS – Overview

- 2007 law required the transfer of functions from other departments over a 5-year period

<b>Function</b>	<b>Current Status</b>
Fiscal & Legal	Yes
Communications	Partially
Policy Analysis & Planning	No
Info. Systems & Data Management	No
Assessment & Coordination Program Integrity, Quality Control & Recovery	No
Protective Services	No
HIV/AIDS treatment programs	Partially

# Overview - EOHHS Agencies

All Funds	FY 2025 Enacted	FY 2025 Governor	Chg.	FY 2026 Governor	Chg.
<i>EOHHS</i>	\$4,017.8	\$3,967.1	\$(50.6)	\$4,202.1	\$184.3
DHS	814.7	860.5	45.8	829.2	14.4
BHDDH	672.4	706.9	34.5	704.2	31.8
DOH	356.3	387.8	31.6	292.1	(64.1)
DCYF	399.1	412.1	13.1	397.2	(1.9)
<b>Total</b>	<b>\$6,260.2</b>	<b>\$6,334.5</b>	<b>\$74.3</b>	<b>\$6,424.8</b>	<b>\$164.6</b>
% of budget	44.8%	42.4%		45.2%	

\$ in millions

# Overview - EOHHS Agencies

<b>General Revenues</b>	<b>FY 2025 Enacted</b>	<b>FY 2025 Governor</b>	<b>Chg.</b>	<b>FY 2026 Governor</b>	<b>Chg.</b>
<i>EOHHS</i>	\$1,416.4	\$1,390.9	\$(25.5)	\$1,469.7	\$53.3
DHS	142.8	147.3	4.5	135.6	(7.2)
BHDDH	305.7	317.6	11.9	316.3	10.6
DOH	40.1	40.5	0.5	38.1	(2.0)
<i>DCYF</i>	261.4	261.4	-	263.0	1.6
<b>Total</b>	<b>\$2,166.3</b>	<b>\$2,157.8</b>	<b>\$(8.5)</b>	<b>\$2,222.6</b>	<b>\$56.3</b>
% of budget	38.7%	38.5%		38.7%	

\$ in millions



# Overview - EOHHS Agencies

Agency	Placement/Benefit	# of persons	Annual Cost/Person
BHDDH	Eleanor Slater Hospital	144	\$834,540
	RI Psychiatric Hospital	53	\$635,614
	RICLAS	101	\$352,786
	Private Dev. Dis. Services	3,800	\$115,947
EOHHS	Long Term Care Services	13,659	\$78,228
	RHP - Disabled Adults	12,943	\$26,293
	RHO – Disabled Adults	28,710	\$10,528
	Expansion Adults	84,490	\$8,586
	Rlte Care	176,689	\$6,419

# Overview – Items of Interest

<b>Programs</b>	<b>EOHHS</b>	<b>BHDDH</b>	<b>DCYF</b>	<b>DHS</b>	<b>DOH</b>	<b>DOC</b>
Opioid Funds	X	X	-	-	X	X
Youth Vaping Abatement	-	X	-	-	X	-
HCBS - ARPA	X	-	X	-	X	-
Behavioral Health System of Care	X	X	X	-	-	-
Conflict-Free Case Management (CFCM)	X	X	-	X	-	-

# Overview – Items of Interest

- 2019 Opioid Stewardship Act
  - Assessment from gross in-state opioid sales
    - Manufacturers/Wholesalers/Distributors
  - \$5.0 million annually
- McKinsey Settlement Funds
  - RI received \$2.6 million
    - Funds to be used for treatment, rescue, recovery, and prevention programs

# Overview – Items of Interest

- Statewide Opioid Abatement Account
  - Allows EOHHS to receive & spend funds from settlement agreements with
    - Opioid manufacturers
    - Pharmaceutical distributors, pharmacies or affiliates
    - Bankruptcy proceeding from these entities
  - Annual reporting to Governor, Speaker, Senate President and Attorney General
    - Uses of funds and amount spent
- Opioid Stewardship Task Force
  - Recommendations to EOHHS on use of funds

# Overview – Items of Interest

<b>Opioid Funds – by Agency</b>	<b>Pre-FY 2025</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>5-Year Total</b>
EOHHS	\$9.1	\$18.8	\$11.8	\$39.7
BHDDH	7.9	14.4	5.3	27.6
Health	7.6	8.2	6.9	22.7
Corrections	5.1	2.0	1.3	8.4
<b>Total</b>	<b>\$29.7</b>	<b>\$43.3</b>	<b>\$25.2</b>	<b>\$98.3</b>

\$ in millions

# Overview – Items of Interest

Opioid Categories	Pre-FY 2024	FY 2024	FY 2025	FY 2026
Treatment	\$2.1	\$2.8	\$8.9	\$4.3
Prevention	2.5	2.7	5.6	3.2
Social Determinants of Health	1.1	2.6	6.4	2.1
Harm Reduction & Rescue	2.4	4.2	9.7	6.6
Recovery	0.5	1.9	5.4	3.6
Racial Equity	-	-	0.8	0.4
Governance/Data	1.0	1.6	6.4	5.1
<b>Total</b>	<b>\$9.6</b>	<b>\$15.7</b>	<b>\$43.3</b>	<b>\$25.2</b>

\$ in millions

# Overview – Items of Interest

- Projects from January 2025 annual report about Abatement funds through 12/24
  - \$30.2M in allocations
    - \$14.7M spent

Opioids - Examples of Projects	Funding	Spent - 12/24
Harm Reduction Centers & Treatment Capacity	\$7.2	\$3.2
School & Comm. Based Mental Health Investments	5.9	4.0
Homelessness Prevention/Mobile Medical Respite	4.1	0.8
New Treatment Facilities or Expansions	1.2	0.7
Recovery Supports	2.2	1.2
Administrative & Evaluation	2.8	0.8

\$ in millions

# Overview – Items of Interest

- Behavioral Healthcare System of Care

<b>BHDDH - Federal Grants</b>	<b>FY 2025</b>	<b>FY 2026</b>
Substance Use Block Grant (incl. ARPA)	\$9.1	\$8.3
Mental Health Block Grant (incl. ARPA)	5.9	4.6
State Opioid Response Grant	11.5	11.5
Partnership for Success Grant	1.1	1.3
Social Services Block Grant	1.1	1.1
Homelessness Services	0.4	0.9
Transition from Homelessness	0.3	0.3
<b>Total</b>	<b>\$29.4</b>	<b>\$28.0</b>

\$ in millions



# Children's Behavioral Health Services

- EOHHS awarded \$10.6 million Children's Behavioral Health Services federal grant
  - \$10.6 million – 9/30/2022 through 9/26/2026
    - Subsequently reduced to \$9.6 million
      - EOHHS did not complete the process to award funding until 10/2023 – could not carry forward funds
  - Funds support:
    - Community-Based Intensive Care Team
    - Mobile Response & Stabilization Services (MRSS)
    - Strategic planning & project management
    - Media campaign & DCYF support staff

# Mobile Response & Stabilization Services

- Crisis Intervention Model
  - Mobile, on-site, intervention for youth having a behavioral health crisis
  - Help stabilize & maintain children in the least restrictive setting
  - Prevent placement disruptions
- Pilot program w/ 2 agencies - \$4.6 million
  - Tides Family Services - \$2.4 million
  - Family Service of Rhode Island - \$2.1 million

# Overview – Items of Interest

- Pay for Success is a pilot program to provide permanent supportive housing & additional wraparound services to 125 individuals experiencing homelessness
  - FY 2024/FY 2025 & FY 2026 - \$1.5M from restricted receipts
  - Run by RI Coalition to End Homelessness
  - Program began September 2023
    - 151 individuals have been referred to a provider
      - 85 have been enrolled in a program

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# FY 2024 Spending

	<b>FY 2024 Final</b>	<b>FY 2024 Prelim.</b>	<b>FY 2024 Audit</b>	<b>Chg. to Final</b>	<b>Chg. to Prelim.</b>
General Revenues	\$1,276.5	\$1,295.2	\$1,265.7	\$(7.7)	\$(29.5)
Federal Funds	2,313.7	2,297.7	2,299.9	(13.9)	2.1
Restricted Receipts	53.3	42.4	44.1	(9.2)	1.8
<b>Total</b>	<b>\$3,640.5</b>	<b>\$3,635.3</b>	<b>\$3,609.7</b>	<b>\$(30.8)</b>	<b>\$(25.6)</b>

\$ in millions

# Audit Findings

## Finding 2024-001

Significant journal entries made in error during the fiscal close – Several material journal entries (impacting reported expenditures) were recorded backwards during the fiscal close. Since significant journals are reviewed by senior financial management at the department level and financial reporting staff at the OAC, it raised concerns that designed controls over journal entries were not operating effectively during the fiscal close. **Such errors further support the lack of financial oversight where many of the errors could have been identified when year-end results were inconsistent with caseload conference testimony provided in May 2024.**

# Audit Findings

Agency	Material Audit Adjustments
EOHHS	Correct the funding source for 5 journal entries omitted or recorded in error. Net impact shifted \$23.0 million in general revenue expenses to federal or restricted sources
	Reduce managed care expenses by \$24.7 million for settlements initially misstated due to use of incomplete data
	Reduce drug rebate receivables by \$6.7 million for an error in estimation
	Correct recording of prepaid managed care premium payments which were understated by \$11.1 million
BHDDH	Reduce expenses by \$4.0 million related to an overstated accrual estimate in the private DD system
DCYF	Correct fiscal closing adjusts the understated expenditure and federal revenue by \$17.7 million

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# Federal Uncertainties

- Medicaid Changes?
  - Per Capita Caps
  - Block Grant
  - Provider Tax
  - Match Rate
    - 90% or 75% federal match rate for certain projects be lowered to 50%
    - Technology systems
      - UHIP
- Federal Grants
  - DHS
    - Eliminate Social Services Block Grant?
    - Reduce TANF Block Grant?
  - Office of Healthy Aging
    - Medicaid
    - Federal Grants

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# EOHHS Summary

Category	FY 2025 Enacted	FY 2025 Governor	Chg.	FY 2026 Governor	Chg.
Salaries/Ben	\$38.6	\$41.3	\$2.8	\$44.6	\$6.0
Contracted Services	220.0	215.2	(4.8)	196.5	(23.5)
Operating	21.8	12.8	(9.0)	15.2	(6.6)
Asst/Benefits	3,737.4	3,697.8	(39.6)	3,945.8	208.4
<b>Total</b>	<b>\$4,017.8</b>	<b>\$3,967.1</b>	<b>\$(50.6)</b>	<b>\$4,202.1</b>	<b>\$184.3</b>

\$ in millions

# EOHHS Summary

Program	FY 2025 Enacted	FY 2025 Governor	Chg.	FY 2026 Governor	Chg.
Medical Assistance	\$3,701.3	\$3,638.9	\$(62.5)	\$3,913.4	\$212.1
Administration	316.4	328.2	11.8	288.7	(27.8)
<b>Total</b>	<b>\$4,017.8</b>	<b>\$3,967.1</b>	<b>\$(50.6)</b>	<b>\$4,202.1</b>	<b>\$184.3</b>
FTE	233.0	233.0	-	243.0	10.0

\$ in millions

# EOHHS Summary

Source	FY 2025 Enacted	FY 2025 Governor	Chg.	FY 2026 Governor	Chg.
General Revenues	\$1,416.4	\$1,390.9	\$(25.5)	\$1,469.7	\$53.3
Federal Funds	2,543.9	2,515.7	(28.1)	2,708.5	164.7
Restricted Receipts	57.5	60.5	3.0	23.9	(33.6)
<b>Total</b>	<b>\$4,017.8</b>	<b>\$3,967.1</b>	<b>\$(50.6)</b>	<b>\$4,202.1</b>	<b>\$184.3</b>
FTE	233.0	233.0	-	243.0	10.0

\$ in millions

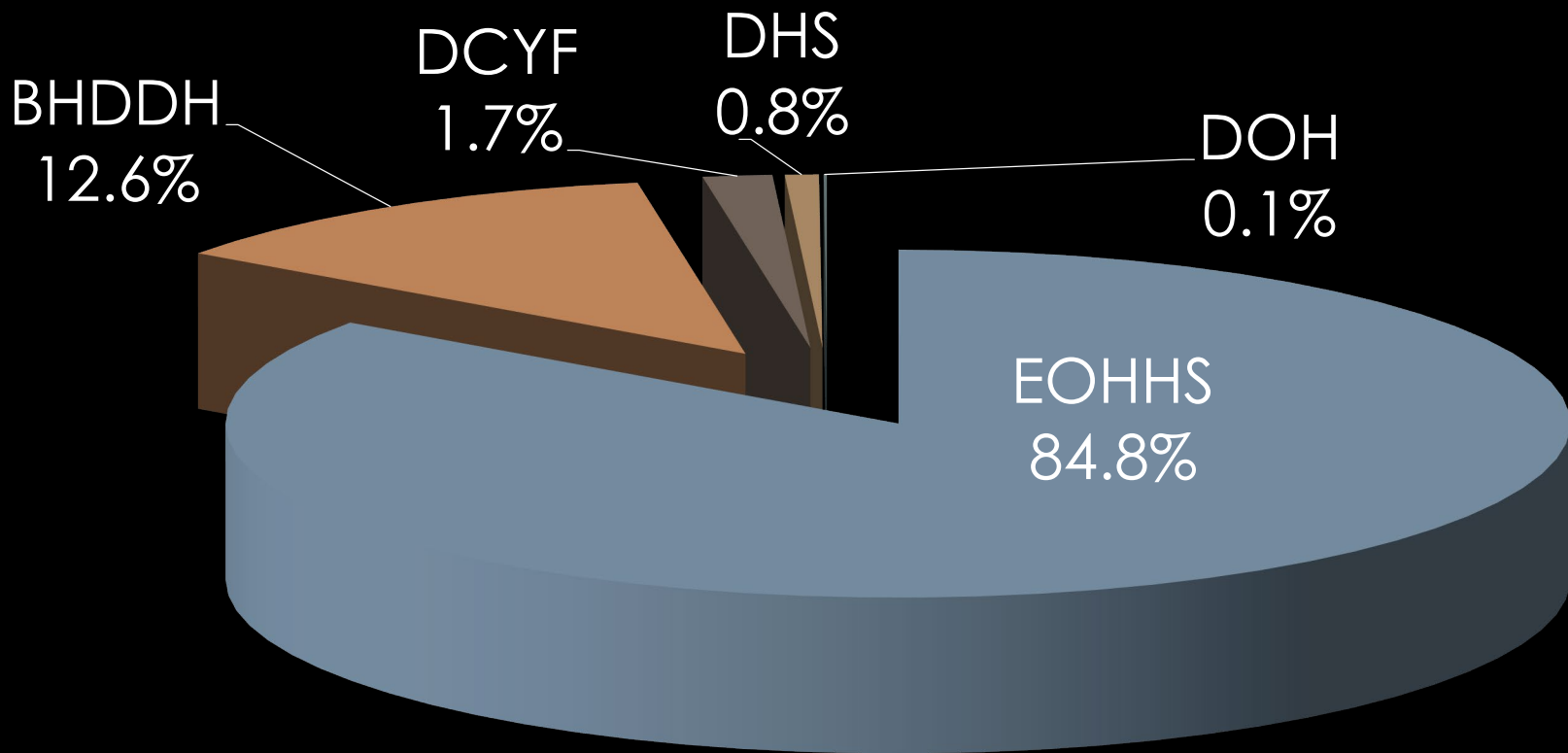
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# Medicaid Overview

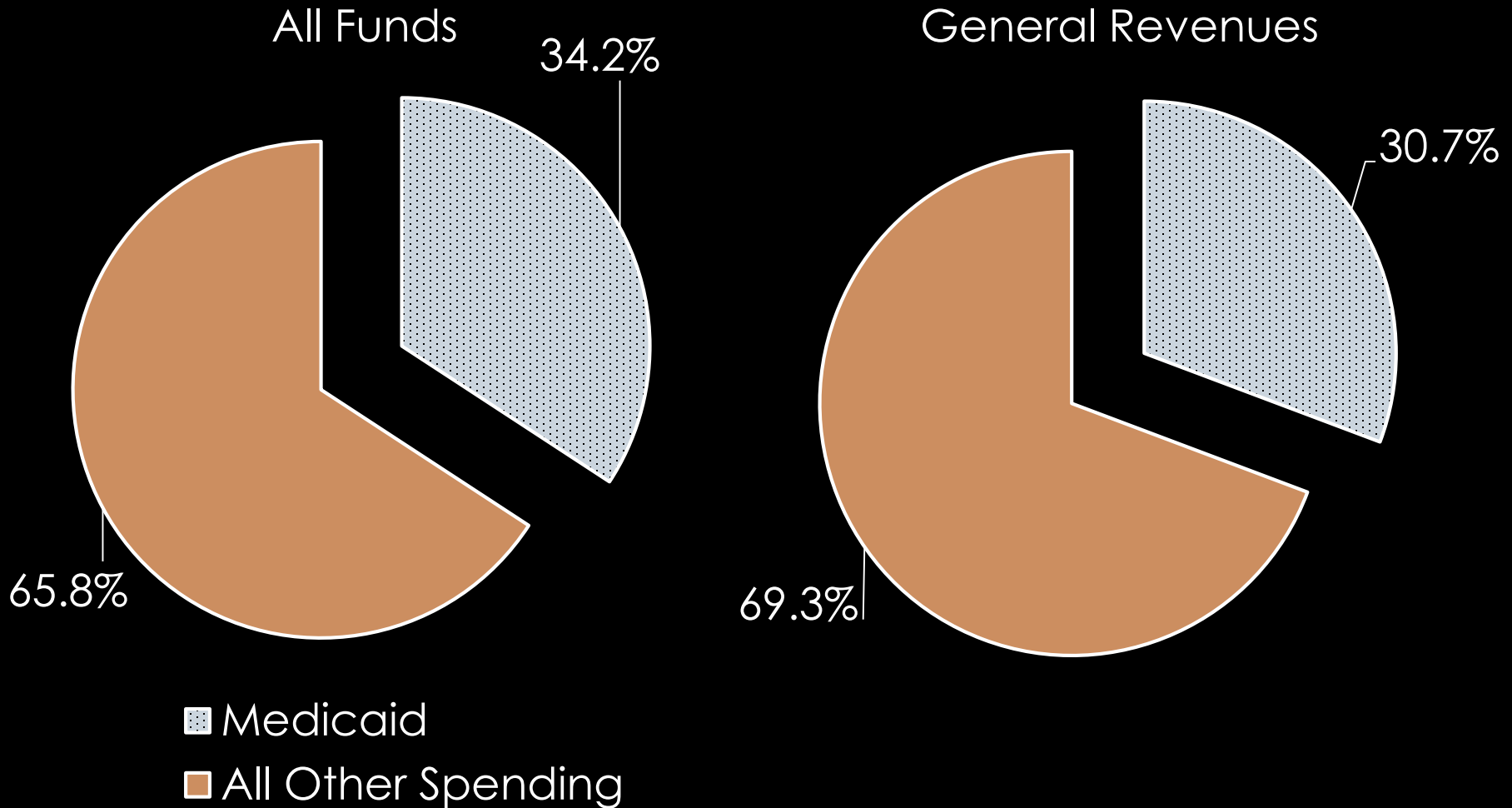
- Major part of state budget & economy
  - Approximately 1/3 of state residents receive some Medicaid funded services
  - Majority of costs on small % of population
- Federal requirements and limitations
  - Can expand programs through waivers
    - To cover populations & provide services through different pathways
    - RI Comprehensive Demonstration
- ACA - state expanded Medicaid to approximately 90,000 individuals

# Medicaid Spending by Department





# Medicaid - % of Total Budget



# Medicaid Programs

- EOHHS
  - Low income children and parents
  - Elderly/Disabled/Non-Disabled without dependent children
  - Medical benefits for those receiving community based services
    - Through BHDDH or DCYF
- BHDDH
  - Services to developmentally disabled adults
  - Patients at Eleanor Slater Hospital

# Medicaid Programs

- DCYF
  - Non-medical services for children
  - Residential and community-based services
- DHS
  - Medical services administration
  - Office of Healthy Aging programs
- DOH
  - Inspections
  - Administrative expenses

# Caseload Estimating Conference

- House Fiscal, Senate Fiscal and State Budget Office staff estimate
  - Costs for medical benefits, cash assistance & programs for individuals with developmental disabilities in EOHHS, DHS & BHDDH
- Estimates based on current law only
- Convenes 2X a year November & May
  - November is starting point for the Governor's revised and recommended budgets
  - Enacted budget reflects May estimates

# Medical Assistance

<b>Managed Care Program</b>	<b>Populations</b>
Rite Care/Rite Share	Children & Parents
Rhody Health Partners	Disabled Adults/Adults w/o Dependent Children (Expansion population)
Rhody Health Options	Elderly & Disabled eligible for Medicare & Medicaid (dual eligible)

# Medical Assistance

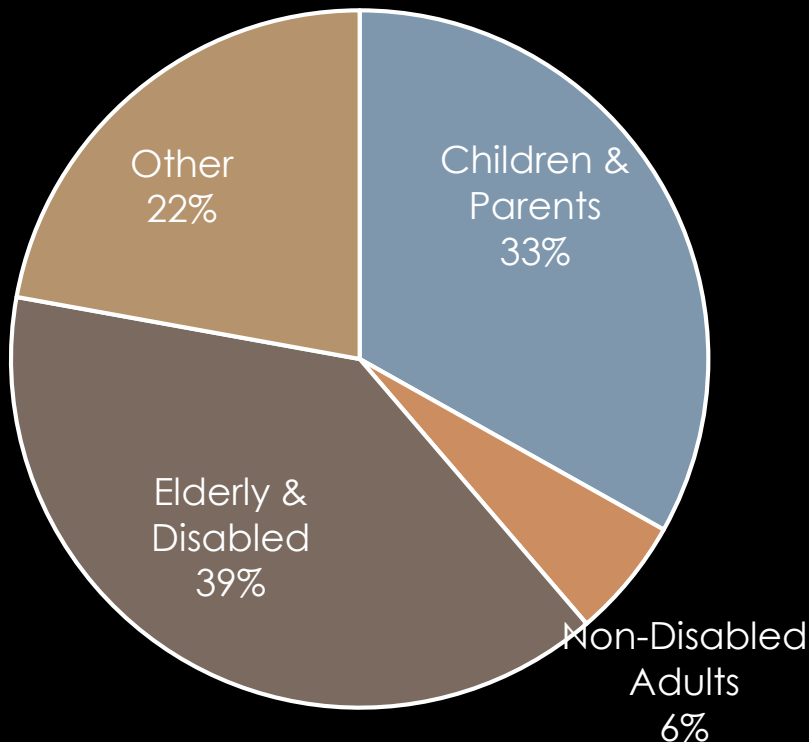
- Rite Care/Rhody Health Partners
  - Coverage by either:
    - Neighborhood Health, UnitedHealth or Tufts
- Rite Share
  - For those w/access to employer sponsored benefits
    - State pays monthly cost sharing & deductibles
- Fee-for-Service
  - Also receive “wrap around” services

# Medical Assistance

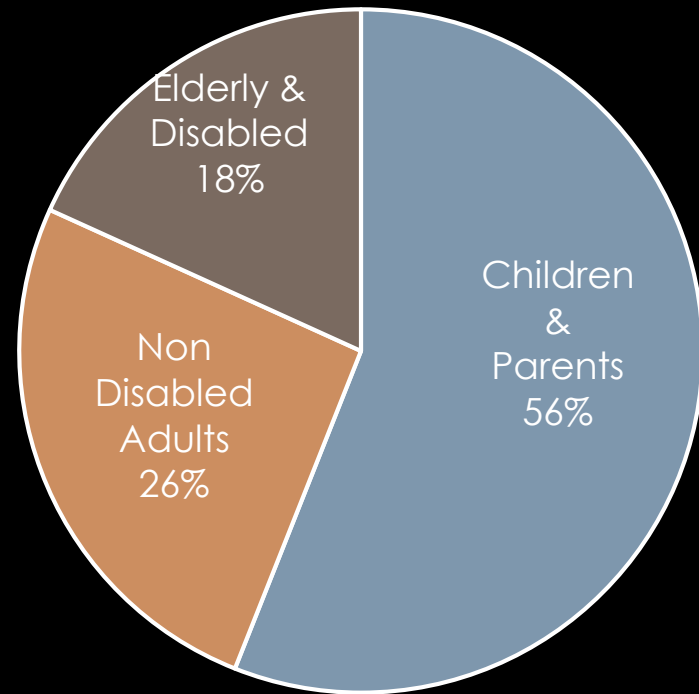
Fee-for-Service	Populations
Long Term Care: Nursing Homes & Home and Community Care	Elderly & Disabled
Hospitals	<ul style="list-style-type: none"><li>• Elderly &amp; Disabled</li><li>• Not yet enrolled in a managed care plan</li></ul>
Pharmacy	
Other Medical Services	

# FY 2026 Governor's Budget: EOHHS by Population

## PROGRAM EXPENSES: GENERAL REVENUES



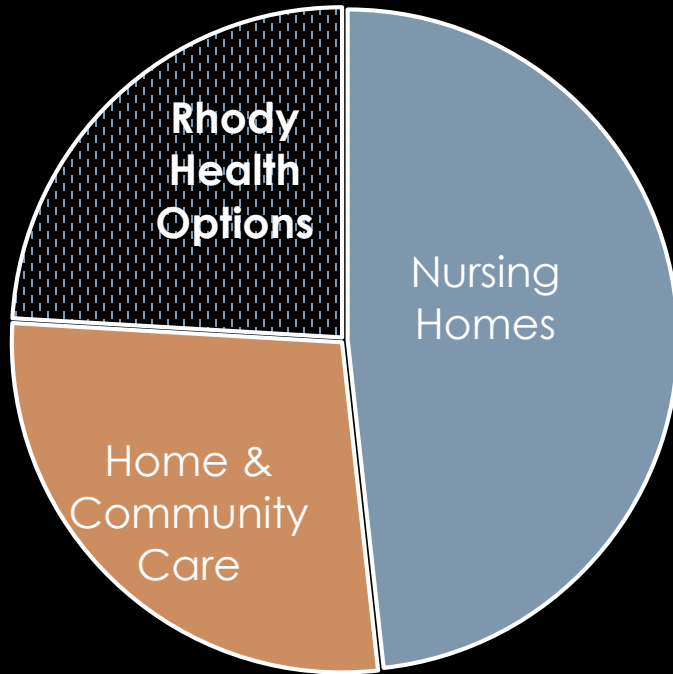
## ENROLLMENT



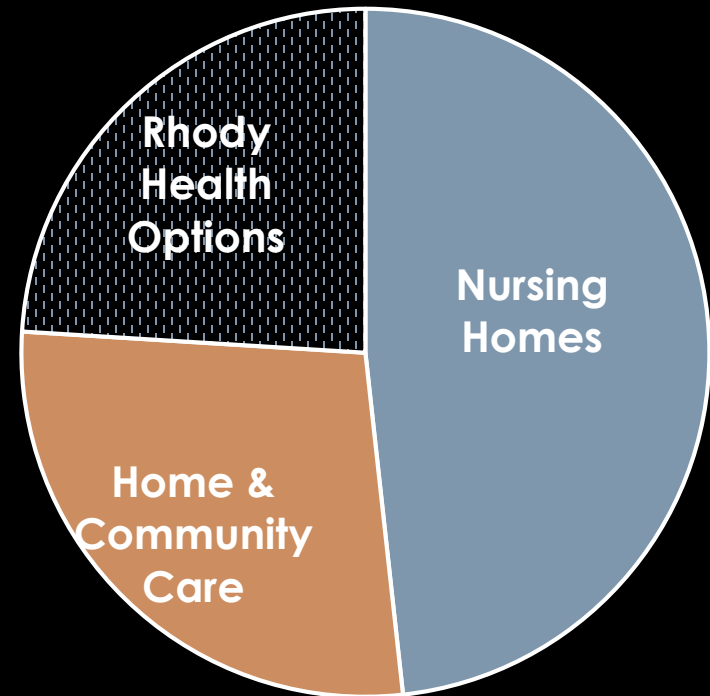


# FY 2026 Governor: Long Term Care

All Funds = \$956.5 million



Gen. Rev. = \$409.4 million



# Medical Assistance

	General Revenues	All Funds
FY 2025 Enacted	\$1,358.1	\$3,667.9
FY 2025 Nov CEC	\$1,331.2	\$3,596.7
Nov CEC to Enacted	\$(26.9)	\$(71.2)
<b>FY 2025 Gov. Rev Rec</b>	<b>\$1,333.8</b>	<b>\$3,602.8</b>
Gov. Rev to Nov CEC	\$2.6	\$5.9
FY 2026 Nov CEC	\$1,418.7	\$3,917.0
<b>FY 2026 Gov Rec</b>	<b>\$1,403.5</b>	<b>\$3,886.3</b>
Gov. Rec to Nov CEC	\$(15.2)	\$(30.7)

\$ in millions

# Medical Assistance: CEC

Program	FY 2025 Enacted	FY 2025 Governor	FY 2026 Nov CEC	FY 2026 Governor
Hospitals	\$361.7	\$379.0	\$392.2	\$395.6
Long Term Care	615.0	649.5	738.3	726.6
Managed Care	1,070.1	1,058.5	1,134.1	1,126.2
Expansion	733.0	688.1	725.4	723.5
RH Partners	338.5	309.7	340.3	339.1
RH Options	220.3	214.6	234.9	230.0
Pharmacy	96.5	93.8	100.4	100.4
Other Medical	227.1	209.4	251.4	244.9
<b>Total – All Funds</b>	<b>\$3,667.9</b>	<b>\$3,602.6</b>	<b>\$3,917.0</b>	<b>\$3,886.3</b>
<i>General Revenues</i>	\$1,358.1	\$1,333.8	\$1,418.7	\$1,403.5

\$ in millions

# Medical Assistance: FY2026

Program	Nov CEC	Governor	Gov. to Nov CEC
Hospitals	\$392.2	\$395.6	\$3.4
Long Term Care	738.3	726.6	(11.7)
Managed Care	1,134.1	1,126.2	(7.9)
Expansion	725.4	723.5	(1.9)
Rhody Health Partners	340.3	339.1	(1.2)
Rhody Health Options	234.9	230.0	(4.9)
Pharmacy Clawback	98.4	98.4	-
Pharmacy	2.0	2.0	-
Other Medical	251.4	244.9	(6.5)
<b>Total</b>	<b>\$3,917.0</b>	<b>\$3,886.3</b>	<b>\$(30.7)</b>

\$ in millions

# Hospital Financing

<b>Governor's FY 2026 Changes to November CEC – Hospitals</b>	<b>GR</b>	<b>All</b>
Rates	\$(1.7)	\$(5.3)
UPL Reimbursement	(6.7)	(18.3)
DSH Payment	(5.9)	(13.7)
State Directed Payment	9.1	30.6
License Fee	(16.8)	(16.8)
<b>Total</b>	<b>\$(22.0)</b>	<b>\$(23.5)</b>

\$ in millions

# Hospital License Fee

- State levies fee annually
  - Rate x base year revenues
  - Usually extended one year at a time
- Article 8 extends license fee for FY 2026
  - Payments totaling \$232.5 million
    - Community Hospitals - \$228.5 million
      - Average 5.81% - 2023 base year  
\$16.8 million more than FY 2025
    - Eleanor Slater Hospital - \$4.0 million
      - 5.25% for 2023 base year
      - Same as FY 2025

# Hospital Rates

- Article caps rate increase at 2.3%
  - Current law set rate based on national index
    - Inpatient and outpatient

Nov CEC includes current law rates = \$24.3M

- Differ between managed care plans (2.9%) & FFS (3.4%)

<b>Managed Care &amp; Fee for Service Payment</b>	<b>General Revenues</b>	<b>Total</b>
Nov. Caseload includes rate increases	\$268.4	\$848.7
Article 8 reduction to 2.3% increase	(1.7)	(5.3)
FY 2026 Recommendation with Article 8	\$266.8	\$843.4
<b>Value of 2.3% Rate increase</b>	<b>\$5.9</b>	<b>\$19.0</b>

\$ in millions

# Nursing Facilities

- Article 8 sets Oct. 1, 2025 rate increase at 2.3%
  - Lowered from 4.2% adopted at the Nov CEC
    - Based on a national nursing home index
  - Nov CEC includes current law rates
    - \$17.0M including \$7.0M from general revenues

<b>Nursing and Hospice Payments</b>	<b>General Revenues</b>	<b>Total</b>
Nov. Caseload includes rate increase	\$233.2	\$555.3
Governor's Proposal – 2.3% increase	(3.2)	(7.7)
FY 2026 Recommendation with Article 8	\$230.0	\$547.6
<b>Value of 2.3% Rate increase</b>	<b>\$3.8</b>	<b>\$9.3</b>

\$ in millions



# Home & Community-Based Services

- Article 8 eliminates annual index eff. FY 2026
  - Freezing rates at FY 2025 level
    - Currently part of OHIC biennial rate review
    - Next potential increase would be FY 2027
  - Nov CEC includes current law rates increase 5.59%
    - \$10.1M including \$4.3M from general revenues

<b>Home and Community Based Services</b>	<b>General Revenues</b>	<b>Total</b>
Nov. Caseload includes rate increase	\$80.6	\$191.6
Governor's Proposal – no increase	(4.3)	(10.1)
FY 2026 Recommendation with Article 8	\$76.6	\$181.4

\$ in millions

# Nursing Facilities

- FY 2025 enacted budget includes one-time expenses to redesign Medicaid payment policy for nursing facilities
  - \$2.8 M/\$1.1 M from general revenues
  - Meet new federal requirements
    - Moving to a Patient-Driven Payment Model
      - By October 1, 2025
    - Waiting for final contractor report
      - Evaluation of current rate-setting methodology
      - Drafting necessary state plan changes
      - Engaging with stakeholders

# Nursing Facilities

## ■ Current System

### ■ Acuity Adjusted Daily Rate

- Adjustments based on RUG-IV case-mix
  - 48 categories
  - Single-case mix group
- Components
  - Direct & Indirect Care
  - Other Direct Care
  - Fair Rental Value
  - Property Tax
  - Provider Assessment

## ■ New System

### ■ Patient-Driven Payment Model

- Patient need determines acuity adjustment
- Focus on individualized needs, characteristics & goals of each patient
- Decisions to be made by EOHHS
- Impact FY 2026 nursing home reimbursements

# e-Consults

- Assembly approval to seek federal authority for new e-Consults benefit
  - Coordination between primary care & specialty providers
    - Through managed care & fee-for-service programs
  - Patient access to specialist without needing in-person visit
    - Dermatology, podiatry, pulmonary diseases, cardiovascular diseases, infectious diseases, and endocrinology

# e-Consults

- Budget includes savings of \$0.6 million
  - General revenue savings of \$0.1 million
- Assumes \$5.4 million for new benefit
  - Offsets with savings of \$6.0 million from reduced visits
    - Assumes avoiding 14% of current in-person specialty visits

Specialty - Examples	In-Person Visit	e-Consults
Cardiologist	\$132.20	\$69.68
Dermatologist	\$114.78	
OB/GYN	\$108.22	
Podiatrist	\$81.11	

# Medicaid/EOHHS Agencies

Changes to Medicaid	GR	All
Home & Comm. Based Services Rates	\$(4.3)	\$(10.1)
Nursing Homes Rates	(3.2)	(7.7)
Program Integrity* (Article 3/March 4)	(2.9)	(6.9)
Technical Correction – Rite Care	(1.9)	(4.5)
E-Consults*	(0.2)	(0.6)
<b>Total</b>	<b>\$(12.5)</b>	<b>\$(29.8)</b>

\$ in millions/\*net of administrative costs

# Medical Assistance: Other Changes

- Technical change to reflect threshold at 138% for Rite Care Parents
  - Reduction of \$4.5 million
    - \$1.9 million from general revenues
  - EOHHS identified an inconsistency in threshold shown in regulation compared to current law

# Medical Assistance: Program Integrity

- Program Integrity (HFC hearing March 4)
  - Enhance efforts to investigate fraud and detect mismanagement of public funds
    - 6 months of Medicaid savings in FY 2026
      - \$6.9 million/\$2.9 million from general revenues
        - Out-year general revenue savings: \$3.8M
    - Adds \$0.8 million to fund 5 positions
      - Starting October



# Medical Assistance: Program Integrity

- EOHHS – Program Integrity Staff
  - (Medicaid Compliance)
  - Current – 4 positions incl. 3 Investigative Auditors

<b>Positions</b>	<b>Description</b>	<b>Total</b>
Investigators (3.0)*	Increase oversight & compliance	\$0.4
Unit Director (1.0)	Responsible for all investigations, work with AG & MCO fraud units	0.2
Finance (1.0)	Oversee recoupments & payments	0.2
Paralegal (1.0)	Help prepare documents & respond to requests	0.1
<b>Total</b>		<b>\$1.0</b>
<i>General Revenues</i>		\$0.5

\$ in millions,\* includes upgrade

# Medical Assistance: Program Integrity

- Medicaid Savings - \$6.9 million
  - Assumes \$0.6 million of this from work done by one of DOA new positions
- EOHHS Unit - collected an average of \$0.4 million from providers FY 2021 to FY 2024

<b>Fiscal Year</b>	<b>Recoupments / Collections</b>
2025	\$519,480 (as of 3/1)
2024	\$528,417
2023	\$707,729
2022	\$320,336
2021	\$1,620,060

# Medical Assistance: Program Integrity

- Issues to consider
  - Underlying savings assumptions
    - How are these estimated?
    - Is there an estimated fraud level?
  - Implementation plan
    - Heavily dependent on new staff
    - Timing, technology, sustained priority
  - How will success be measured and tracked?
    - Prior initiative provides insight into possible issues

# Medical Assistance: Pharmacy Expenses

- Pharmacy Director added in FY 2024
  - Develop strategies to manage costs
  - Perform a comprehensive review of benefits & programs
    - Position filled in January 2024 and review is done
- FY 2026 Recommendation
  - Adds 4 new positions
    - Implement changes
  - Out-year GR savings in Medicaid program
    - \$3.7M for FY 2027 increasing to \$8.0M in FY 2028

# Medical Assistance: Other Changes

- Savings proposals - not recommended

Proposal	General Revenues	Total
Nursing Home Residents –income threshold from 225% to 175% of poverty	\$(23.9)	\$(55.9)
Medically Needy – eliminating benefit	(1.2)	(2.7)
Rlte Care Parents from 138% to 116% of poverty	(0.9)	(2.0)
Rlte Share Enrollment	(1.7)	(5.2)
<b>Total</b>	<b>\$(27.7)</b>	<b>\$(65.8)</b>

\$ in millions

# EOHHS

- *Overview*
  - *EOHHS Agencies*
  - *Items of Interest*
  - *Audit Findings*
  - *Federal Uncertainties*
- *EOHHS*
  - *Summary*
  - *Medical Assistance*
  - *Administration*

# Administration

- Program oversight, coordination, policy and planning for health and human service agencies
  - Includes contract management – Medicaid program
- Legal and finance activities for health and human services agencies consolidated in EOHHS

# Administration & Program Expenses

Source	FY 2025 Enacted	FY 2025 Governor	FY 2026 Governor	Change
General Revenues	\$58.3	\$57.1	\$66.2	\$7.9
Federal Funds	242.3	255.4	234.0	(8.4)
Restricted Receipts	49.2	52.0	15.6	(33.6)
<b>Total</b>	<b>\$349.8</b>	<b>\$364.5</b>	<b>\$315.8</b>	<b>\$(34.1)</b>
FTE	233.0	233.0	243.0	10.0

\$ in millions



# Administration & Program Expenses

Category	FY 2025 Enacted	FY 2025 Governor	FY 2026 Governor	Change
Salaries/ Benefits	\$38.6	\$41.3	\$44.6	\$6.0
Contracted Services	220.8	216.0	197.3	(23.5)
Operating	21.8	12.8	15.2	(6.5)
Asst/Grants	71.2	121.7	55.6	(10.0)
<b>Total</b>	<b>\$349.8</b>	<b>\$364.5</b>	<b>\$315.8</b>	<b>\$(34.1)</b>

\$ in millions

# Administration & Program Expenses

	FY 2025 Enacted	FY 2025 Governor	FY 2026 Governor	Change to Enacted
HCBS – ARPA*	\$31.6	\$36.0	(\$2.9)	\$(34.5)
Health System Transformation Project*	3.7	11.5	2.4	(1.2)
<b>Total</b>	<b>\$35.3</b>	<b>\$47.6</b>	<b>\$(0.4)</b>	<b>\$(35.7)</b>

\$ in millions;

\*GBA #4 & #5 adjust funding both years and corrects neg appropriation error

# Home & Community-Based Support – ARPA

- Funds available from enhanced Medicaid rate
- Expand community-based activities
  - Spent by March 31, 2025

<b>Plan - Proposals</b>	<b>Pre-FY 2024</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>5-Year Plan</b>
Increasing Access to Services	\$60.2	\$1.9	\$0.7	\$62.8
Provider Capacity	7.3	20.8	9.1	37.2
No Wrong Door Enhancement	2.4	4.3	17.3	24.0
Workforce Training	1.3	1.9	2.9	6.1
Promoting Equity	-	0.5	5.0	5.5
All Other Projects	0.1	0.2	0.8	1.3
<b>Total</b>	<b>\$71.4</b>	<b>\$29.7</b>	<b>\$35.9</b>	<b>\$136.9</b>

\$ in millions

# Health System Transformation Program

	<b>FY 2017 - FY 2023</b>	<b>FY 2024 Spent</b>	<b>FY 2025 Governor</b>	<b>FY 2026 Governor</b>	<b>Total</b>
Administrative	\$79.1	\$3.2	\$3.8	\$1.9	\$64.4
Payments	122.1	18.4	7.7	0.5	172.4
<b>Total</b>	<b>\$201.3</b>	<b>\$21.6</b>	<b>\$11.5</b>	<b>\$2.4</b>	<b>\$236.8</b>

\$ in millions; GBAs reduce FY 2025 by \$2.5 million and shift \$1.1 million to FY 2026

- \$236.8 million over several years
  - Workforce Development
  - Accountable Entities - \$122.1 million
  - Funding through FY 2026 – do programs end?
  - BH System initiative - \$3.4 M over FY 2025 & FY 2026

# ARPA - SFRF

<b>EOHHS</b>	<b>Pre-FY 2025 Spent</b>	<b>FY 2025 Governor</b>	<b>FY 2026 Governor</b>	<b>Total</b>
CCBHC*	\$21.8	\$7.0	\$0.2	\$29.0
Pediatric Recovery	15.0	-	-	15.0
Early Intervention Recovery	11.0	-	-	11.0
Butler Hospital – Short Term Unit	8.0	-	-	8.0
<b>Total</b>	<b>\$55.8</b>	<b>\$7.0</b>	<b>\$0.2</b>	<b>\$63.0</b>

\$ in millions;\*\$1.0 million less than approved plan

# Administration & Program Expenses - FY 2026 Governor

<b>Technology Projects</b>	<b>Purpose</b>
Medicaid Enterprise System	Replace the current MMIS System
All Payer Claims Database	Data collection of healthcare utilization, cost and trends RI'ers
CurrentCare	Electronic network for access to health info
eLTSS Modernization	Unified electronic long term services and supports technology system

# Administration & Program Expenses - FY 2026 Governor

<b>Technology Projects/Expenses</b>	<b>Gen. Rev.</b>	<b>All Funds</b>	<b>%/GR</b>
Medicaid Enterprise System	\$6.2	\$62.2	10%
Medicaid Mgt. Info. System Expenses	6.1	25.6	23.7%
All Payer Claims Database	0.3	9.4	3.1%
Current Care	0.3	3.1	10%
Current Care/Opt-out	0.2	1.9	10%
eLTSS Modernization Project	0.02	0.2	10%
RI Quality Report	0.4	3.8	10%
<b>Total</b>	<b>\$13.5</b>	<b>\$106.2</b>	<b>12.7%</b>

\$ in millions

# Medicaid Enterprise System

- Replace the current system
  - Done in different phases
- EOHHS submitted an IT request totaling \$313.9 million as part of capital process
  - \$35.8 million from general revenues
- Requested \$57.2 million for FY 2026
  - \$5.7 million from general revenues
- Governor did not include capital request
  - FY 2026 operating budget includes \$62.2M
    - \$6.2 million from general revenues



# Medicaid Enterprise System

- Modules to be phased in include:
  - System Integrator
  - Third Party Liability
  - Planning Vendor
  - Claims & Finance
  - Surveillance and Utilization Review
  - Provider & Test Management
  - Electronic Visit Verification
- Need to keep current system
  - While building the new one

# eLTSS Information Technology Modernization

- Governor includes \$4.7 million for FY 2025
  - Establish a unified electronic long term services and supports technology system
  - Streamline eligibility process currently being performed through several agencies
    - DHS' Long Term Care Unit & Office of Healthy Aging
    - Cloud-based system to include assessments & meet federal requirements for person-centered planning

# eLTSS Information

## Technology Modernization

- System managed by WellSky
  - Conflict-Free Case Management is a large portion of the expense in participating agencies
  - \$9.8 million contract – 7/1/2021 to 9/15/2026
  - Actual expenses for FY 2026 and out-years?

<b>WellSky</b>	<b>FY 2025 Enacted</b>	<b>FY 2025 Gov. Rev.</b>	<b>FY 2026 Gov. Rec</b>	<b>Change to Revised</b>
EOHHS	\$2.4	\$4.7	\$-	\$(4.7)
BHDDH	1.2	2.2	1.6	(0.6)
DHS/OHA	0.1	0.2	0.2	-
<b>Total</b>	<b>\$3.7</b>	<b>\$7.0</b>	<b>\$1.8</b>	<b>\$(5.2)</b>

\$ in millions

# Administration & Program Expenses - FY 2026 Governor

	<b>Gen. Rev.</b>	<b>Total</b>	<b>Purpose</b>
Court Monitor – DCYF	\$175,000	\$175,000	Support DCYF Consent Decree
Court Monitor – BHDDH	\$100,000	\$200,000	Support Consent Decree for the Division of Developmental Disabilities
Healthy Care Transitions Initiative	\$250,000	\$500,000	Address expensive placements, like nursing homes/transfer individuals to more appropriate settings

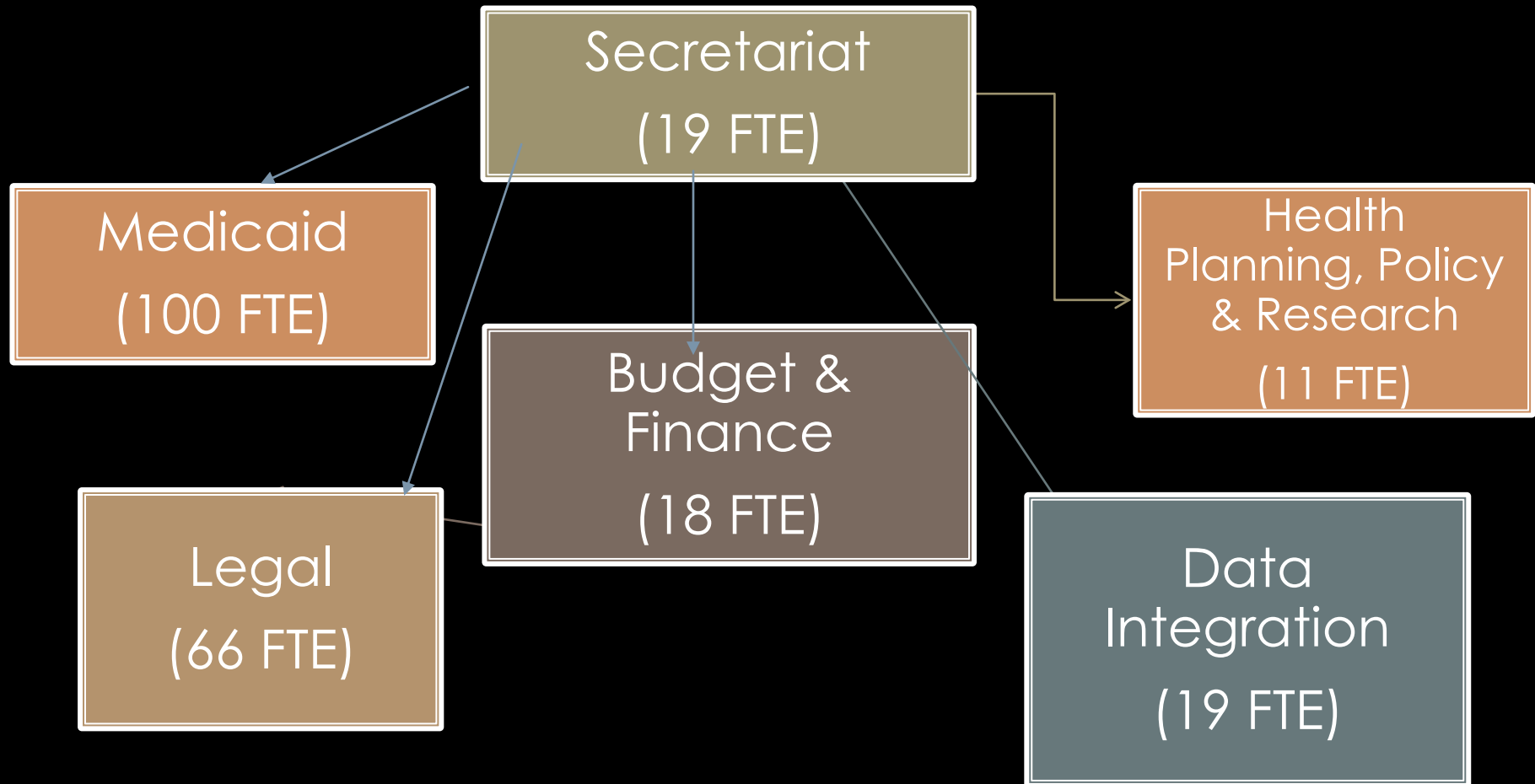
# Ladders to Licensure

- FY 2025 includes \$750,000 from general revenues
  - 3 Partnerships
    - Behavioral health career ladders
      - Rhode Island College
      - William James College
        - Formerly Mass. School for Professional Psychology
    - Nursing career ladders
      - Community College of Rhode Island
  - No funds have been spent to date

# Nursing Facilities Conversion Assistance

- FY 2025 includes \$275,000 from general revenues
  - Assist non-profit nursing homes to transition nursing home beds to assisted living ones
  - \$200,000 for Linn Health and Rehabilitation
    - Paid in July 2024
  - \$75,000 for other facilities
    - No funds spent to date
    - Applications being evaluated
      - Awards to be made soon

# EOHHS Organization



# Medicaid Access Rule

- Centers for Medicare and Medicaid Services released three final rules
  - Ensuring access to Medicaid services
  - Establishing national standards for services
    - Managed care plans & fee-for-service programs
- EOHHS requests \$8.0 M/\$2.3 M from GR
  - 10 positions & contracted services
- Governor includes \$0.4 M/\$0.2 M from GR
  - For evaluation and monitoring services



# EOHHS Agencies

- Types of contracted services
  - Financial/Administrative
    - Data analytics/direct program support
  - Medical/Other Professional Services
- There are contractors with multiple agreements with different agencies
  - Subcontracts to the awarded contract

# Financial & Management Contracted Services

Contractor	Responsibilities	Award
Gainwell Technology	<ul style="list-style-type: none"> <li>• Process Medicaid claims</li> <li>• Clinical Review &amp; Training</li> <li>• Utilization Management</li> </ul>	<ul style="list-style-type: none"> <li>• \$120.5 million</li> <li>• 4/1/2021 to 9/30/2025</li> </ul>
Milliman	<ul style="list-style-type: none"> <li>• Actuarial &amp; Financial Analysis Support</li> </ul>	<ul style="list-style-type: none"> <li>• \$10.5 million</li> <li>• 3/1/2024-6/30/2025</li> </ul>
Faulkner Consulting	<ul style="list-style-type: none"> <li>• Strategic Consulting Services</li> </ul>	<ul style="list-style-type: none"> <li>• \$6.6 million</li> <li>• 3/1/2024 to 2/28/2027</li> </ul>
Knowledge Services	<ul style="list-style-type: none"> <li>• Staff support to Medicaid and other programs</li> </ul>	<ul style="list-style-type: none"> <li>• \$5.9 million annually</li> </ul>
Freedman	<ul style="list-style-type: none"> <li>• Data Analysis &amp; Integration</li> </ul>	<ul style="list-style-type: none"> <li>• \$12.2 million</li> <li>• 4/1/2024-3/31/2026</li> </ul>
PCG Consulting	<ul style="list-style-type: none"> <li>• Cost allocation plan across EOHHS agencies</li> </ul>	<ul style="list-style-type: none"> <li>• \$3.8 million</li> <li>• 10/1/2023 - 9/30/2025</li> </ul>

# Financial & Management Contracted Services

- FY 2023 budget converted 8 contractors to full-time staff
  - Rlte Share program
  - Data analytics and project support
- FY 2024 budget added \$2.3 million to increase contracted services
  - Data analysis and reporting
- FY 2026 recommendation includes 2 positions – DATA RI

# Financial & Management Contracted Services

Area	Contractor	FY 2025	FY 2023*
Data Integration	Freedman	29	9
	Knowledge Services	8	
Policy & Planning	Knowledge Services	6	3
	Freedman	1	
Strategy & Innovation			4
Legal	Knowledge Services	5	2
Public Affairs	Knowledge Services	3	
Medicaid	Knowledge Services	10	19
	Faulkner	1	
UHIP/DOIT	Knowledge Services	11	3
<b>Total</b>		<b>74</b>	<b>40</b>

\*contractor may differ between fiscal years

# UHIP – RIBridges

- FY 2016 to FY 2026 recommendation
  - \$874.9M /\$187.7M from general revenues
  - Moving to maintenance & operations phase
- Expenses across several agencies
  - EOHHS/DHS/DOA
- Contracted services
  - Design, Development & Implementation
  - Maintenance & Operations
- Call Center Operations
  - Automated Health Services

# UHIP – RIBridges

- State staff– DHS/DOA/EOHHS
- Contracted IT services, management, staff support & analytics

Agency	FY 2025 Enacted	FY 2025 Governor	FY 2026 Governor	Change
EOHHS	\$67.5	\$58.1	\$75.9	\$8.4
DHS	29.3	32.5	12.8	(16.6)
HSRI	6.5	6.8	5.8	(0.7)
<b>Total</b>	<b>\$103.3</b>	<b>\$97.5</b>	<b>\$94.5</b>	<b>\$(8.8)</b>
General Rev.	\$29.3	\$27.3	\$25.3	\$(4.0)
% - GR	28.4%	28.0%	26.8%	

\$ in millions

# UHIP – All Agencies

<b>FY 2026 expenses</b>	<b>General Revenues</b>	<b>Total</b>
System Support	\$16.4	\$56.9
Call Center	3.6	15.8
Staffing	4.2	16.9
Faulkner Consulting Group	1.0	4.9
<b>Total</b>	<b>\$25.3</b>	<b>\$94.5</b>
% general revenues	26.8%	

\$ in millions

# The Work Number

- Income Verification using Experian
  - Run monthly income data on beneficiaries
    - Address an audit finding
  - Delayed -contract not signed – not working – 2/5 HFC
  - Update - Will not be operational in FY 2025

	<b>FY 2025 Enacted</b>	<b>FY 2025 Nov. CEC</b>	<b>CEC Enacted</b>	<b>FY 2026 Nov. CEC</b>
Savings	\$(21.5)	\$(8.2)	\$13.3	\$(21.5)
Annual exp.	8.5	3.7	(4.8)	9.9*
<b>Total</b>	<b>\$(13.0)</b>	<b>\$(4.5)</b>	<b>\$8.5</b>	<b>\$(11.6)</b>
<b>Net GR</b>	<b>\$(3.7)</b>	<b>\$(1.1)</b>	<b>\$2.6</b>	<b>\$(3.3)</b>

\$ in millions; contract value not to exceed \$8.9 million

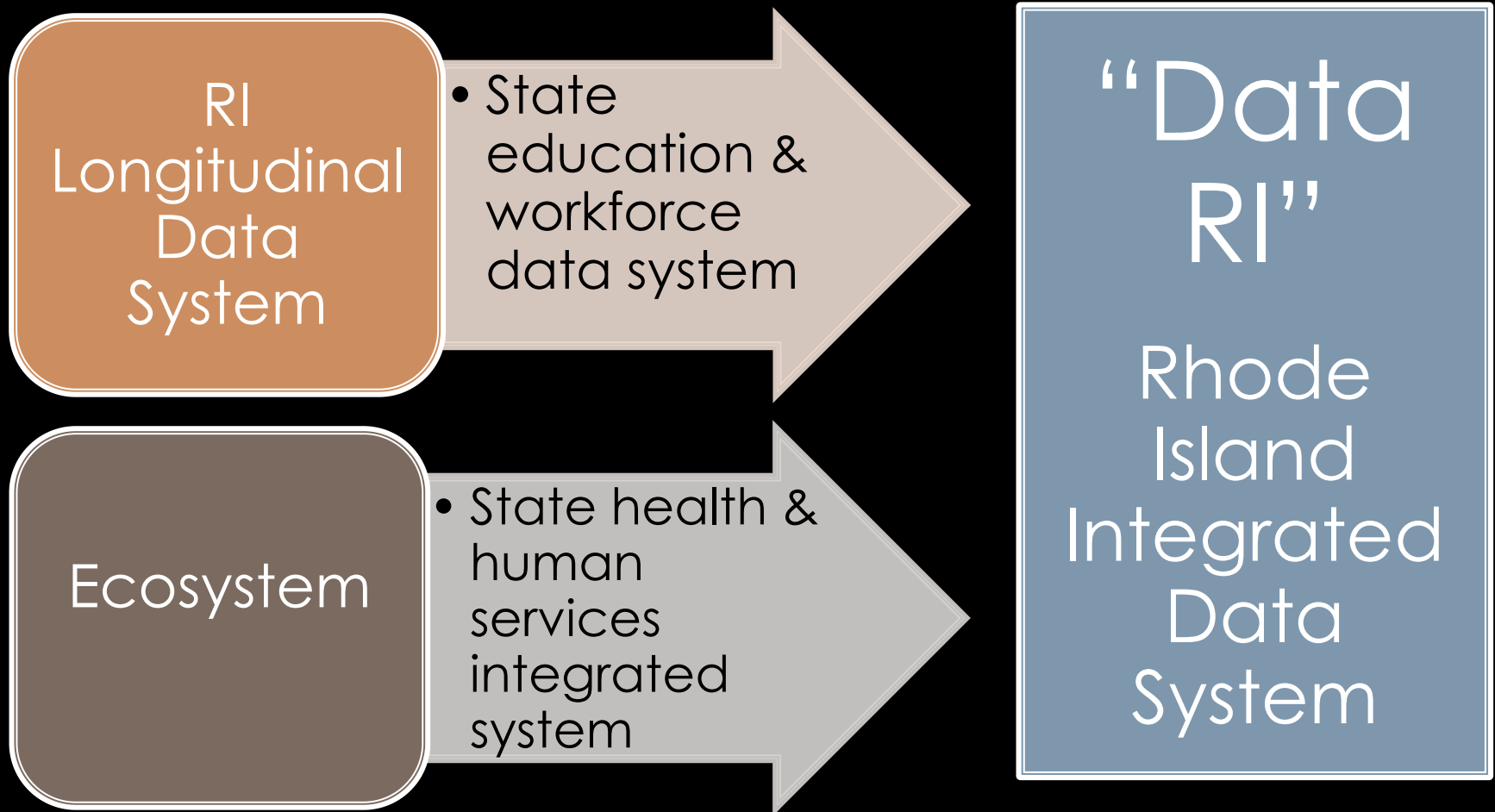


# Article 3, Sections 23 & 24

## Integrated Data System Act

- Article 3, Sections 23 & 24
  - Establishes RI Integrated Data System “DATA RI” as the central repository of inter-agency, longitudinal, linked, & individual data
  - Goals
    - Connect data across sectors
    - Support research aligned with state priorities
    - Inform policymaking & program evaluation
    - Improve well-being of all Rhode Islanders

# Article 3, Sections 23 & 24 Integrated Data System Act



# Article 3, Sections 23 & 24

## Integrated Data System Act

- Governor's budget – 6 new FTE
  - 2 for Office of Postsecondary Commissioner
    - \$0.3 million from longitudinal data system sources
    - \$0.2 million from general revenues
      - data system software
  - 2 for DOA's Division of Enterprise Technology Strategy & Services (ETSS)
    - \$0.4M internal service funds
      - Billings to other agencies
  - 2 for EOHHS
    - \$0.4M 25/75 state-federal match

# Executive Office of Health and Human Services

Staff Presentation to Subcommittee on Human Services  
FY 2025 Revised and FY 2026 Budgets  
April 2, 2025

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