



MAY 2024

CASELOAD ESTIMATING CONFERENCE

Executive Office of Health and Human Services
Medical Assistance Testimony

APRIL 26, 2024

Table of Contents

TABLE OF CONTENTS	2
ATTACHMENTS.....	3
I. GENERAL CONSIDERATIONS	4
II. MAJOR DEVELOPMENTS.....	6
A. Summary of Changes in EOHHS Revised Forecasts	6
B. Public Health Emergency, Enhanced FMAP Rate, and Return to Normal Operations.....	8
C. Caseload Growth and Trend Development	9
D. FY 2024 Budget Initiative Implementation	12
E. Nursing Facility Rate Review	13
F. Disproportionate Share Hospitals.....	14
G. 1115 Waiver Update.....	16
H. Family Home Visiting Programs	18
I. Sickle Cell Therapies	18
J. Cross Budget Line Summaries: Rebates and NEMT	19
III. MANAGED CARE	21
IV. RHODY HEALTH PARTNERS.....	25
V. RHODY HEALTH OPTIONS	27
VI. EXPANSION	29
VII. HOSPITALS – REGULAR	32
VIII. HOSPITALS - DSH.....	36
IX. NURSING AND HOSPICE CARE	37
X. HOME AND COMMUNITY CARE.....	39
XI. PHARMACY	42
XII. PHARMACY CLAWBACK (MEDICARE PART D)	43
XIII. OTHER SERVICES.....	44
XIV. ATTACHMENTS	46

Attachments

1. FY 2024 and FY 2025 Forecast

- a. FY 2024 Revised Projection – Medical Benefits
- b. FY 2025 Projection – Medical Benefits
- c. FMAP Rates
- d. CY 2024 Federal Poverty Level (FPL Guidelines by Family Size)

2. Budget Initiatives

- a. FY 2024 Budget initiatives
- b. Proposals – EOHHS Rebase for Testimony

3. Hospitals

- a. Hospital Discharges – Fee-for-Service Inpatient Only (Excludes Crossover)

4. Nursing Facilities

- a. Fee-for-Service Nursing Facility Days and Hospice Days

5. Caseload

- a. FY 2023 Enrollment, Actual
- b. FY 2024 Enrollment, Actual and Projected, as of March 31, 2024
- c. FY 2025 Enrollment, Projected, as of March 31, 2024
- d. Summary Monthly Medicaid Population Report

6. Medicaid Reports

- a. FY 2024 Monthly Medicaid Expenditure Report through March 2024 (RIFANS)
- b. FY 2024 Expanded Monthly Medicaid Expenditure Report (MMIS)
- c. FY 2024 Additional Monthly Medicaid Caseload Indicators through March 2024 (MMIS)
- d. FY 2024 Medicaid Caseload Indicators (MMIS)

7. Miscellaneous Reports

- a. Summary of Caseload + PMPM
- b. Impact of Rate Changes on Provider Reimbursements

8. Responses to Conferees' Questions for RI EOHHS – Medical Assistance

I. General Considerations

		Medical Benefits	
		All Funds	General Revenue
FY 2020	Final	\$2,377,144,841	\$871,590,802
FY 2021	Final	\$2,603,689,919	\$875,796,936
FY 2022	Final	\$2,944,836,477	\$953,563,288
FY 2023	Final	\$3,091,906,522	\$1,030,498,350
FY 2024	Enacted	\$3,519,199,630	\$1,266,858,335
	November CEC	\$3,381,738,872	\$1,237,487,747
	Current	\$3,309,838,872	\$1,224,843,523
	<i>Surplus over Nov CEC</i>	<i>\$71,900,000</i>	<i>\$12,644,224</i>
FY 2025	November CEC	\$3,657,438,872	\$1,356,318,906
	Current	\$3,512,938,872	\$1,301,926,540
	<i>Surplus over Nov CEC</i>	<i>\$144,500,000</i>	<i>\$54,392,366</i>

For FY 2024, Rhode Island’s Executive Office of Health and Human Services (EOHHS) anticipates benefits expenditures of \$3.310 billion, including **\$1.225 billion in General Revenue (GR)**, among the Caseload Estimating Conference budget lines. This is a **\$71.9 million**, including **\$12.6 million GR** surplus, compared to the November CEC adopted estimates.

For FY 2025, EOHHS projects expenditures of \$3.513 billion, including **\$1.302 billion GR**, reflecting a \$144.5 million All Funds, including a \$54.4 million GR surplus compared to the November CEC adopted estimates.

Table I-1 compares EOHHS’ All Funds closing position for FY 2023 and the revised forecasts for FY 2024 and FY 2025. The FY 2023 field in tables throughout the testimony represents the audited close.

Table I-2 compares these estimates by fund source.

Attachments 1a and 1b summarize EOHHS’ current forecast by budget program/category and funding source and include a comparison against FY 2023 Final.

As shown in **Table I-3**, with respect to FY 2024, EOHHS has revised the estimate of the average number of Medicaid clients with Full Medical Assistance Benefits from 359,469 to **349,755**. Compared to November CEC, this average monthly census represents a decline of 9,714 members. The average monthly enrollment in FY 2025 is expected to decline to **331,487**, a decrease of 17,411 compared to November CEC and 18,268 compared to SFY 2024.

A summary of the caseload in limited benefits programs is shown in **Table I-4**.

Details of EOHHS’ revised caseload forecast for FY 2024 and FY 2025 are included in **Attachments 5b and 5c**, respectively. EOHHS has also included various historical caseload metrics in **Attachment 5a** and a new summary of month-end actuals in **Attachment 5d**. A discussion of the trend assumptions is included in **Major Developments**.

Table I-1. Summary of Rhode Island Medicaid – Caseload Medical Benefits, by Budget Line

CEC Budget Line	SFY 2023	SFY 2024	SFY 2025				FY24 → FY25	
	Final	Nov CEC	Current	Surplus/(Deficit)	Nov CEC	Current		Surplus/(Deficit)
Managed Care	\$ 971,485,566	\$ 1,020,800,000	\$ 1,040,500,000	(\$19.7 M)	\$ 1,072,800,000	\$ 1,039,500,000	\$33.3 M	(\$1.0 M)
Rhody Health Partners	288,564,854	303,100,000	292,200,000	10.9 M	347,100,000	330,200,000	16.9 M	38.0 M
Rhody Health Options	165,372,979	179,900,000	176,200,000	3.7 M	194,000,000	195,400,000	(1.4 M)	19.2 M
Expansion	784,489,895	755,700,000	688,600,000	67.1 M	765,500,000	722,200,000	43.3 M	33.6 M
Hospitals - Regular	65,245,378	347,100,000	347,000,000	0.1 M	345,500,000	343,700,000	1.8 M	(3.3 M)
Hospitals - DSH	158,921,348	14,738,872	14,738,872	0.0 M	14,738,872	14,738,872	0.0 M	0.0 M
Nursing and Hospice Care	295,739,845	328,800,000	335,000,000	(6.2 M)	396,300,000	395,400,000	0.9 M	60.4 M
Home and Community Care	123,736,441	152,200,000	157,500,000	(5.3 M)	173,500,000	168,600,000	4.9 M	11.1 M
Pharmacy	(2,218,124)	(300,000)	(500,000)	0.2 M	(700,000)	(300,000)	(0.4 M)	0.2 M
Clawback	81,272,876	98,000,000	92,300,000	5.7 M	107,800,000	96,800,000	11.0 M	4.5 M
Other Services	159,295,465	181,700,000	166,300,000	15.4 M	240,900,000	206,700,000	34.2 M	40.4 M
Subtotal - CEC Benefits	\$ 3,091,906,522	\$ 3,381,738,872	\$ 3,309,838,872	\$71.9 M	\$ 3,657,438,872	\$ 3,512,938,872	\$144.5 M	\$203.1 M
Health System Transformation Project	33,460,890	17,130,047	17,130,047	0.0 M	1,097,227	1,097,227	0.0 M	(16.0 M)
Special Education	17,536,038	20,000,000	20,000,000	0.0 M	2,313,984,049	2,224,076,415	89.9 M	199.4 M
ARPA HCBS Investments	(8,344,789)	13,151,814	13,151,814	0.0 M	1,600,000	1,600,000	0.0 M	(11.6 M)
Total - Benefits	\$ 3,134,558,662	\$ 3,432,020,733	\$ 3,360,120,733	\$71.9 M	\$ 3,680,136,099	\$ 3,535,636,099	\$144.5 M	\$175.5 M

Table I-2. Summary of Rhode Island Medicaid - Caseload Medical Benefits, by Funding Source

Funding Source	SFY 2023	SFY 2024	SFY 2025				FY24 → FY25	
	Final	Nov CEC	Current	Surplus/(Deficit)	Nov CEC	Current		Surplus/(Deficit)
General Revenue	\$ 1,030,498,350	\$ 1,237,487,747	\$ 1,224,843,523	\$12.6 M	\$ 1,356,318,906	\$ 1,301,926,540	\$54.4 M	\$131.5 M
Federal Funds	2,085,184,205	2,173,859,629	2,114,603,853	59.3 M	2,313,984,049	2,224,076,415	89.9 M	199.4 M
Restricted Receipts	18,876,107	20,673,357	20,673,357	0.0 M	9,833,144	9,633,144	0.2 M	(10.8 M)
Total - Benefits	\$ 3,134,558,662	\$ 3,432,020,733	\$ 3,360,120,733	\$71.9 M	\$ 3,680,136,099	\$ 3,535,636,099	\$144.5 M	\$320.0 M

Table I-3. Summary of Rhode Island Medicaid Caseload (Full Medical Assistance Only)

Enrolled - Full Benefits:	SFY 2023	SFY 2024	SFY 2025			FY24 → FY25		
	Final	Nov CEC	Current	Change	Nov CEC		Current	Change
Rite Care Core	174,163	178,657	176,844	-1,813	173,406	168,235	-5,171	-8,609
Rite Care CSHCN	9,942	10,176	10,350	174	10,402	10,519	117	169
Expansion	110,096	99,006	93,187	-5,819	92,313	84,745	-7,568	-8,442
Rhody Health Partners	14,101	13,822	13,350	-472	13,976	13,260	-716	-90
Rhody Health Options (Phase II)	13,241	13,342	12,944	-398	13,677	12,931	-746	-13
PACE	406	424	404	-20	467	433	-34	29
Rite Share	2,675	2,485	2,280	-205	2,543	2,126	-417	-154
Subtotal Enrolled	324,624	317,912	309,359	-8,553	306,784	292,249	-14,535	-17,110
Remaining in FFS - Full Benefits:								
Children and Families	6,210	4,950	4,771	-179	4,964	4,395	-569	-376
Children with Special Healthcare Needs	2,401	1,755	1,760	5	1,638	1,563	-75	-197
Expansion	3,099	3,548	4,047	499	3,637	4,198	561	151
Aged, Blind, and Disabled	29,574	31,304	29,818	-1,486	31,875	29,082	-2,793	-736
Subtotal Fee-for-Service	41,284	41,557	40,396	-1,161	42,114	39,238	-2,876	-1,158
Grand Total - Full Benefits:	365,908	359,469	349,755	-9,714	348,898	331,487	-17,411	-18,268
Composite PMPM	\$704	\$784	\$787	\$3	\$874	\$880	\$6	\$93

Table I-4. Summary of Other Rhode Island Medicaid Caseload Metrics (Limited Benefits)

Other Capitated Arrangements:	SFY 2023	SFY 2024	SFY 2025			FY24 → FY25		
	Final	Nov CEC	Current	Change	Nov CEC		Current	Change
Rite Smiles	138,347	147,883	141,688	-6,195	153,438	138,298	-15,140	-3,390
Rite Care EFP	1,092	959	1,003	44	969	1,131	162	128
SOBRA	4,419	4,709	4,548	-161	4,716	4,525	-191	-23
Transportation Broker	360,568	358,517	347,913	-10,604	351,327	333,103	-18,224	-14,810
Medicare Premium Payments:								
Part A (Hospital)	2,559	3,312	3,337	25	3,394	3,445	51	108
Part B (Professional Services)	40,034	40,514	40,334	-180	41,249	40,580	-669	246
Part D (Prescription Drugs)	43,430	44,387	41,890	-2,497	45,022	40,426	-4,596	-1,464

II. Major Developments

This section highlights major developments that represent a meaningful fiscal or policy change anticipated for FY 2024 or FY 2025 or that involve programs that cross several CEC budget lines.

A. Summary of Changes in EOHHS Revised Forecasts

The EOHHS forecast of \$3.310 billion for FY 2024 represents a \$71.9 million (2.1%) All Funds, including a \$12.6 million GR (1.2%) surplus against the November CEC adopted estimates.¹ This surplus is primarily driven by reduced enrollment resulting from a greater number of closures through March because of the state's Return to Normal Operations (RTNO) or Public Health Emergency (PHE) Unwinding. The most significant variance against the prior forecast is among Expansion adults, but the pace and volume of closures exceeded expectations across all products and populations. Through March 2024, 75,563 clients were closed, while 37,017 clients became newly eligible, for a net reduction of 38,546 clients. Among Expansion, 25.1% percent of the case growth during the PHE were closed, bringing the total number of eligible Expansion adults down to 85,122 enrolled in managed care in March 2024—from a peak of 113,665 enrolled in May 2023. Although the reductions among Rite Care Core have not been as significant as Expansion—with net closures of 5,108 through March—the initial redeterminations suggest that these closures will exceed EOHHS' prior expectations. These reductions translate into a significant decrease in total member months of capitation paid in FY 2024.

Enrollment in the Medicare Savings Program (i.e., Medicare Buy-In and Clawback programs) is also below November CEC adopted estimates, which had assumed continued growth. Other savings are attributed to a delay in full implementation of certain FY 2024 initiatives (i.e., Certified Community Behavioral Health Clinics (CCBHC) and Conflict Free Case Management), reduced spending on newborns with fewer SOBRA payments and lower NICU costs, and other non-LTSS fee-for-service (FFS) spending.

Risk share payments, lower drug rebates, and higher LTSS spending offset some of the savings from reduced enrollment. As does the recognition of a \$5.8 million in premium taxes associated with the state directed payment (SDP) for hospitals. This Medicaid expenditure with a state share of \$1.8 million was excluded from EOHHS' prior estimate.

The lower caseload in FY 2024 carries over into FY 2025, with average membership in full benefit programs down 17,411, including a reduction of 14,535 members enrolled in managed care, compared to prior estimates. The reduction in caseload is driving EOHHS' overall surplus of \$144.5 million (4.0%), including \$54.4 million from general revenue (4.0%). The most significant reductions are the lower capitation payments across all products, including \$46.6 million in Expansion, \$17.9 million in Rite Care, and \$30.0 million across the other capitated arrangements. These savings would have been higher had EOHHS not increased its price assumption from 5.0% to 7.0% for SFY 2025 for Rite Care and Expansion to account for the potential of higher acuity among those remaining enrolled in Medicaid following completion of the unwinding.

Other savings are achieved from lower costs for conflict free case management (\$9.2 million) and the delayed implementation of CCBHC demonstration (\$45.9 million). Please note that these latter savings capture reductions already assumed in the Governor's Recommended Budget.

As in EOHHS' revised FY 2024 estimate, EOHHS' FY 2025 estimate includes \$5.7 million for premium taxes on the hospital SDP. The state share of this expenditure is \$1.8 million.

Table II-1 and **Table II-2** summarize the components of the major variances of EOHHS' revised estimates compared to the November CEC for FY 2024 and FY 2025, respectively. **Table II-3** summarizes the composite price-volume variance of EOHHS' revised estimate for FY 2024 and FY 2025 compared to FY 2023 and FY 2024 November CEC.

¹ **Attachment 1a** and **Attachment 1b** includes total spending by Budget Line and compares to November CEC and Enacted. The attachments also include spending for Medicaid benefits not included in the Caseload Estimating Conference's adopted estimates.

Table II-1. Summary of Changes to FY 2024 Compared to the November CEC (excludes non-CEC Benefits)

	FY 2024:		
	Nov CEC	Current	Surplus/(Deficit)
Favorable Variances			
Expansion Enrollment	\$760.9 M	\$715.4 M	\$45.5 M
Other Capitated Payments	\$609.8 M	\$590.6 M	\$19.2 M
Certified Community BH Clinic PPS	\$11.4 M	\$0.0 M	\$11.4 M
Rite Care Enrollment	\$881.3 M	\$870.4 M	\$10.9 M
Other FFS (Excl. NH/HCBS/NICU)	\$213.6 M	\$204.7 M	\$8.9 M
Medicare Premium Payments	\$201.0 M	\$195.3 M	\$5.7 M
SOBRA Births & NICU Stays	\$114.4 M	\$109.0 M	\$5.4 M
Conflict Free Case Management	\$1.4 M	\$0.8 M	\$0.6 M
Other/Miscellaneous	(\$15.2 M)	(\$17.2 M)	\$2.0 M
Supplemental Hospital Payments	\$321.7 M	\$321.7 M	\$0.0 M
Subtotal Favorable	\$3,100.4 M	\$2,990.7 M	\$109.7 M
Unfavorable Variance			
Risk Share	\$0.0 M	\$13.3 M	(\$13.3 M)
Nursing Home & Hospice	\$327.8 M	\$335.0 M	(\$7.3 M)
HCBS FFS	\$129.1 M	\$136.3 M	(\$7.2 M)
SDP Premium Tax	\$0.0 M	\$5.9 M	(\$5.9 M)
Drug Rebates	(\$175.5 M)	(\$171.3 M)	(\$4.2 M)
Subtotal Unfavorable	\$281.4 M	\$319.2 M	(\$37.8 M)
Total	\$3,381.7 M	\$3,309.8 M	\$71.9 M
By Funding Source:			
General Revenue	\$1,237.5 M	\$1,224.8 M	\$12.6 M
Federal Funds	\$2,135.7 M	\$2,076.5 M	\$59.3 M
Restricted Receipts	\$8.5 M	\$8.5 M	\$0.0 M
Total	\$3,381.7 M	\$3,309.8 M	\$71.9 M

Table II-2. Summary of Changes to FY 2025 Compared to the November CEC (excludes non-CEC Benefits)

	FY 2025:		
	Nov CEC	Current	Surplus/(Deficit)
Favorable Variances			
Certified Community BH Clinic PPS	\$122.6 M	\$76.7 M	\$45.9 M
Expansion Enrollment	\$742.1 M	\$695.5 M	\$46.6 M
Other Capitated Payments	\$651.9 M	\$621.9 M	\$30.0 M
Rite Care Enrollment	\$901.3 M	\$883.4 M	\$17.9 M
Medicare Premium Payments	\$218.5 M	\$206.7 M	\$11.9 M
Conflict Free Case Management	\$16.9 M	\$7.7 M	\$9.2 M
Other FFS (Excl. NH/HCBS/NICU)	\$230.9 M	\$221.0 M	\$10.0 M
SOBRA Births & NICU Stays	\$120.1 M	\$116.2 M	\$3.9 M
Supplemental Hospital Payments	\$317.7 M	\$316.5 M	\$1.2 M
Subtotal Favorable	\$3,322.1 M	\$3,145.6 M	\$176.5 M
Unfavorable Variance			
HCBS FFS	\$130.8 M	\$139.8 M	(\$9.0 M)
Drug Rebates	(\$178.1 M)	(\$170.1 M)	(\$8.0 M)
Nursing Home & Hospice	\$388.8 M	\$395.4 M	(\$6.6 M)
SDP Premium Tax	\$0.0 M	\$5.7 M	(\$5.7 M)
Other/Miscellaneous	(\$6.3 M)	(\$3.5 M)	(\$2.8 M)
Subtotal Unfavorable	\$335.3 M	\$367.3 M	(\$32.0 M)
Total	\$3,657.4 M	\$3,512.9 M	\$144.5 M
By Funding Source:			
General Revenue	\$1,356.3 M	\$1,301.9 M	\$54.4 M
Federal Funds	\$2,292.6 M	\$2,202.7 M	\$89.9 M
Restricted Receipts	\$8.5 M	\$8.3 M	\$0.2 M
Total	\$3,657.4 M	\$3,512.9 M	\$144.5 M

Table II-3. Summary of Price-Volume Analysis, All Funds

	Price	Volume	Net
FY 2024: Current over Nov CEC	\$13.6 M	(\$91.4 M)	(\$77.8 M)
	0.4%	-2.7%	-2.3%
FY 2024 over FY 2023	\$348.5 M	(\$136.5 M)	\$212.0 M
	11.8%	-4.4%	6.9%
FY 2025 over FY 2024	\$361.6 M	(\$99.4 M)	\$262.1 M
	11.0%	-0.2%	10.7%

B. Public Health Emergency, Enhanced FMAP Rate, and Return to Normal Operations

On March 18, 2020, the Families First Coronavirus Response Act (FFCRA; Pub. L. 116-127) was enacted. Section 6008 of the law provided for a temporary 6.2 percentage point increase to the Federal Medical Assistance Percentage (FMAP) under section 1905(b) of the Social Security Act, effective January 1, 2020, and extending through the last day of the calendar quarter in which the PHE declared by the Secretary of Health and Human Services terminates, if states meet the requirements set out in that law.

On December 29, 2022, the Consolidated Appropriations Act, 2023 (P.L. 117-328) (CAA, 2023) decoupled the Medicaid continuous enrollment requirement and the temporary increase to the FMAP from the COVID-19 PHE. Beginning on or after April 1, 2023, states could begin to terminate clients from Medicaid no longer meeting eligibility requirements and CMS began to gradually phase down the temporary FMAP increase,² as shown in **Table II-4**. This initiated the RTNO or unwinding period. Throughout the RTNO period, EOHHS remained compliant with CMS requirements to remain eligible for the enhanced FMAP through December 2023.

Please note that EOHHS' testimony includes actuals through March of 2024, capturing 10 months of renewal activity under the RTNO period, and assumes continuation of its RTNO activities through May 2024.

Table II-4. FMAP Enhancement Rates Through Transition Period

Transition Period	FMAP Enhancement	CHIP Enhancement
Through March 31, 2023	6.2 percentage points (as under FFCRA)	4.34 percentage points (as under FFCRA)
April 1, 2023, thru June 30, 2023	5.0 percentage points	3.50 percentage points
July 1, 2023, thru Sept 30, 2023	2.5 percentage points	1.75 percentage points
Oct 1, 2023, thru Dec 31, 2023	1.5 percentage points	1.05 percentage points
January 1, 2024	FFCRA FMAP bump expires	FFCRA FMAP bump expires

COVID-19 FMAP Savings

The updated estimate of the value of the enhanced FMAP in FY 2024 is \$24.0 million, which remains generally consistent with assumptions in November CEC. In total, Rhode Island Medicaid received nearly half a billion in additional federal financial participation over the course of the PHE. These amounts include reduced state spending in the **Clawback** budget line that is not reflected in the separate COVID-19 Enhanced FMAP line sequences (as it is a state-only payment).

Table II-5 compares GR savings attributed to the PHE between FY 2020 and FY 2024. Additional state savings accrued at DCYF and BHDDH during this period.

Table II-5. COVID-19 Related GR savings, FY 2020 through FY 2024

CEC Budget Line	SFY 2020	SFY 2021	SFY 2022	SFY 2023	SFY 2024	Total
Managed Care	\$ 19,290,260	\$ 45,032,803	\$ 48,568,137	\$ 54,724,245	\$ 9,824,927	\$177.4 M
Rhody Health Partners	6,288,961	17,795,203	18,069,889	18,338,401	3,208,000	63.7 M
Rhody Health Options	3,650,392	8,528,379	7,872,415	9,807,568	1,737,000	31.6 M
Expansion	0	0	1,070,404	920,186	128,000	2.1 M
Hospitals - Regular	2,228,540	2,993,388	3,743,531	3,025,716	533,133	12.5 M
Hospitals - DSH	0	0	26,649,506	9,687,026	0	36.3 M
Nursing and Hospice Care	20,934,648	13,604,145	18,405,383	14,981,119	3,435,000	71.4 M
Home and Community Care	3,549,580	4,972,921	6,309,995	6,391,873	1,321,500	22.5 M
Pharmacy	(261,050)	(23,241)	(64,876)	13,803	13,000	(0.3 M)
Clawback	4,573,886	10,009,498	10,992,479	12,014,782	2,162,712	39.8 M
Other Services	4,180,641	8,289,301	8,627,246	14,824,271	1,689,000	37.6 M
Subtotal - CEC Benefits	\$ 64,435,858	\$ 111,202,397	\$ 150,244,109	\$ 144,728,990	\$ 24,052,272	\$494.7 M

² The enhanced rate did not apply to Expansion FMAP or the Family Planning FMAP (both presently 90%). However, the increased FMAP did apply to CHIP expenditures. Based on the formulary for calculating the states' CHIP Enhanced FMAP, Rhode Island received an additional 4.34% general revenue relief for CHIP expenditures claimed through March 31, 2023, and will be phased out through December 31, 2023.

C. Caseload Growth and Trend Development

Rhode Island's caseload continued to grow through May 2023, when Medicaid enrollment peaked at 373,636 residents with full Medicaid benefits, including 2,667 in the state-only Cover-All-Kids program. Overall, this represents a net increase of 82,815 members, or 28.5%, over the February 2020 level of 290,821 members.

Most of the increase in Medicaid was exclusive to the Children and Families and Expansion eligibility groups, which have seen compounded annual growth rates of 5.9% and 14.6%, respectively. This growth reversed in June 2023 for the Expansion group as the state began redeterminations. However, eligibility among children and families continued to grow at a pace of 500 members per month through January 2024, when the State began renewals of households with children. During this period of continued growth among children and families, eligibility of children newly covered under the state's Cover-all-Kids initiative peaked at 4,797 in February 2024.

Figure II-1 reflects the increase over the period of the PHE through March 2024 and snapshots for June 2024 and June 2025 as incorporated into EOHHS' current estimates.

Figure II-2 shows the continued increase in enrollment and costs for the Cover All Kids program since its implementation in SFY 2023. Note, EOHHS and the Department of Human Services (DHS) are in receipt of findings from the Department of Administration's (DOA) Office of Internal Auditors evaluation of RI Bridges data associated with the Cover all Kids program. There are no adjustments based on these findings in EOHHS' testimony. However, EOHHS continues to work on any potential fiscal impacts and will provide appropriate verbal and written follow-up to the Conferees for consideration.

Table II-6 summarizes the churn—i.e., closures and new determinations—both during the PHE and the Unwinding. (Please note that counts will differ from other metrics in EOHHS' testimony, as this extract was completed in mid-April and reflects a preliminary data snapshot for April 1, 2024, with no adjustments for retroactive eligibility). It is noteworthy that more than half of all closures during the unwinding were for clients who had eligibility prior to the PHE. Thus far, only one-third of 106,000 Rhode Islanders who gained eligibility during the PHE have lost coverage, while over 75,000 still retain their coverage.

Figure II-3 compares EOHHS' current estimate to its November 2023 CEC estimate. The data reflects updated actuals, adjusted for completion, through March 2024.

Trend Development

EOHHS' revised caseload forecast for FY 2024 is significantly lower than its prior estimate in November, with a current projection of average enrollment at 349,755, compared to a prior forecast of 359,469. The reduction is attributed to the greater-than-anticipated number of closures during RTNO through March 2024. A comparable volume of closures among children and parents, as occurred in February and March, are expected for April and May and factored into EOHHS' forecast. This will bring overall enrollment down to 326,445 in May 2024.

While this level remains 37,137 (12.8%) higher than the pre-COVID level of 290,821, there is no immediate indication that it should trend further downward, given all clients will have gone through a full redetermination as of June 2024. The resuming of regular redeterminations and post-eligibility verification checks for changes in household income should help maintain modest levels of growth going forward, absent any exogenous shock to the economy. As such, beginning in June 2024, EOHHS applies a long-term trend of 1.5% across all managed care products except Rhody Health Options, which has a 2.5% trend applied given ongoing passive enrollment of members currently residing in FFS.

EOHHS' projections are reflected in **Attachment 5b** and **Attachment 5c**.

Figure II-1. Select caseload snapshots between February 2020 and June 2025

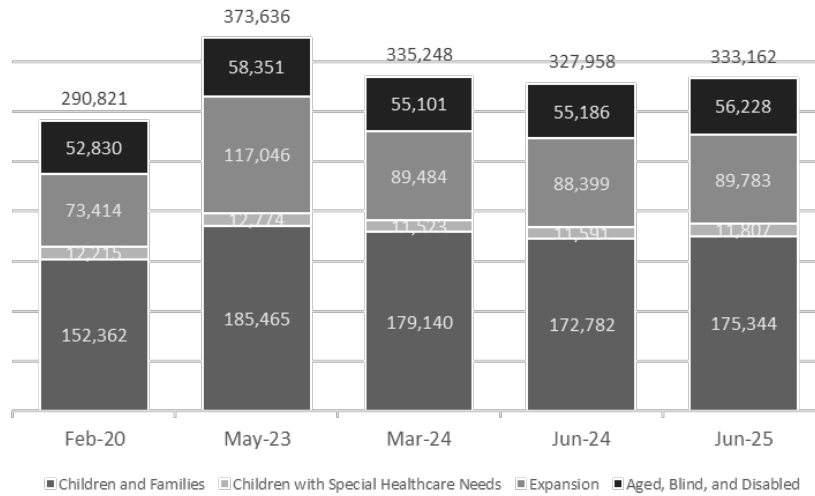


Figure II-2. Cover all Kids Eligibility and State Only Costs (Capitation and FFS Activity)

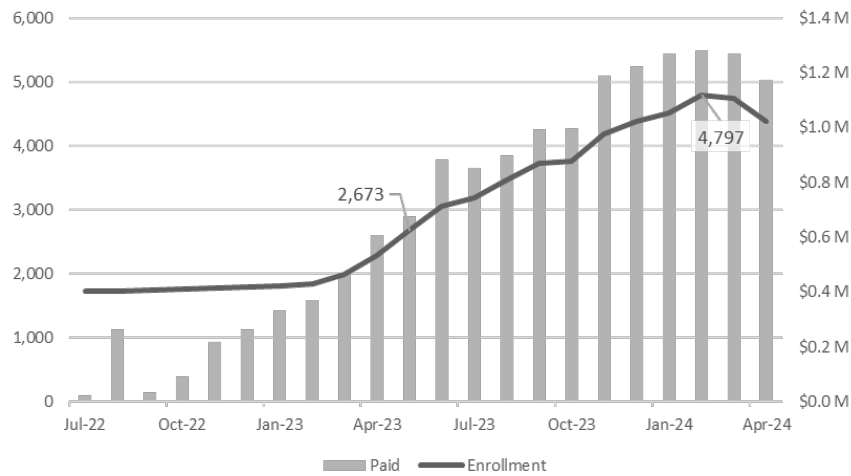
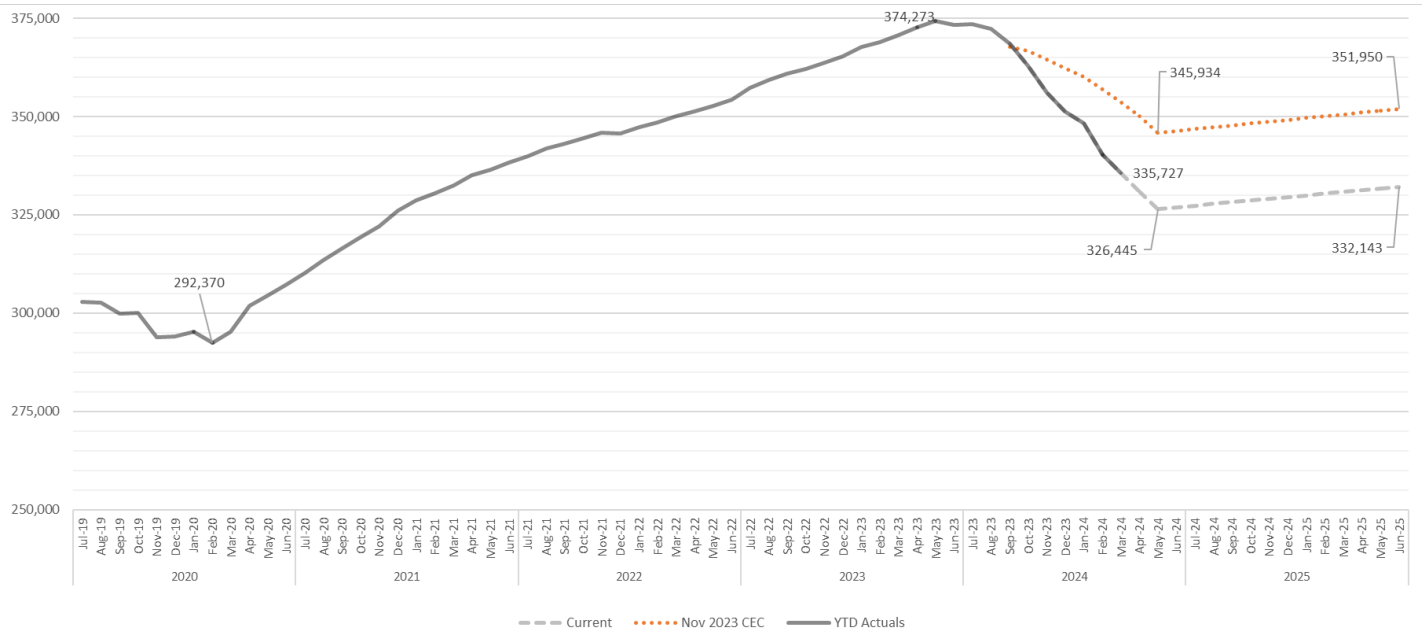


Table II-6. Nature of churn during PHE and Unwinding, through April 12, 2024

	Change during PHE			Change during Unwinding					
	Feb-20 Snapshot	Lost coverage during PHE	Gained Coverage during PHE	May-23 Snapshot	Gross closures since Start of Unwinding			Gained eligibility during Unwinding	April-24 Snapshot
					Client closed was eligible prior to PHE	Client closed had gained eligibility during PHE	Subtotal Closures		
Expansion	73,323	(7,246)	50,910	116,987	(22,925)	(17,596)	(40,521)	12,174	88,640
RC Core	144,967	(11,329)	45,110	178,748	(13,886)	(9,372)	(23,258)	12,595	168,085
RC CSHCN	9,606	(1,003)	1,434	10,037	(626)	(110)	(736)	737	10,038
RHO II	13,150	(355)	467	13,262	(1,039)	(136)	(1,175)	310	12,397
RHP	14,398	(1,531)	1,067	13,934	(1,009)	(157)	(1,166)	76	12,844
PACE	336	(9)	70	397	(34)	(16)	(50)	47	394
FFS	36,121	(2,624)	6,983	40,480	(4,685)	(2,684)	(7,369)	1,479	34,590
Total	291,901	(24,097)	106,041	373,845	(44,204)	(30,071)	(74,275)	27,418	326,988

Figure II-3. Current full Medicaid forecast compared to November 2023 CEC



Forecasting the Overall Price Factors

In addition to the enrollment forecasts for the rest of the current fiscal year and next fiscal year, EOHHS’ overall estimate is driven by its price factors.

With respect to EOHHS’ managed care expenditures EOHHS generally assumes a 7.0% trend factor for FY 2025. Exeptions include Medicare Premium Payments, EOHHS’ non-emergency transportation broker, Children with Special Healthcare Needs, and PACE. In general, the 7.0% trend reflects a combination of pricing and utilization changes, as well as Rhode Island statute and contracting provisions that limit the ability of our managed care partners to negotiate alternative payment arrangements with providers.

The 7.0% trend factor for FY 2025 is higher than what EOHHS would typically forecast and is significantly higher than the overall composite price factor of -1.5% for FY 2024. With respect to the current fiscal year, the -1.5% pricing adjustment was driven by a 3.1% decrease to the Expansion rates and a relative change in the mix of members across the different products and rating categories, with a greater number of lower-cost Rite Care Core and Expansion members losing coverage compared to higher-cost newborns and enrollees in Rite Care CSHCN, Rhody Health Partners, Rhody Health Options, and PACE.

The 7.0% trend is also higher than the 4.8% for FY 2022 and 4.9% for FY 2021. These composite trends exclude SOBRA payments that saw an increase of 22.7% in FY 2023 (and another 11.4% in FY 2024) due to the legislatures’ increase to maternity-related hospital charges.

Nonetheless, without finalized rates from the State’s certifying actuary, the assumption of a higher trend is prudent. The significant drop in enrollment could adversely affect the average acuity of members enrolled in managed care and, therefore, necessitate an upward adjustment to the price factors applied to the rates. Further, the health plans are reporting medical losses that are approximately 2.0% of the medical component of the rate through December 2023. With further reductions in enrollment anticipated through the second half of the contract period, there may be further pressures on the plan performance. This emerging experience is taken into consideration when developing actuarially sound rates.

The conferees can manually estimate changes to EOHHS’ estimates by calculating the costs associated with a marginal increase or decrease in the number of member months paid for by Medicaid and/or changes to the average PMPM. To assist the conferees, **Table II-7** and **Attachment 7a** consolidate discrete information included in

multiple tables across the subsequent sections. The PMPM in the table reflects the composite monthly premium for each product line.

Table II-7. FY 2022 through FY 2024: Caseload and Composite PMPM with Trends

	Caseload:			Price:			Caseload Trend		Price Trend	
	2023	2024	2025	2023	2024	2025	FY23→FY24 Trend	FY24→FY25 Trend	FY23→FY24 Trend	FY24→FY25 Trend
Full Benefits:										
Rite Care Core	174,163	176,844	168,235	\$330	\$332	\$351	1.5%	-4.9%	0.4%	5.7%
Rite Care CSHCN	9,942	10,350	10,519	\$1,339	\$1,314	\$1,359	4.1%	1.6%	-1.8%	3.4%
Expansion	110,096	93,187	84,745	\$661	\$640	\$684	-15.4%	-9.1%	-3.2%	6.9%
Rhody Health Partners	14,101	13,350	13,260	\$1,994	\$2,031	\$2,130	-5.3%	-0.7%	1.9%	4.9%
CMS Demonstration	13,241	12,944	12,931	\$1,046	\$1,114	\$1,200	-2.2%	-0.1%	6.6%	7.7%
PACE	406	404	433	\$4,081	\$4,209	\$4,440	-0.5%	7.2%	3.1%	5.5%
Rite Share [1]	2,675	2,280	2,126	\$68	\$73	\$77	-14.8%	-6.8%	7.0%	5.0%
Subtotal	324,624	309,359	292,249	\$577	\$567	\$606	-4.7%	-5.5%	-1.9%	7.0%
Other Capitated Arrangements:										
Rite Smiles	138,347	141,688	138,298	\$17	\$18	\$19	2.4%	-2.4%	4.3%	6.4%
Rite Care EFP	1,092	1,003	1,131	\$18	\$17	\$18	-8.2%	12.8%	-5.2%	7.0%
SOBRA Payment	368	379	377	\$16,692	\$18,551	\$19,850	3.0%	-0.5%	11.1%	7.0%
Non-Emergency Transportation [2]	360,568	347,913	333,103	\$9	\$10	\$10	-3.5%	-4.3%	8.8%	3.4%
Medicare Premium Payment:										
Part A (Hospital)	2,559	3,337	3,445	\$515	\$488	\$513	30.4%	3.2%	-5.2%	5.0%
Part B (Professional Services)	40,034	40,334	40,580	\$171	\$173	\$182	0.7%	0.6%	1.1%	5.5%
Part D (Prescription Drugs)	43,430	41,890	40,426	\$156	\$183	\$200	-3.5%	-3.5%	17.7%	8.7%

D. FY 2024 Budget Initiative Implementation

As outlined in **Attachment 2**, initiatives are in progress, though there have been some delays in effective dates. Major implementation changes since the Enacted Budget are detailed below.

- State-Only Funded Abortion Coverage.** Managed care organizations are reimbursing providers for the newly permitted service; MMIS updates were completed in January to allow for a modifier to differentiate between federally allowed services and those that are permissible for reimbursement under state law and paid with state-only funding. EOHHS communicated instructions for encounter claims submission to the MCOs and expects to receive all data by the end of June 2024. EOHHS’ estimate includes \$0.6 million in general revenues in both FY 2024 and FY 2025 for this coverage expansion.
- Conflict Free Case Management (CFCM).** The FY 2024 Enacted budget assumed a July 2023 implementation for CFCM among the I/DD population managed by BHDDH and a January 2025 implementation for all other populations. The updated FY 2024 estimate assumes approximately 1,500 people will begin receiving CFCM services by the end of April 2024. Remaining CFCM eligible individuals will be phased in based on available case management capacity each month. By December 2024, EOHHS estimates that ~5,500 people will be receiving CFCM services. The Katie Beckett population—which has been moved into managed care for its case management services—is not included in EOHHS’ cost estimate for FY 2024 and 2025.

EOHHS forecasts \$0.8 million in the current year due to the delayed implementation of the CFCM—a savings of \$12.8 million over the Enacted amount of \$13.6 million. In SFY 25, EOHHS estimates \$7.7 million for CFCM services for approximately 5,500 individuals. In November, EOHHS had assumed the full population would be phased in by December 2024. The phase-in of the entire population will likely not occur until at least SFY 26.

- Certified Community Behavioral Health Clinics.** Fiscal estimates for FY 2024 and FY 2025 have been updated to reflect PPS rate development and cost reporting work through mid-April for providers working towards providing CCBHC services starting on October 1, 2024. The reduction compared to prior estimates is largely due to the delay in the start date to October 2024.

Overall, EOHHS estimates new CCBHC spending of \$77.8 million in FY 2025—less than the \$122.6 million assumed in November CEC and nearly equivalent to the \$79.7 million included in the Governor’s Recommended budget. This more than doubling of the participating providers’ revenues represents a transformative investment in the state’s behavioral health safety net. In FY 2025, EOHHS will finance the new payment and service delivery model at eight contingently certified CCBHC sites, pending their final certification/readiness to provide CCBHC services.

EOHHS expects to expand the number of participating sites in FY 2026 and see further growth at the initial sites as they complete their hiring goals. New spending could increase to as much as \$146.7 million—including \$11.2 million for increased managed care expenditures, including administration, margin, and premium taxes—in FY 2026 as the initial providers' utilization is annualized, they continue to fill their vacancies, and as new CCBHC's are certified. This first full year of investments will represent a near-tripling of Medicaid spending on our behavioral health safety net—from \$69.0 million in FY 2023 to \$204.0 million in FY 2025.

The responses to the Conferees' questions provide a detailed update on the implementation and the uncertainty of the fiscal estimates.

- **Ticket to Work (TTW)** As described in a September 20, 2023 memo to the Conferees, several decisions were required to operationalize TTW and ensure a client's transition to the Sherlock program at age 65. The memo identified the decisions made and described the operational and authority steps needed to implement the program and provided the associated timeline. While the FY 2024 Enacted assumed a July 2023 implementation, the earliest effective date for retroactive eligibility is October 1, 2023, with a likely implementation date of September in FY 2025. The FY 2025 forecast includes \$1.3 million in Rhody Health Partners to reflect annual cost of an estimated 60 clients covered under the TTW program.
- **Hospital Payment Program.** CMS approved payments for FY 2024 on December 21, 2023. Payments are intended to be made quarterly. EOHHS issued the first and second quarter payments to the MCOs in February 2024. The first quarter payment and funding to the hospitals was \$74.2 million and the second quarter was \$69.3 million, for a total of \$143.5 million. After making a third and fourth quarterly payments based on the health plan's enrollment, a final payment will be issued (in December 2024). Consistent with CMS requirements, this payment will reflect a new actuarial certification that aligns the health plans' complete fiscal year enrollment, their hospital utilization, and the legislature's full appropriation for the hospitals (\$287.9 million). Consistent with the November CEC, the FY 2025 forecast includes a GR total of \$88.3 million, making an aggregate payment of \$281.0 million. The aggregate reduction from FY 2024 to 2025 is described in the Hospitals- Regular section of testimony.

E. Nursing Facility Rate Review

EOHHS recently completed a nursing facility rate review using CY 2022 Medicaid cost reports, pursuant to RIGL 40-8-19 (a)(2)(iii):

(iii) Revision of rates as necessary based on increases in direct and indirect costs beginning October 2024 utilizing data from the most recent finalized year of facility cost report. The per diem rate components deferred in subsections (a)(2)(i) and (a)(2)(ii) of this section shall be adjusted accordingly to reflect changes in direct and indirect care costs since the previous rate review.

The rate review focused on the direct, other direct, and indirect base rates, which are the same for all facilities. Although current law references "direct-care" and "indirect-care," since 2012, the State has applied the annual inflationary adjustments to three components: "direct-care", "indirect-care", and "other direct care" components. The Governor's Recommended budget includes a technical amendment to add "other direct care" to clarify that this rate component is included in the rate review and adjusted accordingly.

EOHHS' estimate includes \$67.8 million across all budget lines in SFY 25 for the rate review, a decrease of \$0.9 million below what is included in the Governor's Budget Recommendation and adopted at the November CEC. Note that this estimate varies from that reported in the rate review report, primarily due to slight differences in base data and methods used for caseload estimating. **Table II-8** on the following page shows the impact across all budget lines. The major drivers of the change in costs is summarized below.

1. **Updated Base Experience.** EOHHS' estimate is based on claims experience between July 2023 and December 2023, adjusted for incurred but not reported (IBNR) claims. In both FY 2024 and FY 2025, the estimate uses average monthly expenditures in this six-month period. Because the current year rate

increase for nursing facilities was implemented on October 1, 2023, EOHHS re-priced claims from the July to September period to develop the monthly average.

2. *Utilization.* EOHHS assumed a utilization increase of 2.5% across the FFS nursing facility budget lines.
3. *Inflationary assumptions.* The final rate review used CY 2022 cost reports to establish a new cost-based per diem for each facility and trended this base experience forward by 2.5% per annum, the five-year average (CY 2018 to CY 2023) of the CPI for New England Medical. This trend was applied for the 33 months from July 1, 2022 (the midpoint of the cost report period) to April 2025 (the midpoint of the effective rate period). Overall, the rate review projects a 14.5% increase over the current SFY 2024 per diem.
4. *Patient Share.* Patient share currently accounts for 17.0% of payments to nursing homes. However, a client’s patient share does not necessarily increase proportionally with an increase in the nursing home per diem. As such, the 14.5% increase in the composite per diem³ is treated as an effective 17.8% increase in Medicaid costs. Although it is reasonable to assume a client’s patient share will increase in January of each year to coincide with the increase in social security, the value of the COLA increase will be significantly less than the increase in nursing home charges, and so it is not considered here.

Table II-8. Nursing Facility Rate Review Impact

	Nov. Testimony	Nov. CEC Changes	Nov. Adopted Caseload	May Testimony
<i>RIGL Market Basket</i>				
FFS - NF	\$ 14,699,736	\$ (294,447)	\$ 14,405,289	
FFS - HOS	\$ 1,281,515		\$ 1,281,515	
FFS - ME	\$ 376,916		\$ 376,916	
RHO II	\$ 5,250,000		\$ 5,250,000	
PACE*	\$331,501		\$ 331,501	
<i>RIGL Rate Review</i>				
FFS - NF	\$ 34,651,224	\$ (610,470)	\$ 34,040,754	\$ 50,426,479
FFS - HOS	\$ 3,020,876		\$ 3,020,876	\$ 3,801,050
FFS - ME	\$ 888,493		\$ 888,493	\$ 1,451,857
RHO II	\$ 8,671,906		\$ 8,671,906	\$ 11,300,000
PACE*	\$408,704		\$ 408,704	\$ 800,000
Total	\$ 69,580,872	\$ (904,917)	\$ 68,675,955	\$ 67,779,387
<i>Change to November</i>				\$ (896,569)

F. Disproportionate Share Hospitals

FFY 2019 DSH Audit Update

The independent audit of Rhode Island’s FFY 2019 DSH payments was completed in January 2023, resulting in a DSH overpayment paid to one hospital totaling \$8.5 million. As of January 2024, the overpayment was recouped

³ The rate review projected a 14.5% composite increase over the FY 2024 per diem. Accounting for estimated adjustments to the FRV and Tax components of the rates (excl. from rate review), EOHHS estimates a total change of 14.7%.

and redistributed. **Table II-9** below details the recoupment and redistribution of the FFY 2019 DSH payments.

Table II-9. FFY 2019 DSH Recoupment and Redistribution

Hospital	Recoupment	Redistribution
Kent Hospital	\$ -	\$ 605,799
Landmark Hospital	8,506,212	-
Miriam Hospital	-	133,802
Newport Hospital	-	470,053
Rhode Island Hospital	-	3,304,246
Roger Williams Medical Center	-	898,200
Our Lady of Fatima Hospital	-	747,527
South County Hospital	-	313,307
Westerly Hospital	-	238,205
Women & Infants Hospital	\$ -	\$ 1,795,072
	\$ 8,506,212	\$ 8,506,212

FFY 2020 DSH Audit

The independent audit of Rhode Island’s FFY 2020 DSH payments was completed in December 2023. The audit found that one hospital received a DSH payment that exceeded its total eligible uncompensated care costs (UCC). Estimated DSH limits are based on prior year data and updated for inflation. This prior year data can differ from actual data available after the close of the rate year and lead to overpayment.

Pursuant to the Rhode Island Medicaid State Plan, EOHHS must recoup from the affected hospital the amount by which the DSH payment exceeded eligible UCC and redistribute these funds to the other qualifying hospitals. CMS mandates that the recoupment and redistribution be completed within one year of discovery, which is December 13, 2024. EOHHS entered into a legal agreement to recoup the overpayment in ten monthly installments between February 2024 through November 2024. CMS will not permit the State to redistribute the money to the remaining hospitals until EOHHS has fully recouped the overpayment. **Table II-10** shows the FFY 2020 DSH recoupment and redistribution by hospital.

Table II-10. FFY 2020 DSH Recoupment and Redistribution

Hospital	Recoupment	Redistribution
Kent Hospital	\$ -	\$ 1,244,283
Landmark Hospital	9,469,206	-
Miriam Hospital	-	684,892
Newport Hospital	-	368,805
Rhode Island Hospital	-	3,693,560
Roger Williams Medical Center	-	664,882
Our Lady of Fatima Hospital	-	795,611
South County Hospital	-	248,007
Westerly Hospital	-	338,870
Women & Infants Hospital	\$ -	\$ 1,430,297
	\$ 9,469,206	\$ 9,469,206

FY 2024 Hospital State Directed Payment Impact on DSH

EOHHS’ FY 2024 DSH testimony remains at the Enacted level of \$14.7 million. The latest modeling assumptions, including the new state directed payment (SDP) that pays hospitals a percentage of their average commercial rates (referred to hereafter as hospital SDP), three hospitals are anticipated to receive a DSH payment in FY 2024. These hospitals are Roger Williams Hospital (\$9.7 million), Rhode Island Hospital (\$4.0 million), and Westerly Hospital (\$1.0 million). The FY 2024 DSH payment will be audited in 2027, pursuant to federal law, using hospitals’ actual FFY 2024 data—which will include the new hospital SDP.

To prevent large recoupments/redistributions that can disrupt a hospital’s cash flow and normal operations, EOHHS submitted, and CMS approved in March 2024, a State Plan Amendment to add in the current year’s hospital SDP into the historical base data to better estimate each hospital’s specific DSH limit.

FY 2024 DSH Allotment and Delayed Reductions

The Consolidated Appropriations Act (CAA) 2024, enacted in March 2024, eliminated the DSH allotment reductions for FFY 2024 and postponed them until January 1, 2025. The State’s preliminary unreduced federal allotment for FY 2024 DSH payment is \$90,378,696, which would allow for a maximum DSH payment at the prevailing FMAP of \$164,295,030. The new hospital SDP payment has made the majority of hospitals ineligible for DSH payments. EOHHS retained the enacted amount of \$14.7 million for FY 2024. **Table II-11** summarizes the FY 2024 DSH amounts.

Table II-11. FFY 2024 / FY 2024 DSH Summary

Scenario	Federal Funds	General Revenue	All Funds	General Revenue Variance to Enacted	All Funds Variance to Enacted	Effective FMAP
Enacted Budget	\$ 8,107,853	\$ 6,631,019	\$ 14,738,872	\$ -	\$ -	55.01%
EOHHS Testimony	8,107,853	6,631,019	14,738,872	\$ -	-	55.01%
DSH at Max	\$ 90,378,696	\$ 73,916,334	\$ 164,295,030	\$ 67,285,315	\$ 149,556,158	55.01%

FY 2025 Allotment

EOHHS has not yet received its preliminary FFY 2025 federal allotment. Per the 2024 CAA, the DSH reductions are expected to resume on January 1, 2025 (SFY 2026). Absent the allotment, EOHHS maintains the FY 2024 Enacted in FY 2025.

As is typical for EOHHS’ April testimony, EOHHS uses the Medicaid and CHIP Payment and Access Commission’s (MACPAC’s) March Report to Congress⁴ to proxy future DSH allotments/allotment reductions. For SFY 2025, MACPAC estimates a total DSH allotment of \$172.9 million, including \$77.8 million in GR. For reference, in SFY 2026, MACPAC estimates a total DSH allotment of \$51.5 million, including \$22.5 million in GR matching funds. The FY 2026 total is inclusive of an estimated DSH reduction of \$124.4 million, Rhode Island’s portion of the estimated \$8.0 billion reduction across states.

G. 1115 Waiver Update

In December 2022, Rhode Island submitted an extension request for its 1115 waiver. Section 1115 waivers are utilized to implement experimental, pilot, or demonstration projects found to be likely to assist in promoting the objectives of the Medicaid program. Rhode Island’s 1115 waiver has been in place since 2009. The Demonstration offers a complete array of services, including medical, behavioral health, and HCBS, to multiple eligibility groups. EOHHS requested federal approval to provide several new services, subject to state authorization and appropriations.

In July 2023, CMS alerted Medicaid of a delay in approval of our waiver. CMS formally issued a 12-month extension of the State’s current 1115 Demonstration Waiver, ensuring that all existing authorities will be maintained while the State waits for approval of the new waiver. With respect to new authorities sought in the new waiver, EOHHS identified specific priority items for which the State strongly requested approval on an earlier timeline. In September, EOHHS submitted a Waiver Amendment to allow the provision of personal care services to HCBS-eligible members while they are in an acute inpatient hospital setting, consistent with the directive included in Article 9 of the FY 2024 Enacted Budget.

CMS approved a waiver amendment on March 21, 2024 that includes the state’s priority items and the personal care services provisions:

⁴ MACPAC. “March Report to Congress” Internet: https://www.macpac.gov/wp-content/uploads/2024/03/MACPAC_March-2024-WEB-Final-508.pdf

1. Authority to deliver personal care services to recipients in acute hospital settings, in accordance with the SFY 24 enacted budget.
2. Authority to permanently retain certain "Attachment K" HCBS authorities first granted during the PHE, including: authority for parents/guardians of (adult) Self-Direction participants to provide services to these participants; authority to conduct certain personal care and case management services via telehealth; and authority to conduct level of care evaluations, functional assessments, and person-centered planning meetings remotely rather than in-person.
3. Authority for a new HCBS service, Remote Monitoring and Support, that the state is adding in relation to the Consent Decree.
4. Changes to the education requirement for Home Stabilization providers, to facilitate greater access to the service.
5. Changes to the waiver language to reflect the 12-month postpartum continuous eligibility policy established in the Medicaid State Plan.
6. Increase of the income eligibility threshold (from 300% to 400% of the SSI benefit rate) for adults with disabilities who are at risk of needing institutional care to access a limited set of HCBS services.

In addition to pursuing the above waiver amendment, EOHHS also used the time since the CMS delay to develop an addendum to the original renewal request to maximize the state's opportunities arising from more recent federal guidance. EOHHS will continue to negotiate with CMS to develop terms for the following outstanding waiver renewal requests:

1. Housing Supports: EOHHS requested to expand the Home Stabilization benefit to include one-time transitional supports, including move-in costs as well as up to six (6) months of rent payment.
2. Medical Respite/Recuperative Care for Homeless Individuals: EOHHS requested authority to create a Recuperative Care Pilot Program, which would provide short term residential care to individuals experiencing homelessness to allow individuals the opportunity to rest and recover from illness or injury in a safe environment while accessing medical care and other supportive services. EOHHS began a pilot program using federal ARPA/enhanced FMAP funds; waiver authority would support program sustainability after March 2025 (if state appropriation is made).
3. Pre-Release Supports for Incarcerated Individuals: EOHHS requested authority to provide Medicaid coverage, including enrollment in managed care, to incarcerated individuals before their release to support reintegration and improve access to care upon release. Note that while EOHHS originally requested thirty (30) days of pre-release coverage, other states have received approval for ninety (90) days and stakeholders have identified that this is operationally and fiscally highly favorable for the state. For those reasons, in the Request Addendum currently posted for public comment, EOHHS requested to update the request to ninety (90) days.
4. Managed Dental Benefits for Adults: EOHHS requested authority to include adult dental benefits into the existing Rite Smiles managed care program. The request is limited to the nature of the delivery system (managed care rather than FFS) and does not propose to change the scope of adult dental benefits.
5. Addendum Requests Posted for Public Comment through April 15th:
 - a. Nutrition services: EOHHS seeks to request authority to provide Healthy Food Prescriptions and Medically Tailored Meals to targeted populations.
 - b. Contingency management: This is a behavioral intervention to treat substance-use disorder, including opioid and stimulant use disorders. Note that this program is already operational, funded with Opioid Settlement funds. Waiver support would enhance sustainability by bringing in new federal funds.

Both the original renewal request and the Addendum seek to make technical changes to the waiver to align with current program operations and enhance transparency.

CMS is experiencing high volumes of waiver applications that make exact approval timelines difficult to predict. However, EOHHS is working closely with CMS to gain approval of these requests before the end of CY 2024.

H. Family Home Visiting Programs

The table below summarizes estimated expenditures for family home visiting programs eligible for Medicaid match. These expenditures appear in the Managed Care section of testimony and are included with the Early Intervention CNOM FFS activity.

Family Home Visiting Programs

Expenditures by Incurred State Fiscal Year

Program	Actuals [1]:				May Estimated:	
	2020	2021	2022	2023	2024 [2]	2025 [3]
First Connections (FC)	\$ 575,546	\$ 599,930	\$ 453,553	\$ 951,871	\$ 790,000	\$ 251,000
Healthy Families America (HFA)				\$ 687,305	\$ 2,080,000	\$ 2,080,000
Nurse Family Partnerships (NFP)				\$ 78,059	\$ 1,000,000	\$ 1,000,000
Parents as Teachers (PAT)				\$ -	\$ 250,000	\$ 500,000
Total, Family Home Visiting	\$ -	\$ -	\$ -	\$ 1,717,234	\$ 4,120,000	\$ 3,831,000
ARPA e-FMAP Offset				\$ (650,000)	\$ (539,000)	
<i>First Connections Expenditures - Repriced at Pre-ARPA Rates</i>				\$ 301,871	\$ 251,000	\$ 251,000

The FY 2020 through FY 2023 data reflects incurred actuals paid through March 15, 2024, not adjusted for incurred but not paid claims. The FY 2024 and FY 2025 estimates reflect anticipated expenditures based on claims paid through January 2024. Of note is the significant uptake in billing for services under HFA and NFP in recent months. Based on a review of claims data, it appears that many providers are now delivering the HFA and NFP services in lieu of the First Connections services. Additionally, many clients receive services under both FC and either HFA or NFP.

Funding for First Connections in FY 2025 decreases due to the elimination of the ARPA-funded rate increase that is set to expire absent legislative action. Rates for this program were included under the scope of the Office of the Health Insurance Commissioner's (OHIC) Social and Human Services Program rate review.

I. Sickle Cell Therapies

In December 2023, the FDA approved the first cell and gene therapy treatment for sickle cell disease (SCD).⁵ In January 2024, the Biden-Harris Administration announced that SCD would be the first focus of the Cell and Gene Therapy (CGT) Access Model, led by the Centers for Medicare & Medicaid Services (CMS).⁶ Under the program, CMS will negotiate outcome-based agreements with manufacturers, linking pricing to health outcomes, and provide states with an option to access these drugs at a negotiated rate.

Sickle cell disease (SCD) is a painful condition that disproportionately affects Black Americans more often than others. SCD has limited treatment options, which can result in high healthcare costs. Nationally, Medicaid covers around half of SCD patients. There was an average of 250 Rhode Islanders enrolled in Medicaid over the last three years with SCD, with an annual total cost of care of approximately \$29,000 each.⁷ Assuming an average cost of between \$1.5 million and \$2.0 million for the new treatment (after application of a 23.1% rebate), the total cost to treat each member would be substantial, totaling between \$370 million and \$500 million from all funds.

The current managed care rates do not include an explicit provision for these drugs, but EOHHS is actively monitoring plan experience and is in discussions with the state actuary regarding the treatment of these drugs in the managed care rates for FY 2025 and beyond. Similar to how Rhode Island treated the introduction of new treatments for Hepatitis C, it may be prudent for EOHHS to establish a separate stop-loss arrangement or other risk mitigation strategy for such a potentially high-cost treatment.

⁵ <https://www.fda.gov/news-events/press-announcements/fda-approves-first-gene-therapies-treat-patients-sickle-cell-disease#:~:text=Casgevvy%2C%20a%20cell%2Dbased%20gene,type%20of%20genome%20editing%20technology>.

⁶ <https://www.cms.gov/newsroom/press-releases/biden-harris-administration-announces-action-increase-access-sickle-cell-disease-treatments>

⁷ Based on application of the Chronic Conditions Data Warehouse (CCW) algorithm for identifying people with SCD. The CCW algorithm classifies people as having SCD if they had at least 3 claims with a diagnosis of SCD over a 5-year period.

J. Cross Budget Line Summaries: Rebates and NEMT

Drug Rebates and J-Code Collections

Rebates on prescriptions provided in a pharmacy (i.e., DRE) and in an outpatient setting (i.e., J-Code) significantly offset the federal and state costs of most prescription drugs dispensed to Medicaid patients. EOHHS' Medicaid rebate collections reduce the program's gross pharmacy spend by over 40%. **Table II-12** summarizes EOHHS' DRE and J-Code invoices for FY 2023 and provides updated forecasts for FY 2024 and FY 2025.

With respect to its revised estimates, EOHHS derived its rebate forecast by dividing the average quarterly rebate amounts invoiced to the drug manufacturers in the four quarters through FY 2024 Q1 by the average managed care enrollment for the same period. The resulting PMPM multiplier, calculated by product line, was then applied to EOHHS' current enrollment forecast for FY 2024 and FY 2025. The decline in FY 2024 over FY 2023 is attributed to the unwinding of the PHE and reduction in caseload. Due to general uncertainty in this estimate, no price factor was applied.

Notably, in addition to the drug rebates directly collected by EOHHS' fiscal intermediary, the health plans also maintain their own financial arrangements with the pharmaceutical manufacturers. These rebates are not included in EOHHS' direct collections and instead are reflected as offsets to the health plans' medical expenses used to establish their capitation rates. Over the last few fiscal years, these collections have totaled approximately \$12 million per year.

FFS rebates and J-Code are not converted to a PMPM and are instead treated as a monthly average that is only adjusted for increasing unit cost and, therefore, increased rebate collections.

Table II-12. Summary of Drug Rebate Collections

DRE	SFY 2023	SFY 2024		SFY 2025			FY24 → FY25	
	Final	Nov CEC	Current	Surplus/(Deficit)	Nov CEC	Current		Surplus/(Deficit)
Managed Care	\$ (46,387,509)	\$ (50,061,869)	\$ (49,405,293)	(\$0.7 M)	\$ (51,158,300)	\$ (49,475,711)	(\$1.7 M)	(\$0.1 M)
Rhody Health Partners	(42,096,956)	(39,293,419)	(37,873,355)	(1.4 M)	(41,717,863)	(39,498,854)	(2.2 M)	(1.6 M)
Expansion	(75,622,569)	(71,545,575)	(67,206,645)	(4.3 M)	(70,043,285)	(64,179,147)	(5.9 M)	3.0 M
Fee-for-Service	(8,077,094)	(6,054,262)	(7,913,737)	1.9 M	(6,460,263)	(8,072,874)	1.6 M	(0.2 M)
Subtotal DRE	\$ (172,184,127)	\$ (166,955,125)	\$ (162,399,030)	(\$4.6 M)	\$ (169,379,711)	\$ (161,226,586)	(\$8.2 M)	\$1.2 M
J-Code								
Managed Care	(3,014,758)	(2,934,799)	(3,212,806)	0.3 M	(2,988,503)	(3,233,498)	0.2 M	(0.0 M)
Rhody Health Partners	(1,059,236)	(993,531)	(1,052,527)	0.1 M	(1,054,896)	(1,097,942)	0.0 M	(0.0 M)
Expansion	(3,765,275)	(3,231,550)	(3,343,559)	0.1 M	(3,168,176)	(3,193,195)	0.0 M	0.2 M
Fee-for-Service	(1,263,412)	(1,393,650)	(1,338,236)	(0.1 M)	(1,491,750)	(1,371,507)	(0.1 M)	(0.0 M)
Subtotal J-Code	\$ (9,102,681)	\$ (8,553,530)	\$ (8,947,128)	\$0.4 M	\$ (8,703,325)	\$ (8,896,142)	\$0.2 M	\$0.1 M
Total Rebates	\$ (181,286,808)	\$ (175,508,655)	\$ (171,346,158)	(\$4.2 M)	\$ (178,083,036)	\$ (170,122,728)	(\$8.0 M)	\$1.2 M
QROA								
Managed Care	1,187,335	1,000,000	1,275,000	(0.3 M)	1,275,000	1,275,000	0.0 M	\$0.0 M
Rhody Health Partners	969,695	1,000,000	1,100,000	(0.1 M)	1,100,000	1,100,000	0.0 M	0.0 M
Expansion	482,757	300,000	500,000	(0.2 M)	500,000	500,000	0.0 M	0.0 M
Fee-for-Service	236,545	250,000	236,545	0.0 M	236,545	236,545	0.0 M	0.0 M
QROA	\$ 2,876,333	\$ 2,550,000	\$ 3,111,545	(\$0.6 M)	\$ 3,111,545	\$ 3,111,545	\$0.0 M	\$0.0 M

Non-Emergency Medical Transportation (NEMT)

Medical Transportation Management, Inc. (MTM) provides services to Medicaid members and seniors using the State's Elderly Transportation Program. Additionally, MTM issues RIPTA bus passes to Temporary Assistance for Needy Families (TANF) recipients.

EOHHS allocates spending for the members in its Aged, Blind, and Disabled eligibility groups based on whether the member is enrolled in Rhody Health Options, Rhody Health Partners, or remains in FFS.

EOHHS retained MTM as its transportation broker after a competitive RFP with the new contract effective July 1, 2023. The rates included in EOHHS' testimony reflect the rates calculated by EOHHS staff and effective in FY 2024. However, these PMPMs remain subject to change in future years based on enrollment and utilization.

The overall forecast for the Medicaid budget for the NEMT services is reflected in **Table II-13** and average monthly enrollment is shown in **Table II-14**.

Table II-13. Non-Emergency Transportation - Capitation

Budget Line	SFY 2023		SFY 2024		SFY 2025			FY24 → FY25
	Final	Nov CEC	Current	Surplus/(Deficit)	Nov CEC	Current	Surplus/(Deficit)	
Managed Care	\$ 10,388,493	\$ 12,400,518	\$ 12,236,978	\$0.2 M	\$ 12,565,047	\$ 12,114,358	\$0.5 M	\$0.3 M
Expansion	15,147,965	15,124,641	14,300,723	0.8 M	14,710,611	13,568,667	1.1 M	0.4 M
Rhody Health Partners	3,367,281	3,254,238	3,150,859	0.1 M	3,383,199	3,213,204	0.2 M	0.2 M
Rhody Health Options	3,170,494	3,152,695	3,059,878	0.1 M	3,324,950	3,144,110	0.2 M	0.3 M
Other Services	6,382,803	7,112,500	6,729,307	0.4 M	7,533,284	6,974,738	0.6 M	0.8 M
Subtotal	\$ 38,457,036	\$ 41,044,592	\$ 39,477,745	\$1.6 M	\$ 41,517,091	\$ 39,015,077	\$2.5 M	\$2.0 M
TANF Charge Back	(475,000)	(500,000)	(500,000)	0.0 M	(500,000)	(500,000)	0.0 M	0.0 M
MTM Liquidated Damages	(700,000)	0	(500,000)	0.5 M	0	0	0.0 M	0.5 M
Subtotal Medicaid	\$ 37,282,036	\$ 40,544,592	\$ 38,477,745	\$2.1 M	\$ 41,017,091	\$ 38,515,077	\$2.5 M	\$2.5 M

Table II-14. Non-Emergency Transportation - Average Monthly Enrollment

Medicaid	SFY 2023		SFY 2024		SFY 2025			FY24 → FY25
	Final	Nov CEC	Current	Change	Nov CEC	Current	Change	
Children and Families	193,238	198,726	196,105	-2,621	195,717	188,697	-7,020	-7,408
Expansion	112,108	101,480	95,952	-5,528	95,922	88,476	-7,446	-7,476
Rhody Health Partners	14,066	13,738	13,302	-436	13,882	13,184	-698	-118
Rhody Health Options	13,244	13,309	12,917	-392	13,643	12,901	-742	-17
Other ABD	26,662	30,026	28,408	-1,618	30,910	28,618	-2,292	210
Subtotal Medicaid	359,317	357,280	346,685	-10,595	350,073	331,875	-18,198	-14,809
<i>Overall PMPM</i>	<i>\$8.65</i>	<i>\$9.46</i>	<i>\$9.25</i>	<i>(\$0.21)</i>	<i>\$9.76</i>	<i>\$9.67</i>	<i>(\$0.09)</i>	<i>\$0.42</i>
Department of Human Services								
OHA Co-Pay	1,252	1,238	1,228	-9	1,254	1,228	-26	0
Elderly Transportation Program	\$375k per month	\$395k per month	\$395k per month		\$375k per month	\$375k per month		

III. Managed Care

		Managed Care	
		All Funds	General Revenue
FY 2022	Final	\$838,985,622	\$312,073,159
FY 2023	Final	\$971,485,566	\$369,188,121
FY 2024	Enacted	\$1,069,954,164	\$452,752,540
	November CEC	\$1,020,800,000	\$437,643,161
	Current	\$1,040,500,000	\$445,737,338
	<i>Deficit over Nov CEC</i>	<i>(\$19,700,000)</i>	<i>(\$8,094,177)</i>
FY 2025	November CEC	\$1,072,800,000	\$459,104,577
	Current	\$1,039,500,000	\$444,689,481
		<i>Surplus over Nov CEC</i>	<i>\$33,300,000</i>

FY 2024

The revised forecast of \$1.041 billion in FY 2024 reflects a \$19.7 million deficit over the November CEC. Overall, EOHHS forecasts an average fiscal year enrollment of 195,488 Rite Care eligible members in FY 2024, a decrease of 2,534 members (-1.3%) compared to the November CEC. This includes 176,844 members enrolled in Rite Care Core, 9,844 in Rite Care CSHCN, 2,280 enrolled in Rite Share, and an average of 6,531 remaining in FFS each month.

Despite reduced monthly premiums in Rite Care Core and Rite Care CSHCN of \$12.0 million due to reduced enrollment, lower spending on newborns and maternity payments (\$3.1 million), lower spending on FFS (\$2.3 million), and the delayed implementation of CCBHC (\$2.1 million), the current year deficit is attributed to the following changes in EOHHS' forecast:

- Estimated risk share payment of \$39.2 million in the current year.
- Increased spending of \$1.2 million for Cover All Kids, which has seen enrollment growth exceeding expectations.
- Two adjustments for FQHC-requested rate reviews resulting from capital improvement projects pursuant to the FQHC Principles of Reimbursement.
 - \$3.1 million for Providence Community Health Center (PCHC). Medicaid approved a new encounter rate of \$257.55, effective August 28, 2023, to reflect the increased cost associated with PCHC's Atwood Health Center, which opened in 2018. PCHC has since appealed the Medicaid-approved rate. Due to the appeal, EOHHS has not yet processed the rate adjustment but includes its approved rate and estimate as an adjustment for each fiscal year.
 - \$0.6 million for Thundermist. Medicaid approved a new dental encounter rate of \$222.90, effective May 1, 2023, to reflect the marginal cost of a new dental facility. The impact of this adjustment is not included in the base claims data, so EOHHS included a \$0.6 million adjustment for each fiscal year.

Overall, these price increases contribute to the composite increase of \$14 PMPM compared to the November CEC.

The enhanced FMAP associated with the COVID-19 emergency period provides \$9.6 million in GR relief in FY 2024.

FY 2025

The **Managed Care** forecast of \$1.039 billion is a \$33.3 million (3.1%) decrease over the November CEC's estimate. The revised forecast reflects a reduction of 6,818 members per month across the Rite Care products.

The drivers behind the net decrease in spending from the November CEC estimate are summarized below and in **Table III-4**.

- \$13.1 million in savings from delayed implementation of the CCBHC initiative to October 2024.
- \$8.7 million surplus in Rite Care Core, due to a 5,170 member decrease from November CEC.
- \$9.3 million in savings in Rite Care CSHCN, due to a 587 member decrease from November CEC.
- \$1.8 million in NICU savings due to a decrease of 36 NICU stays in the updated forecast.
- \$1.3 million decrease in Rite Smiles expenditures.

Table III-1 summarizes all expenditures to the health plans by product line as well as various FFS payments made on behalf of members eligible for managed care. EOHHS' revised average caseload forecast and a comparison to prior estimates is summarized in **Table III-2** and the forecast for the number of births and NICU stays are presented in **Table III-3**.

Table III-4 reflects a variance analysis of the changes between EOHHS' current forecasts for this year and next and in comparison to FY 2023 Final.

The average monthly Rite Care and Rite Smiles capitation rates paid to the health plans are summarized in **Table III-5** and **Table III-6**. The FY 2025 capitation rates reflect a 7.0% price trend for Rite Care Core (and Rite Smiles) and a 5.0% price trend for Rite Care CSHCN.

Table III-7 and **Table III-8** identify changes to total CHIP and EFP claiming activities that provide GR savings through enhanced federal claiming.

Additional month-by-month details are provided in **Attachment 5**.

Enhanced Claiming: CHIP and EFP Activity

Table III-7 and **Table III-8** summarize the enhanced federal financial participation that Rhode Island claims against medical benefits for overall CHIP activity and Family Planning Services.

EOHHS continues to make manual retroactive adjustments to its CHIP claiming at the end of each fiscal year to capture the enhanced rate as it applies to children between the age of one and 18 in households with incomes between 138% and 155% of the FPL. With respect to its family planning claiming, EOHHS makes a year-end adjustment to its prior period claiming based on overall capitation payments and an allocation methodology based on enrollment and the certified managed care rates.

Table III-1. Summary of Managed Care Expenditures

	SFY 2023	SFY 2024	SFY 2025			FY24 → FY25		
	Final	Nov CEC	Current	Surplus/(Deficit)	Nov CEC		Current	Surplus/(Deficit)
Payments to Plans								
Rite Care Core	\$ 682,479,851	\$ 696,570,359	\$ 689,786,613	\$6.8 M	\$ 702,076,661	\$ 693,351,234	\$8.7 M	\$3.6 M
Rite Care Cover-All-Kids	4,720,357	12,500,000	13,670,000	(1.2 M)	14,500,000	14,720,000	(0.2 M)	1.1 M
Rite Care CSHCN	158,926,749	167,648,559	162,417,248	5.2 M	180,036,643	170,721,796	9.3 M	8.3 M
Rite Care EFP	237,892	198,087	207,122	(0.0 M)	210,124	249,924	(0.0 M)	0.0 M
SOBRA	66,116,656	77,784,972	77,080,028	0.7 M	81,810,572	82,177,884	(0.4 M)	5.1 M
Withhold	4,253,921	4,396,941	4,328,228	0.1 M	4,495,288	4,388,161	0.1 M	0.1 M
Risk Share	446,227	0	39,157,980	(39.2 M)	0	0	0.0 M	(39.2 M)
Rite Smiles	26,032,181	28,423,249	27,760,112	0.7 M	30,122,782	28,848,685	1.3 M	1.1 M
CCBHC Investment	0	2,100,000	0	2.1 M	26,900,000	13,800,000	13.1 M	13.8 M
Subtotal - Payments to Plans	\$ 943,213,833	\$ 989,622,167	\$ 1,014,407,332	(\$24.8 M)	\$ 1,040,152,069	\$ 1,008,257,684	\$31.9 M	(\$6.1 M)
Other Payments								
Non-Emergency Transportation	\$ 10,388,493	\$ 12,400,518	\$ 12,236,978	\$0.2 M	\$ 12,565,047	\$ 12,114,358	\$0.5 M	(\$0.1 M)
TANF Offset	(475,000)	(500,000)	(500,000)	0.0 M	(500,000)	(500,000)	0.0 M	0.0 M
Liiquidated Damages	(700,000)	0	(500,000)	0.5 M	0	0	0.0 M	0.5 M
Rite Share	2,193,414	2,079,228	1,999,997	0.1 M	2,234,156	1,958,441	0.3 M	(0.0 M)
Premium Assistance Program	57,902	43,929	37,992	0.0 M	46,956	39,632	0.0 M	0.0 M
Core FFS	34,580,355	35,609,350	34,618,000	1.0 M	36,621,138	37,002,000	(0.4 M)	2.4 M
CSHCN FFS	3,184,085	3,395,296	3,398,000	(0.0 M)	3,593,091	3,604,000	(0.0 M)	0.2 M
Early Intervention FFS	3,150,330	4,150,330	2,884,000	1.3 M	4,150,330	3,518,000	0.6 M	0.6 M
NICU	24,534,000	27,081,156	24,659,264	2.4 M	28,191,483	26,354,588	1.8 M	1.7 M
Rebates	(49,402,267)	(52,996,668)	(52,618,099)	(0.4 M)	(54,146,803)	(52,709,209)	(1.4 M)	(0.1 M)
Premium Collection	(53,585)	(50,000)	(51,000)	0.0 M	(50,000)	(50,000)	0.0 M	0.0 M
Tax Intercept	(112,790)	(100,000)	(105,000)	0.0 M	(100,000)	(100,000)	0.0 M	0.0 M
Subtotal - Other Payments	\$ 27,344,937	\$ 31,113,139	\$ 26,060,132	\$5.1 M	\$ 32,605,398	\$ 31,231,811	\$1.4 M	\$5.2 M
Subtotal - Managed Care	\$ 970,558,770	\$ 1,020,735,306	\$ 1,040,467,465	(\$19.7 M)	\$ 1,072,757,468	\$ 1,039,489,495	\$33.3 M	(\$1.0 M)
Balance to RIFANS/Rounding	926,797	64,694	32,535	0.0 M	42,532	10,505	0.0 M	0.0 M
Total - Managed Care	\$ 971,485,566	\$ 1,020,800,000	\$ 1,040,500,000	(\$19.7 M)	\$ 1,072,800,000	\$ 1,039,500,000	\$33.3 M	(\$1.0 M)
General Revenue	\$369.2 M	\$437.6 M	\$445.7 M	(\$8.1 M)	\$459.1 M	\$444.7 M	\$14.4 M	(\$1.0 M)
Federal Funds	\$602.3 M	\$583.2 M	\$594.8 M	(\$11.6 M)	\$613.7 M	\$594.8 M	\$18.9 M	\$0.0 M

Table III-2. Average Managed Care Caseload

	SFY 2023	SFY 2024	SFY 2025			FY24 → FY25		
	Final	Nov CEC	Current	Change	Nov CEC		Current	Change
Full Benefits by Delivery System								
Rite Care Core	174,163	178,657	176,844	-1,813	173,406	168,235	-5,170	-8,609
Rite Care CSHCN	9,942	10,176	9,834	-342	10,402	9,815	-587	-19
Rite Share	2,675	2,485	2,280	-205	2,543	2,126	-417	-154
Remaining in FFS - Core	6,210	4,950	4,771	-180	4,964	4,395	-569	-376
Remaining in FFS - CSHCN	2,401	1,755	1,760	6	1,638	1,563	-75	-197
Total - Full Benefits	195,392	198,022	195,488	-2,534	192,952	186,134	-6,818	-9,354
Overall PMPM	\$414	\$430	\$444	\$14	\$463	\$465	\$2	\$22
% Enrolled in Managed Care	94.2%	95.4%	95.5%		95.3%	95.7%		
Other Caseload Factors								
EFP Only	1,092	959	1,003	44	969	1,131	162	128
Katie Beckett - Case Management Only	0	n/a	516	n/a	n/a	705	n/a	188
Rite Smiles	138,347	147,883	141,688	-6,195	153,438	138,298	-15,140	-3,391
Non-Emergency Transportation	193,238	198,726	196,105	-2,621	195,717	188,697	-7,020	-7,408

Table III-3. Medicaid Births and NICU Stays

	SFY 2023	SFY 2024	SFY 2025			FY24 → FY25		
	Final	Nov CEC	Current	Change	Nov CEC		Current	Change
SOBRA Births								
Rite Care	3,961	4,193	4,155	-38	4,200	4,140	-60	-15
Expansion	458	516	393	-123	516	385	-131	-8
Total - SOBRA Births	4,419	4,709	4,548	-161	4,716	4,525	-191	-23
Cost per SOBRA Birth	\$16,692	\$18,551	\$18,551	\$0	\$19,479	\$19,664	\$186	\$1,113
NICU Stays	464	492	448	-44	492	456	-36	8
Cost per NICU Stay	\$52,875	\$55,043	\$55,043	\$0	\$57,300	\$58,346	\$1,046	\$3,303

Table III-4. Managed Care Price-Volume Comparison to Nov CEC and Prior FY

	Price	Volume	Net
FY 2024: Current over Nov CEC	\$30.1 M	(\$10.4 M)	\$19.7 M
	3.0%	-1.0%	1.9%
FY 2024 over FY 2023	\$66.0 M	\$3.0 M	\$69.0 M
	6.8%	0.3%	7.1%
FY 2025 over FY 2024	\$47.7 M	(\$48.7 M)	(\$1.0 M)
	4.8%	-4.7%	-0.1%

Table III-5. Summary of Rite Care Core and CSHCN Monthly Premiums

	SFY 2023	SFY 2024	SFY 2025	FY23→FY24 Trend	FY24→FY25 Trend
Rite Care Core					
MF < 1 y.o.	\$650	\$784	\$839	20.6%	7.0%
MF 1-4 y.o.	\$232	\$238	\$255	2.7%	7.0%
MF 5-14 y.o.	\$214	\$218	\$233	1.6%	7.0%
M 15-44 y.o.	\$274	\$268	\$286	-2.5%	7.0%
F 15-44 y.o.	\$423	\$408	\$436	-3.6%	7.0%
MF 45+ y.o.	\$602	\$628	\$672	4.3%	7.0%
Composite	\$330	\$332	\$351	0.4%	5.7%
Average Member Months	\$174,163	\$176,844	\$168,235	1.5%	-4.9%
Rite Care CSHCN					
Substitute Care	\$956	\$1,031	\$1,082	7.8%	5.0%
SSI <15	\$2,022	\$2,034	\$2,136	0.6%	5.0%
SSI 15-20	\$1,407	\$1,437	\$1,509	2.1%	5.0%
Katie Beckett	\$4,568	\$4,156	\$4,364	-9.0%	5.0%
Adoption Subsidy	\$774	\$815	\$856	5.3%	5.0%
Composite	\$1,339	\$1,314	\$1,359	-1.8%	3.4%
Average Member Months	9,942	10,350	10,519	4.1%	1.6%
SOBRA Payment	\$16,692	\$18,551	\$19,850	11.1%	7.0%
EFP Only	\$18	\$17	\$18	-5.2%	7.0%
Katie Beckett - Care Management	\$0	\$119	\$125	n/a	5.0%
Rite Share	\$68	\$73	\$77	7.0%	5.0%

Table III-6. Summary of Rite Smiles Monthly Premiums

	SFY 2023	SFY 2024	SFY 2025	FY23→FY24 Trend	FY24→FY25 Trend
Rite Smiles					
MF 0-2	\$4.07	\$4.46	\$4.77	9.6%	7.0%
MF 3-5	\$15.28	\$15.23	\$16.30	-0.3%	7.0%
MF 6-10	\$21.86	\$22.98	\$24.59	5.1%	7.0%
MF 11-15	\$23.21	\$25.22	\$26.99	8.7%	7.0%
MF 16-19	\$15.08	\$16.85	\$18.03	11.7%	7.0%
MF 20+	\$15.08	\$16.85	\$18.03	11.7%	7.0%
Composite	\$17.02	\$17.75	\$18.89	4.3%	6.5%
Average Member Months	138,347	141,688	138,298	2.4%	-2.4%

Table III-7. CHIP Offsets

CHIP Offset	SFY 2023	SFY 2024		Change	SFY 2025		Change	FY24 → FY25
	Final	Nov CEC	Current		Nov CEC	Current		
	\$ 149,290,891	\$ 144,000,000	\$ 154,666,667	\$10.7 M	\$ 146,000,000	\$ 146,933,333	\$0.9 M	\$7.7 M
Additional GR Relief	\$17.9 M	\$19.1 M	\$20.5 M	\$1.4 M	\$19.3 M	\$19.4 M	\$0.1 M	\$1.3 M
CHIP FMAP	72.06%	69.03%	69.03%		69.19%	69.19%		
Regular FMAP	60.09%	55.75%	55.75%		55.99%	55.99%		

Table III-8. EFP Claiming

Family Planning Offset	SFY 2023	SFY 2024		Change	SFY 2025		Change	FY24 → FY25
	Final	Nov CEC	Current		Nov CEC	Current		
	\$ 10,300,000	\$ 10,400,000	\$ 10,300,000	(\$0.1 M)	\$ 10,400,000	\$ 10,000,000	(\$0.4 M)	\$0.3 M
Additional GR Relief	\$3.1 M	\$3.6 M	\$3.5 M	(\$0.0 M)	\$3.5 M	\$3.4 M	(\$0.1 M)	(\$0.0 M)
Family Planning FMAP	90.00%	90.00%	90.00%		90.00%	90.00%		
Regular FMAP	60.09%	55.75%	55.75%		55.99%	55.99%		

IV. Rhody Health Partners

		Rhody Health Partners	
		All Funds	General Revenue
FY 2022	Final	\$291,464,547	\$114,895,519
FY 2023	Final	\$288,564,854	\$114,898,586
FY 2024	Enacted	\$326,797,579	\$145,833,523
	November CEC	\$303,100,000	\$135,221,750
	Current	\$292,200,000	\$130,398,500
	<i>Surplus over Nov CEC</i>	<i>\$10,900,000</i>	<i>\$4,823,250</i>
FY 2025	November CEC	\$347,100,000	\$153,858,710
	Current	\$330,200,000	\$146,421,020
	<i>Surplus over Nov CEC</i>	<i>\$16,900,000</i>	<i>\$7,437,690</i>

FY 2024

The Rhody Health Partners (RHP) forecast of \$292.2 million in FY 2024 is a \$10.9 million (3.6%) surplus compared to the November CEC. Overall, EOHHS forecasts an average fiscal year enrollment of 13,350 in FY 2024, a decrease of 472 average members per month over the November CEC.

The surplus is primarily attributed to the following changes in EOHHS' forecast:

- \$2.0 million in savings due to the CCBHC initiative delay.
- \$12.0 million in savings from a projected decrease of 472 average monthly enrollment (-3.4%) from 13,822 in November CEC to 13,350 in the current forecast.

Partially offsetting the surpluses are the following deficits compared to the November CEC:

- A \$1.4 million deficit attributed to a reduction in estimated drug rebates driven by the lower than anticipated average monthly enrollment.
- A \$1.8 million increase for Risk Share payments in the current forecast.

The enhanced FMAP associated with the COVID-19 emergency period provides \$3.2 million in GR relief in FY 2024.

FY 2025

The RHP forecast of \$330.2 million is a surplus of \$16.9 million (4.9%) compared to EOHHS' November CEC estimate. The increase over FY 2024 expenditures is driven exclusively by the estimated 5.0% increase in premiums.

The surplus in FY 2025 compared to the November CEC is primarily attributed to the following changes in EOHHS' forecast:

- EOHHS forecasts an average fiscal year enrollment of 13,260. This is a decline of 716 average monthly census compared to November CEC – and a reduction of 90 members compared to FY 2024.
- This enrollment reduction creates a \$18.7 million savings in capitation and anticipated withhold payments compared to the November CEC.
- A \$2.2 million deficit in drug rebates—attributed to reduced enrollment and, thereby, reduced pharmacy payments.

The following tables summarize EOHHS' revised forecasts for RHP for FY 2024 and FY 2025. **Table IV-1** summarizes all expenditures to the health plans by product line as well as various FFS payments made on behalf of members eligible for partners. EOHHS' revised average caseload forecast and comparison to prior estimates are summarized in **Table IV-2**, with additional month-by-month detail provided in **Attachment 5a** and **Attachment 5b**. **Table IV-3**

considers the changes in spending and caseload to summarize the price and volume variances for FY 2023 through FY 2025. The average monthly RHP capitation rate by pay level, is summarized in **Table IV-4**.

Table IV-1. Summary of RHP Expenditures

	SFY 2023	SFY 2024			SFY 2025			FY24 → FY25
	Final	Nov CEC	Current	Surplus/(Deficit)	Nov CEC	Current	Surplus/(Deficit)	
Payments to Plans								
Rhody Health Partners	\$ 335,654,049	\$ 335,685,929	\$ 323,790,570	\$11.9 M	\$ 357,148,834	\$ 338,515,579	\$18.6 M	\$14.7 M
Withhold	1,686,738	1,684,957	1,627,221	0.1 M	1,787,811	1,694,685	0.1 M	0.1 M
Risk Share	(5,472,360)	0	1,665,312	(1.7 M)	0	0	0.0 M	(1.7 M)
CCBHC	0	2,000,000	0	2.0 M	26,700,000	26,500,000	0.2 M	26.5 M
Subtotal - Payment to Plans	\$ 331,868,428	\$ 339,370,886	\$ 327,083,104	\$12.3 M	\$ 385,636,645	\$ 366,710,264	\$18.7 M	\$39.6 M
Other Payments								
Non-Emergency Transportation	3,367,281	3,254,238	3,150,859	0.1 M	3,383,199	3,213,204	0.2 M	0.1 M
FFS	739,548	756,483	842,000	(0.1 M)	773,807	861,000	(0.1 M)	0.0 M
Rebates	(43,156,192)	(40,286,950)	(38,925,882)	(1.4 M)	(42,772,759)	(40,596,796)	(2.2 M)	(1.7 M)
Subtotal - Other Payments	\$ (39,049,364)	\$ (36,276,229)	\$ (34,933,023)	(\$1.3 M)	\$ (38,615,753)	\$ (36,522,592)	(\$2.1 M)	(\$1.6 M)
Subtotal - Rhody Health Partners	\$ 292,819,064	\$ 303,094,657	\$ 292,150,081	\$10.9 M	\$ 347,020,892	\$ 330,187,673	\$16.6 M	\$38.0 M
Prior period Rebate collections	(4,674,498)							
Balance to RIFANS/Accruals/Rounding	420,288	5,343	49,919	(0.0 M)	79,108	12,327	0.1 M	(0.0 M)
Total - Rhody Health Partners	\$ 288,564,854	\$ 303,100,000	\$ 292,200,000	\$10.9 M	\$ 347,100,000	\$ 330,200,000	\$16.7 M	\$38.0 M
General Revenue	\$114.9 M	\$135.2 M	\$130.4 M	\$4.8 M	\$153.9 M	\$146.4 M	\$7.4 M	\$16.0 M
Federal Funds	\$173.7 M	\$167.9 M	\$161.8 M	\$6.1 M	\$193.2 M	\$183.8 M	\$9.5 M	\$22.0 M

Table IV-2. RHP Average Enrollment

	SFY 2023	SFY 2024			SFY 2025			FY24 → FY25
	Final	Nov CEC	Current	Change	Nov CEC	Current	Change	
Rhody Health Partners								
SSI 21-44	3,818	3,789	3,650	-139	3,829	3,631	-198	-20
SSI 45+	6,890	6,717	6,475	-242	6,785	6,410	-375	-65
SPMI	2,388	2,279	2,195	-84	2,298	2,166	-131	-28
I/DD	1,004	1,037	1,030	-7	1,065	1,053	-12	23
Total	14,101	13,822	13,350	-472	13,976	13,260	-716	-90
Overall PMPM	\$1,705	\$1,827	\$1,824	-\$3	\$2,070	\$2,096	\$26	\$272
Other Caseload Factors								
Non-Emergency Transportation	14,066	13,738	13,302	-436	13,882	13,184	-698	-118

Table IV-3. RHP Price-Volume Comparison to May CEC and Prior FY

	Price	Volume	Net
FY 2024: Current over Nov CEC	(\$0.6 M)	(\$10.3 M)	(\$10.9 M)
	-0.2%	-3.4%	-3.6%
FY 2024 over FY 2023	\$19.0 M	(\$15.4 M)	\$3.6 M
	7.0%	-5.3%	1.3%
FY 2025 over FY 2024	\$40.0 M	(\$2.0 M)	\$38.0 M
	13.8%	-0.7%	13.0%

Table IV-4. RHP Monthly Premiums

	SFY 2023	SFY 2024	SFY 2025	FY23→FY24 Trend	FY24→FY25 Trend
Rhody Health Partners					
SSI 21-44	\$1,370	\$1,449	\$1,521	5.8%	5.0%
SSI 45+	\$2,024	\$2,077	\$2,181	2.6%	5.0%
SPMI	\$3,175	\$3,161	\$3,319	-0.4%	5.0%
I/DD	\$1,346	\$1,397	\$1,467	3.8%	5.0%
Composite	\$1,994	\$2,031	\$2,130	1.9%	4.9%
Average Member Months	14,101	13,350	13,260	-5.3%	-0.7%

V. Rhody Health Options

		Rhody Health Options	
		All Funds	General Revenue
FY 2022	Final	\$132,512,312	\$52,308,794
FY 2023	Final	\$165,372,979	\$66,418,897
FY 2024	Enacted	\$175,204,060	\$77,471,432
	November CEC	\$179,900,000	\$79,605,750
	Current	\$176,200,000	\$77,968,500
<i>Surplus over Nov CEC</i>		<i>\$3,700,000</i>	<i>\$1,637,250</i>
FY 2025	November CEC	\$194,000,000	\$85,379,400
	Current	\$195,400,000	\$85,995,540
<i>Deficit over Nov CEC</i>		<i>(\$1,400,000)</i>	<i>(\$616,140)</i>

FY 2024

The Rhody Health Options (RHO) forecast of \$176.2 million is a surplus of \$3.7 million (2.1%) below the November CEC. Overall, EOHHS forecasts an average fiscal year enrollment of 12,944 members in RHO (also known as the CMS Demonstration or Integrated Care Initiative) in FY 2024, a decrease of 398 members per month compared to the November CEC.

- The reduction of 398 members per month creates a savings of \$5.4 million (3.0%)
 - The majority of this decrease comes from the Community Non-LTSS rate cell (-429).
- This is partially offset by an \$11 increase in the composite PMPM, driven by changes in member mix compared to November CEC, which increases expenditures by \$1.7 million (1.0%).
 - Specifically, compared to November CEC, an additional 112 members per month are enrolled in the Community LTSS rate cell.

The enhanced FMAP associated with the COVID-19 emergency period provides \$1.7 million in GR relief in FY 2024.

FY 2025

For FY 2025, EOHHS is forecasting spending of \$195.4 million, an increase of \$1.4 million (0.7%) above the November CEC. In FY 2025, EOHHS projects a total of 12,931 members per month, a reduction of 746 compared to the prior estimate but 13 members less than the average enrollment in FY 2024.

- Primary drivers of the deficit are a \$1.7 million reduction in assumed CCBHC savings and a \$2.9 million increase in the cost of implementing the nursing home rate review.
- These price increases are largely offset by the estimated reduction in enrollment of 746 members per month.
 - The savings are less than this reduction in caseload would suggest because of an increase in HCBS members enrolled and the resulting increase in the average PMPM paid, from \$1,182 in the November CEC to \$1,259 in EOHHS' updated forecast.

The following tables summarize EOHHS' revised forecasts for RHO for FY 2024 and FY 2025. **Table V-1** summarizes RHO expenditures. EOHHS' revised average caseload forecast and a comparison to prior estimates is summarized in **Table V-2**, with additional month-by-month detail provided in **Attachment 5a** and **Attachment 5b**. **Table V-3** calculates the price and volume-related changes between FY 2023 and FY 2025.

The average monthly RHO capitation rates, by pay level, reflected rates certified in September 2023 are summarized in **Table V-4**.

Table V-1. Summary of RHO Expenditures

	SFY 2023	SFY 2024	SFY 2025			FY24 → FY25		
	Final	Nov CEC	Current	Surplus/(Deficit)	Nov CEC		Current	Surplus/(Deficit)
Payments to Plans								
CMS Demonstration (RHO II)	\$ 159,483,695	\$ 169,938,690	\$ 166,159,828	\$3.8 M	\$ 184,456,284	\$ 180,823,797	\$3.6 M	\$14.7 M
Withhold	5,149,887	6,797,208	6,922,977	(0.1 M)	7,377,883	7,450,622	(0.1 M)	0.5 M
CCBHC	0	0	0	0.0 M	(9,400,000)	(7,700,000)	(1.7 M)	(7.7 M)
Nursing Home Rate Review	0	0	0	0.0 M	8,671,906	11,600,000	(2.9 M)	11.6 M
Subtotal - Payment to Plans	\$ 164,633,581	\$ 176,735,898	\$ 173,082,805	\$3.7 M	\$ 191,106,073	\$ 192,174,419	(\$1.1 M)	\$19.1 M
Other Payments								
Non-Emergency Transportation	\$ 3,170,494	\$ 3,152,695	\$ 3,059,878	\$0.1 M	\$ 3,324,950	\$ 3,144,110	\$0.2 M	\$0.1 M
Subtotal - Rho Health Options	\$ 167,804,075	\$ 179,888,593	\$ 176,142,682	\$3.7 M	\$ 194,431,023	\$ 195,318,529	(\$0.9 M)	\$19.2 M
Balance to RIFANS/Accruals/Rounding	(2,431,097)	11,407	57,318	(0.0 M)	(431,023)	81,471	(0.5 M)	0.0 M
Total - Rho Health Options	\$ 165,372,979	\$ 179,900,000	\$ 176,200,000	\$3.7 M	\$ 194,000,000	\$ 195,400,000	(\$1.4 M)	\$19.2 M
General Revenue	\$66.4 M	\$79.6 M	\$78.0 M	\$1.6 M	\$85.4 M	\$86.0 M	(\$0.6 M)	\$8.0 M
Federal Funds	\$99.0 M	\$100.3 M	\$98.2 M	\$2.1 M	\$108.6 M	\$109.4 M	(\$0.8 M)	\$11.2 M

Table V-2. RHO Average Enrollment

	SFY 2023	SFY 2024	SFY 2025			FY24 → FY25		
	Final	Nov CEC	Current	Change	Nov CEC		Current	Change
Rho Health Options								
SPMI	1,113	1,002	959	-43	1,020	951	-69	-8
I/DD	1,429	1,330	1,308	-22	1,350	1,311	-39	2
Community LTSS	1,850	1,959	2,070	112	2,071	2,204	133	133
Institutional LTSS	721	616	600	-16	601	559	-42	-41
Community Non-LTSS	8,128	8,434	8,005	-429	8,637	7,907	-730	-99
Total	13,241	13,342	12,944	-398	13,677	12,931	-746	-13
Overall PMPM	\$1,041	\$1,124	\$1,134	\$11	\$1,182	\$1,259	\$77	\$125
Other Caseload Factors								
Non-Emergency Transportation	13,244	13,309	12,917	-392	13,643	12,901	-742	-17

Table V-3. RHO Price-Volume Comparison to Enacted and Prior FY

	Price	Volume	Net
FY 2024: Current over Nov CEC	\$1.7 M	(\$5.4 M)	(\$3.7 M)
	1.0%	-3.0%	-2.1%
FY 2024 over FY 2023	\$14.5 M	(\$3.7 M)	\$10.8 M
	9.0%	-2.2%	6.5%
FY 2025 over FY 2024	\$19.4 M	(\$0.2 M)	\$19.2 M
	11.0%	-0.1%	10.9%

Table V-4. Summary of RHO Monthly Premiums

	SFY 2023	SFY 2024	SFY 2025	FY23→FY24 Trend	FY24→FY25 Trend
Rho Health Options					
SPMI	\$1,124	\$1,097	\$1,152	-2.5%	5.0%
I/DD	\$142	\$172	\$180	20.6%	5.0%
Community LTSS	\$4,176	\$4,259	\$4,822	2.0%	13.2%
Institutional LTSS	\$4,176	\$4,259	\$4,822	2.0%	13.2%
Community Non-LTSS	\$203	\$221	\$232	8.8%	5.0%
Composite	\$1,046	\$1,114	\$1,200	6.6%	7.7%
Average Member Months	13,241	12,944	12,931	-2.2%	-0.1%

VI. Expansion

		Expansion	
		All Funds	General Revenue
FY 2022	Final	\$722,725,480	\$77,590,502
FY 2023	Final	\$772,579,592	\$82,410,424
FY 2024	Enacted	\$821,728,732	\$89,264,623
	November CEC	\$755,700,000	\$80,728,000
	Current	\$688,600,000	\$73,744,000
	<i>Surplus over Nov CEC</i>	<i>\$67,100,000</i>	<i>\$6,984,000</i>
FY 2025	November CEC	\$765,500,000	\$81,573,330
	Current	\$722,200,000	\$76,971,250
	<i>Surplus over Nov CEC</i>	<i>\$43,300,000</i>	<i>\$4,602,080</i>

FY 2024

EOHHS' revised forecast for Expansion of \$688.6 million for FY 2024 is a \$67.1 million (8.9%) decrease compared to the November CEC, including a \$7.0 million GR surplus. The surplus is driven by a reduction of \$77.5 million in payments to the plans. Overall, EOHHS forecasts an average fiscal year enrollment of 97,452 members in Expansion in FY 2024, a decrease of 5,352 members from the November CEC.

Compared to the November CEC, the \$67.1 million surplus is attributable to:

- A \$37.8 million decrease due to a reduction in average monthly enrollment of 5,352 members.
- A change in member mix reduces the composite PMPM for members enrolled in Expansion by \$24. This results in a surplus of \$27.8 million. Two of the most expensive rate cells, F 50-64 (\$893 composite PMPM) and M 50-64 (\$926 composite PMPM) saw some of the sharpest decreases in average monthly enrollment compared to November.

These surpluses are partially offset by the following unfavorable variances:

- A \$6.9 million deficit for Expansion FFS;
- A reduction of \$4.2 million in anticipated drug rebates, attributable to lower than anticipated enrollment.
- An estimated risk share payment of \$27.5 million based on plan reporting through December 2023.

Please note that the \$2.1 million budgeted in FY 2024 for CCBHC investments was originally included in **Managed Care** budget line in the November CEC.

- For FY 2024, EOHHS is underspending on this specific initiative due to its delayed full implementation. Costs are expected to increase significantly in FY 2025.

FY 2025

For FY 2025, EOHHS projects expenditures for Expansion to decrease by \$43.3 million (5.7%) from the November CEC to \$722.2 million. Average fiscal year enrollment is forecasted to decrease by 7,067 to 89,146.

- This enrollment decrease creates a \$46.6 million (7.3%) savings in capitation and withhold over November CEC
- The increase in composite PMPM of \$12 is driven by the estimated change in capitation rates from 5.0% to 7.0% -- attributed to reduced caseload and potential for higher average acuity of those remaining enrolled.

- Due to the delay in implementation, CCBHC spending is expected to decrease by \$7.1 million to \$19.9 million in FY 2025.
- Expansion FFS is estimated to increase by \$7.2 million (consistent with the increase in SFY 2024) and rebates will decrease by \$5.8 million.

Overall, the average cost per Expansion member is increasing 14.7 percent in FY 2025 compared to FY 2024—equivalent to \$92.3 million holding enrollment constant. The primary causes for this increase include a 7.0% price trend, the implementation of the CCBHC program, and the allocation of the nursing home rate increase to Expansion.

Previously Eligible Expansion-Eligible Members

Both FY 2024 and FY 2025 include an adjustment for Expansion members who would have been previously eligible for Medicaid under criteria in place prior to January 1, 2014 (e.g., individuals who meet specific disability standards but otherwise meet Expansion eligibility criteria). These members are not eligible for the enhanced 90% federal financial participation and Rhode Island must return any enhanced FMAP claimed on behalf of these members. Until the eligibility system is properly configured to prospectively identify these members, EOHS fiscal staff must make adjusting entries at the end of each fiscal year.

EOHS’ revised estimate includes \$12.8 million and \$12.4 million in FY 2024 and FY 2025, respectively, as being not eligible for a 90/10 match.

The following tables summarize EOHS’ revised forecasts for Expansion for FY 2024 and FY 2025. **Table VI-1** summarizes all expenditures by capitated payments by product line to the health plans as well as various FFS payments. EOHS’ revised average caseload forecast and a comparison to prior estimates is summarized in **Table VI-2** with additional month-by-month detail provided in **Attachment 5. Table VI-3** calculates the price and volume related changes for FY 2023 Final, FY 2024 Enacted and Revised, and FY 2025 over FY 2024. The average monthly Expansion capitation rates, by pay level, are summarized in **Table VI-4**.

Table VI-1. Summary of Medicaid Expansion Expenditures

	SFY 2023		SFY 2024		SFY 2025			FY24 → FY25
	Final	Nov CEC	Current	Surplus/(Deficit)	Nov CEC	Current	Surplus/(Deficit)	
Payments to Plans								
Expansion	\$ 853,024,446	\$ 743,474,194	\$ 698,976,474	\$44.5 M	\$ 725,099,622	\$ 679,521,444	\$45.6 M	(\$19.5 M)
Expansion - Previously Eligible	15,596,374	13,600,000	12,800,000	0.8 M	13,300,000	12,500,000	0.8 M	(0.3 M)
Rite Smiles	2,227,922	2,471,587	2,413,923	0.1 M	2,619,372	2,508,581	0.1 M	0.1 M
SOBRA	7,644,895	9,572,393	7,290,602	2.3 M	10,051,013	7,642,146	2.4 M	0.4 M
Withhold	4,362,094	3,805,084	3,576,051	0.2 M	3,711,191	3,476,789	0.2 M	(0.1 M)
Risk Share	(71,875,891)	0	(27,498,252)	27.5 M	0	0	0.0 M	27.5 M
Certified Community BH Clinic (CCBHC)	0	2,100,000	0	2.1 M	26,000,000	19,900,000	6.1 M	19.9 M
Subtotal - Payments to Plans	\$ 810,979,840	\$ 775,023,258	\$ 697,558,797	\$77.5 M	\$ 780,781,199	\$ 725,548,961	\$55.2 M	\$28.0 M
Other Payments								
Non-Emergency Transportation	\$ 15,147,965	\$ 15,124,641	\$ 14,300,723	\$0.8 M	\$ 14,710,611	\$ 13,568,667	\$1.1 M	(\$0.7 M)
Expansion FFS	37,804,766	40,330,516	47,259,000	(6.9 M)	43,162,113	50,436,000	(7.3 M)	3.2 M
Rebates	(79,387,843)	(74,777,125)	(70,550,204)	(4.2 M)	(73,211,461)	(67,372,342)	(5.8 M)	3.2 M
DRE	(75,622,569)	(71,545,575)	(67,206,645)	(4.3 M)	(70,043,285)	(64,179,147)	(5.9 M)	3.0 M
J-Code	(3,765,275)	(3,231,550)	(3,343,559)	0.1 M	(3,168,176)	(3,193,195)	0.0 M	0.2 M
Subtotal - Other Payments	\$ (26,435,112)	\$ (19,321,968)	\$ (8,990,481)	(\$10.3 M)	\$ (15,338,737)	\$ (3,367,675)	(\$12.0 M)	\$5.6 M
Subtotal - Expansion	\$ 784,544,728	\$ 755,701,291	\$ 688,568,317	\$67.1 M	\$ 765,442,461	\$ 722,181,285	\$43.3 M	\$33.6 M
Balance to RIFANS/Accruals/Rounding	(54,832)	(1,291)	31,683	(0.0 M)	57,539	18,715	0.0 M	(0.0 M)
Total - Expansion	\$ 784,489,895	\$ 755,700,000	\$ 688,600,000	\$67.1 M	\$ 765,500,000	\$ 722,200,000	\$43.3 M	\$33.6 M
General Revenue	\$83.6 M	\$80.7 M	\$73.7 M	\$7.0 M	\$81.6 M	\$77.0 M	\$4.6 M	\$3.2 M
Federal Funds	\$700.9 M	\$675.0 M	\$614.9 M	\$60.1 M	\$683.9 M	\$645.2 M	\$38.7 M	\$30.4 M

Table VI-2. Summary Medicaid Expansion Average Enrollment

Enrolled	SFY 2023	SFY 2024			SFY 2025			FY24 → FY25
	Final	Nov CEC	Current	Change	Nov CEC	Current	Change	
F 19-24	10,758	9,580	9,170	-410	9,020	8,334	-687	-837
F 25-29	6,906	6,189	5,718	-470	5,793	5,113	-681	-606
F 30-39	7,457	6,804	6,306	-498	6,385	5,680	-705	-626
F 40-49	6,238	5,672	5,231	-440	5,350	4,717	-633	-514
F 50-64	18,506	16,183	14,951	-1,231	14,772	13,040	-1,732	-1,911
M 19-24	11,647	10,649	10,118	-530	10,060	9,106	-954	-1,012
M 25-29	9,251	8,174	7,679	-495	7,656	7,056	-601	-624
M 30-39	14,674	13,542	12,837	-706	12,731	12,022	-710	-815
M 40-49	8,906	8,370	8,040	-330	7,908	7,641	-267	-399
M 50-64	15,754	13,845	13,137	-708	12,638	12,038	-601	-1,099
Subtotal - Enrolled	110,096	99,006	93,187	-5,819	92,313	84,745	-7,568	-8,442
Rite Share	214	251	218	-32	264	204	-60	-15
Remaining in FFS	3,099	3,548	4,047	499	3,637	4,198	561	151
Total - Expansion	113,409	102,805	97,452	-5,352	96,213	89,146	-7,067	-8,306
Overall PMPM	\$576	\$613	\$589	-\$24	\$663	\$669	\$6	\$80
% Enrolled in Managed Care	97.1%	96.3%	95.6%		95.9%	95.1%		-0.6%
Other Caseload Factors								
Non-Emergency Transportation	112,108	101,480	95,952	-5,528	95,922	88,476	-7,446	-7,476
SOBRA Births	458	516	393	-123	516	385	-131	-8

Table VI-3. Expansion Price-Volume Comparison to May CEC and Prior FY

	Price	Volume	Net
FY 2024: Current over Nov CEC	(\$27.8 M)	(\$37.8 M)	(\$65.6 M)
	-3.9%	-5.2%	-8.9%
FY 2024 over FY 2023	\$14.5 M	(\$110.4 M)	(\$95.9 M)
	2.1%	-14.1%	-12.2%
FY 2025 over FY 2024	\$92.3 M	(\$58.7 M)	\$33.6 M
	14.7%	-8.5%	4.9%

Table VI-4. Summary of Medicaid Expansion Effective Monthly Premiums

Expansion	SFY 2023	SFY 2024	SFY 2025	FY23→FY24 Trend	FY24→FY25 Trend
F 19-24	\$334	\$347	\$371	3.8%	7.0%
F 25-29	\$486	\$501	\$536	3.2%	7.0%
F 30-39	\$737	\$661	\$707	-10.4%	7.0%
F 40-49	\$880	\$812	\$869	-7.8%	7.0%
F 50-64	\$834	\$893	\$956	7.1%	7.0%
M 19-24	\$255	\$241	\$258	-5.2%	7.0%
M 25-29	\$421	\$387	\$414	-8.1%	7.0%
M 30-39	\$663	\$592	\$633	-10.7%	7.0%
M 40-49	\$861	\$824	\$881	-4.3%	7.0%
M 50-64	\$960	\$926	\$991	-3.6%	7.0%
Composite	\$661	\$640	\$684	-3.2%	6.9%
Average Member Months	110,096	93,187	84,745	-15.4%	-9.1%

VII. Hospitals – Regular

		Hospitals - Regular	
		All Funds	General Revenue
FY 2022	Final	\$68,908,529	\$26,266,303
FY 2023	Final	\$65,245,378	\$26,609,493
FY 2024	Enacted	\$346,927,024	\$114,702,828
	November CEC	\$347,100,000	\$116,917,988
	Current	\$347,000,000	\$117,138,338
	<i>Surplus over Nov CEC</i>	<i>\$100,000</i>	<i>(\$220,349)</i>
FY 2025	November CEC	\$345,500,000	\$115,720,634
	Current	\$343,700,000	\$115,394,955
	<i>Surplus over Nov CEC</i>	<i>\$1,800,000</i>	<i>\$325,679</i>

FY 2024

In FY 2024, EOHHS' estimate for **Hospital – Regular** totals \$347.0 million. This represents a \$0.1 million decrease compared to the November CEC. The major changes in EOHHS' estimate include:

- \$6.2 million decrease in inpatient FFS activity, from \$33.7 million to \$27.5 million,
- Recognition of a \$5.8 million premium tax associated with the State Directed Payment to hospitals that had been unintentionally excluded from EOHHS' prior estimate.

Inpatient hospital and outpatient hospital FFS forecasts for FY 2024 are based on average FY 2024 spend through December 2023, adjusted by an IBNR factor. The SFY 24 estimate includes the 4.1% rate increase effective 7/1/2023.

The enhanced FMAP associated with the COVID-19 emergency period provides \$0.5 million in GR relief in FY 2024.

FY 2025

The **Hospital – Regular** estimate for FY 2025 totals \$343.7 million from all sources of funds, a surplus of \$1.8 million over the November CEC and a reduction of \$3.3 million (1.0%) compared to the FY 2024 estimate. The surplus is attributed to estimated decreases in FFS activity: a decrease of \$6.6 million for inpatient activity and decrease of \$0.6 million for outpatient activity, compared to the November CEC. These favorable variances were partially offset by a \$1.7 million increase for projected inpatient and outpatient UPL payments and recognizing \$5.7 million premium tax payment for hospital SDP.

A summary of the revised estimates for FY 2024 and preliminary forecast for FY 2025 are shown in **Table VII-1**. A summary of the price changes for FY 2025 are included in **Table VII-2**.

Table VII-1. Summary of Hospital – Regular Expenditures

	SFY 2023		SFY 2024		SFY 2025			FY24 → FY25
	Final	Nov CEC	Current	Surplus/(Deficit)	Nov CEC	Current	Surplus/(Deficit)	
Supplemental Payments								
Inpatient UPL	\$ 16,805,529	\$ 9,545,062	\$ 9,545,062	\$0.0 M	\$ 9,545,062	\$ 10,979,257	(\$1.4 M)	\$1.4 M
Regular	13,646,090	7,750,590	7,750,590	0.0 M	7,750,590	8,915,157	(1.2 M)	1.2 M
Expansion	3,159,439	1,794,472	1,794,472	0.0 M	1,794,472	2,064,100	(0.3 M)	0.3 M
Outpatient UPL	6,575,860	6,959,932	6,959,932	0.0 M	6,959,932	7,285,065	(0.3 M)	0.3 M
Regular	5,372,478	5,686,264	5,686,264	0.0 M	5,686,264	5,951,898	(0.3 M)	0.3 M
Expansion	1,203,382	1,273,668	1,273,668	0.0 M	1,273,668	1,333,167	(0.1 M)	0.1 M
GME	2,500,000	2,500,000	2,500,000	0.0 M	2,500,000	2,500,000	0.0 M	0.0 M
State Directed Payment	0	287,927,025	287,927,025	0.0 M	283,988,216	281,032,815	3.0 M	(6.9 M)
State Directed Payment - Premium Tax	0	0	5,876,062	(5.9 M)	0	5,735,364	(5.7 M)	(0.1 M)
Subtotal - Supplemental Payments	\$ 25,881,389	\$ 306,932,019	\$ 312,808,081	(\$5.9 M)	\$ 302,993,210	\$ 307,532,500	(\$4.5 M)	(\$5.3 M)
FFS Activity								
Inpatient FFS	\$ 32,420,333	\$ 33,739,686	\$ 27,525,000	\$6.2 M	\$ 35,724,423	\$ 29,125,000	\$6.6 M	\$1.6 M
Outpatient FFS	6,493,860	7,215,706	6,615,000	0.6 M	7,610,757	6,995,000	0.6 M	0.4 M
Subtotal - FFS Activity	\$ 38,914,193	\$ 40,955,391	\$ 34,140,000	\$6.8 M	\$ 43,335,180	\$ 36,120,000	\$7.2 M	\$2.0 M
Subtotal - Hospitals - Regular	\$ 64,795,582	\$ 347,887,410	\$ 346,948,081	\$0.9 M	\$ 346,328,390	\$ 343,652,500	\$2.7 M	(\$3.3 M)
Balance to RIFANS/Accruals/Rounding	449,797	(787,410)	51,919	(0.8 M)	(828,390)	47,500	(0.9 M)	(0.0 M)
Total - Hospitals - Regular	\$ 65,245,378	\$ 347,100,000	\$ 347,000,000	\$0.1 M	\$ 345,500,000	\$ 343,700,000	\$1.8 M	(\$3.3 M)
General Revenue	\$26.6 M	\$116.9 M	\$117.1 M	(\$0.2 M)	\$115.7 M	\$115.4 M	\$0.3 M	(\$1.7 M)
Federal Funds	\$38.6 M	\$230.2 M	\$229.9 M	\$0.3 M	\$229.8 M	\$228.3 M	\$1.5 M	(\$1.6 M)

Table VII-2. FY 2025 Hospital Trend Assumptions (Excludes Managed Care and Expansion FFS)

Inpatient	Percent	Dollar Impact	Source
Price	3.30%	\$0.7 million	FFY 24 Actual Inpatient Hospital PPS Market Basket - No Productivity Adjustment
Utilization	2.50%	\$0.7 million	EOHHS
Subtotal Inpatient		\$1.4 million	
Outpatient	Percent	Dollar Impact	Source
Price	3.30%	\$0.2 million	FFY 24 Actual Inpatient Hospital PPS Market Basket - No Productivity Adjustment.
Utilization	2.50%	\$0.2 million	EOHHS
Subtotal Outpatient		\$0.3 million	
TOTAL		\$1.7 million	

Upper Payment Limit (UPL)

FY 2024

The FY 2024 estimate totals \$16.5 million, comprised of \$7.0 million for outpatient and \$9.5 for inpatient. This is consistent with the adopted November estimate.

Based on EOHHS’ analysis of the proportion of hospital FFS expenditures attributed to Expansion-eligible members, approximately 20% of EOHHS outpatient UPL payments are eligible for 90% federal financial participation. This allocation is reflected in the state-federal splits for the Hospital budget line with the Expansion share of the supplemental payments assigned to the newly created line sequences.

FY 2025

The FY 2025 estimate totals \$18.3 million, comprised of \$7.3 million for outpatient and \$11.0 million for inpatient. This is an increase of \$1.7 million above the November CEC adopted. At the time of EOHHS’ October testimony, the Executive Office did not yet have each hospital’s 2023 Medicare Cost Report, so EOHHS retained the UPL payments at the FY 2024 adopted level. The updated estimate is based on the receipt of nine of the thirteen reports necessary to update the UPL model. Four hospitals who submit Medicare cost reports on a calendar year typically submit their cost reports to EOHHS during the summer. For the hospitals that had not yet submitted a cost report, EOHHS held the payment at the FY 2024 level. Depending on the timing of receipt of the remaining hospital cost reports, an update of the total UPL may be available for the legislature prior to enactment of FY 2025 budget.

Like FY 2024, FY 2025 is based on EOHHS' analysis of the proportion of hospital FFS expenditures attributed to Expansion-eligible members, approximately one-third of EOHHS outpatient UPL payments are eligible for 90% federal financial participation. This allocation is reflected in the state-federal splits for the Hospital budget line with the Expansion share of the supplemental payments assigned to the newly created line sequences.

Graduate Medical Education (GME)

FY 2024

EOHHS caseload testimony assumes \$2.5 million in GR for GME payments: \$1.0 million each to Rhode Island Hospital and Women & Infants Hospitals, and \$0.5 million to Landmark Hospital. This is unchanged from the November adopted estimate. GME payments are state-only because Rhode Island's supplemental payments to hospitals are already maxed at 100% of the UPL allowed by CMS.

FY 2025

EOHHS estimates \$2.5 million GR for GME payments in FY 2025.

Managed Care State Directed Payment (SDP) to Hospitals

EOHHS' prior estimate, as reflected in FY 2024 Enacted and adopted in November, did not include the premium tax associated with the Hospital State Direct Payment. This was an error. Because the SDP are paid through the health plans as an adjustment their premium payments they are subject to Rhode Island's premium tax. The amount of the premium tax that EOHHS' projects including in its capitated payments to offset the health plan's liability associated with receiving the SDP is \$5.9 million in FY 2024 and \$5.7 million in FY 2025.

Note that the state cost of this premium tax is estimated to be \$1.8 million in FY 2024 and FY 2025.

FY 2024

Testimony assumes \$287.9 million in all funds financing for the managed care hospital SDP, consistent with the FY 2024 enacted/adopted level. Of this total, EOHHS assumes \$89.6 million in GR financing, an approximate increase of \$1.3 million above the Nov CEC, attributable to the revised enrollment forecast and its impact on EOHHS' allocation of expenditure to different eligibility groups that have different federal matching funds. These totals represent the amounts that will be received by the hospitals and excludes the premium tax mentioned above.

FY 2025

For FY 2025, EOHHS maintains GR support consistent with the FY 2024 Enacted, or \$88.3 million. The total SDP was adjusted accordingly based on the FY 2025 FMAP rates and utilization mix across the different eligibility groups, i.e., Expansion, CHIP, and Regular Medicaid. With current enrollment forecasts, EOHHS estimates \$88.3 million GR will support \$281.0 million for SDP in FY 2025, a reduction of \$6.9 million compared to FY 2024 enacted/adopted. This reduction is attributed to RTNO, which assumes an uneven share of members losing coverage will be Expansion members, the population eligible for the highest federal match (i.e., 90%). For reference, to adopt the FY 2024 enacted SDP amount of \$287.9 million in FY 2025, Conferees would need to adopt a GR total of \$90.5 million to secure the necessary federal match, an increase of \$2.2 million compared to the enacted level. These totals represent the amounts that will be received by the hospitals and excludes the premium tax previously mentioned.

Table VII-3 summarizes all supplemental payments that are expected to be made to each hospital in FY 2024 with the caveat that the Hospital SDP is determined by actual claims incurred and so the amount proportioned to each hospital may vary depending on utilization over the second half of the fiscal year.

Table VII-3. Supplemental Payments by Hospital, FY 2024

	SFY 2023	SFY 2024:						Total	FY23 → FY24
	Total	State Directed			UPL		GME		
		Payment	DSH		Inpatient	Outpatient			
Rehab	\$ -	\$ 269,063	\$ -	\$ -	\$ 10,979	\$ -	\$ -	\$ 280,042	\$ 280,042
Bradley Hospital	-	18,908,951	-	-	-	-	-	18,908,951	18,908,951
Butler Hospital	-	20,491,104	-	-	-	-	-	20,491,104	20,491,104
Kent	14,963,444.68	24,656,618	-	-	434,388	696,860	-	25,787,866	10,824,421
Landmark	7,726,449.25	13,233,416	-	-	304,094	284,407	500,000	14,321,917	6,595,468
Miriam	12,140,808.62	28,592,596	-	-	849,552	1,206,265	-	30,648,413	18,507,605
Newport	4,111,767.20	7,660,663	-	-	178,355	236,935	-	8,075,953	3,964,186
Rhode Island	73,387,134.43	108,538,179	3,958,292	-	2,725,538	2,950,585	1,000,000	119,172,594	45,785,460
Roger Williams	17,611,630	12,624,218	9,735,648	-	452,720	432,892	-	23,245,478	5,633,848
Our Lady of Fatima	12,407,443.56	8,852,564	-	-	547,828	338,163	-	9,738,555	(2,668,889)
South County	4,331,119.84	5,444,083	-	-	110,735	112,508	-	5,667,326	1,336,206
Westerly	4,397,120.77	2,891,625	1,044,922	-	28,890	62,354	-	4,027,791	(369,329)
Women & Infants	33,725,818	35,763,945	-	-	3,901,983	638,963	1,000,000	41,304,891	7,579,073
Total	\$ 184,802,736	\$ 287,927,025	\$ 14,738,862	\$ 9,545,062	\$ 6,959,932	\$ 2,500,000	\$ 321,670,881	\$ 136,868,145	

VIII. Hospitals - DSH

		Hospitals - DSH Payments	
		All Funds	General Revenue
FY 2022	Final	\$287,529,717	\$104,872,045
FY 2023	Final	\$153,817,621	\$61,059,665
FY 2024	Enacted	\$14,738,872	\$6,631,019
	November CEC	\$14,738,872	\$6,631,019
	Current	\$14,738,872	\$6,631,019
<i>Deficit over Nov CEC</i>		<i>\$0</i>	<i>\$0</i>
FY 2025	November CEC	\$14,738,872	\$6,439,413
	Current	\$14,738,872	\$6,439,413
	<i>Deficit over Nov CEC</i>		<i>\$0</i>

FY 2024

EOHHS' FY 2024 DSH testimony remains at the enacted/November adopted level of \$14.7 million. When using updated modeling assumptions, including the new state directed payment (SDP) that pays hospitals a percentage of their average commercial rates (referred to hereafter as hospital SDP), three hospitals will receive DSH in FY 2024. These DSH eligible hospitals include Roger Williams Hospital (\$9.7 million), Rhode Island Hospital (\$4.0 million), and Westerly Hospital (\$1.0 million).

FY 2025

As described in the **Major Developments**, EOHHS has not yet received its preliminary FFY 2025 / SFY 2025 federal allotment. CMS usually sends the allotment to EOHHS in September before the start of the new federal fiscal year. Absent the allotment, EOHHS maintains the SFY 2024 enacted amount, updating the funding split using the appropriate FMAP.

IX. Nursing and Hospice Care

		Nursing and Hospice Care	
		All Funds	General Revenue
FY 2022	Final	\$291,421,463	\$111,217,434
FY 2023	Final	\$295,967,375	\$118,736,182
FY 2024	Enacted	\$344,790,000	\$152,569,575
	November CEC	\$328,800,000	\$145,494,000
	Current	\$335,000,000	\$148,237,500
	<i>Deficit over Nov CEC</i>	<i>(\$6,200,000)</i>	<i>(\$2,743,500)</i>
FY 2025	November CEC	\$396,300,000	\$174,411,630
	Current	\$395,400,000	\$174,015,540
	<i>Surplus over Nov CEC</i>	<i>\$900,000</i>	<i>\$396,090</i>

FY 2024

The FY 2024 estimate totals \$335.0 million, a \$6.2 million deficit compared to the November CEC due to increased nursing facility utilization seen in July 2023 through December 2023 claims, adjusted for an IBNR factor. The estimate uses average monthly expenditures in this six-month period to estimate the January to June 2024 period. Because the current year rate increase for nursing facilities was implemented on October 1, 2023, EOHHHS re-priced claims from July to September 2023 to develop the monthly average used for the remainder of FY 2024. The 6.90% rate increase reflected in FY 2024 includes a 5.4% inflationary increase and a 1.5% increase to finance minimum staffing requirements.

The components of EOHHHS' estimate are summarized in **Table IX-1**. **Table IX-2** shows the average nursing facility per diem before and after patient share.

Rate and utilization assumptions used are presented in **Table IX-3**. Additional information on paid days is presented in **Attachment 4**.

The enhanced FMAP associated with the COVID-19 emergency period provided \$3.4 million in GR relief in FY 2024.

FY 2025

The FY 2025 estimate totals \$395.4 million, an all funds increase of \$60.4 million over FY 2024 and a \$0.9 million surplus compared to November CEC. The change over FY 2024 reflects implementation of the aforementioned nursing facility rate review, which is expected to increase costs by 17.8% effective October 1, 2024.

Table IX-1: Summary of Nursing Home and Hospice Expenditures

FFS Activity	SFY 2023	SFY 2024			SFY 2025			FY24 → FY25
	Final	Nov CEC	Current	Surplus/(Deficit)	Nov CEC	Current	Surplus/(Deficit)	
Hospice	\$ 23,022,581	\$ 24,558,645	\$ 23,471,000	\$1.1 M	\$ 29,217,904	\$ 27,714,000	\$1.5 M	\$4.2 M
Nursing Home	277,497,759	304,227,851	311,467,000	(7.2 M)	373,460,026	367,673,000	5.8 M	56.2 M
Subtotal FFS	\$ 300,520,340	\$ 328,786,496	\$ 334,938,000	(\$6.2 M)	\$ 402,677,930	\$ 395,387,000	\$7.3 M	\$60.4 M
Overstatement of FY 2022 Accrual	(6,500,000)	0	0	0.0 M	0	0	0.0 M	0.0 M
Balance to RIFANS/Rounding	1,719,505	13,504	62,000	(0.0 M)	(6,377,930)	13,000	(6.4 M)	(0.0 M)
Total - Nursing and Hospice Care	\$ 295,739,845	\$ 328,800,000	\$ 335,000,000	(\$6.2 M)	\$ 396,300,000	\$ 395,400,000	\$0.9 M	\$60.4 M
General Revenue	\$122.1 M	\$145.5 M	\$148.2 M	(\$2.7 M)	\$174.4 M	\$174.0 M	\$0.4 M	\$25.8 M
Federal Funds	\$173.6 M	\$183.3 M	\$186.8 M	(\$3.5 M)	\$221.9 M	\$221.4 M	\$0.5 M	\$34.6 M

Table IX-2. Nursing Home Medicaid Per Diem (Average)

Effective Date [1]	Average Per Diem to Nursing Facility	Average Per Diem Medicaid Share	Average Per Diem Patient Share	Patient Share %
October 1, 2020	\$240	\$200	\$40	16.6%
October 1, 2021	\$249	\$207	\$42	17.0%
October 1, 2022	\$261	\$216	\$46	17.4%
October 1, 2023	\$274	\$229	\$45	16.6%
October 1, 2024 [2]	\$315	\$269	\$45	14.4%
% Change over October 1, 2023	14.74%	17.76%		<i>Last updated: 4/15/24</i>

[1] Average of 12-month period following effective date. Current year uses October '23-Jan '24. Medicaid Days only.

[2] NF Rate Review adjustment of 14.5%, plus estimated change to FRV/Taxes. Patient share unchanged from FY 2024.

Table IX-3. FY 2025 Nursing and Hospice Care Trend Assumption (Excludes Managed Care and Expansion Lines)

	Percent	Dollar Impact ^{1,2}	Source
Rates	14.74%	\$46.5 million	Milliman Rate Review (14.5%), plus estimated change in FRV/Taxes
Utilization	2.50%	\$8.5 million	EOHHS
Total		\$55.0 million	

Note 1. The value of the rate change pertains to the Nursing and Hospice Care baseline only. Additional nursing home spending is in Expansion, Managed Care, and included in each of the managed care products.

Note 2. The “Price Factor” illustrates the impact of the annual rate increase to the State and not the full value of the rate increase received by the nursing facility. All else equal, the component of the rate paid by Medicaid (i.e., not paid by the resident) will increase by a larger percentage than the rate increase seen by the facility, as patient share collections do not necessarily increase by the same percentage as the nursing home rate increase each year.

X. Home and Community Care

		Home and Community Care	
		All Funds	General Revenue
FY 2022	Final	\$97,931,561	\$38,422,126
FY 2023	Final	\$126,666,701	\$51,538,592
FY 2024	Enacted	\$133,400,000	\$59,029,500
	November CEC	\$152,200,000	\$67,348,500
	Current	\$157,500,000	\$69,693,750
	<i>Deficit over Nov CEC</i>	<i>(\$5,300,000)</i>	<i>(\$2,345,250)</i>
FY 2025	November CEC	\$173,500,000	\$76,357,350
	Current	\$168,600,000	\$74,200,860
	<i>Surplus over Nov CEC</i>	<i>\$4,900,000</i>	<i>\$2,156,490</i>

FY 2024

EOHHS projects Home and Community Based Services (HCBS) expenditures in FY 2024 to total \$157.5 million, an increase of \$5.3 million above the November CEC. The increase is largely due to \$6.2 million more in self-directed expenditures, which is attributable to increased utilization in the self-directed program and the merger of the Independent Provider and Personal Choice programs, which was authorized by the General Assembly in 2023. Since July there has been a 12% increase in the number of individuals enrolled in the program.

EOHHS' methodology for revising its current year estimate looked at the average of the July 2024 through December 2024 claims, adjusted by an IBNR factor.

Table X-1 below shows the summary of Home and Community Care Expenditures over FY 2024 and FY 2025. **Table X-2** summarizes changes in authorizations for HCBS services. Please note the count of people authorized for HCBS and that it is not equivalent to the number of members utilizing LTSS services. EOHHS derives its FFS estimates from actual utilization as reflected in MMIS' claims with prospective adjustments for any anticipated changes in price and/or utilization. This approach is unlike the PMPM basis EOHHS uses for its managed care estimates.

The enhanced FMAP associated with the COVID-19 emergency period provided \$1.3 million in GR relief in FY 2024.

FY 2025

The FY 2025 forecast of \$168.6 million is an all-funds surplus of \$4.9 million over November CEC. The surplus is largely due to revised CFCM projections based on case management capacity across the State. The November CEC included \$17.0 million and assumed all HCBS clients eligible for case management services would be receiving them by December 2024. The revised estimate in this budget line totals \$5.7 million to provide case management services to 5,500 clients by the end of FY 2025. Increased expenditures of \$8.9 million for personal care and self-directed services partially offsets the surplus, due to increased utilization.

For all HCBS categories, the FY 2025 estimate takes the average of July 2024 through December 2024 paid claims, adjusted for IBNR. EOHHS also included a 2.5% utilization increase for all HCBS budget lines based on increased utilization.

Select personal care services and home delivered meals are eligible for an annual rate increase on July 1 of each year. EOHHS uses the March release of the New England CPI-U for Medical Care for the former and the New England CPI-U for Food at Home in New England for the latter. The calculation of these inflationary factors are included in **Table X-3** and the drivers of the increases are summarized in **Table X-4**.

Program of All Inclusive Care for the Elderly (PACE)

FY 2024

EOHHS' revised FY 2024 forecast for PACE of \$20.4 million is a surplus of \$1.3 million compared to the November CEC. Overall, EOHHS forecasts an average fiscal year enrollment of 404 members in PACE in FY 2024, a decrease of 20 members per month on average over FY 2023.

FY 2025

EOHHS' forecast for PACE of \$23.0 million for FY 2025 is \$2.1 million below the November CEC due to projected monthly enrollment decreases from 467 to 433. Included in the estimate is an estimated increase of 5.0% in monthly premiums, consistent with the assumptions used for other managed care products.

Under EOHHS' approved SPA for PACE,⁸ the rates are rebased every three years and trended by the change in the CMS Home Health Agency Market Basket during the intervening years. Under the CMS methodology,⁹ rates for PACE organizations are set based on an estimate of the amount the state otherwise would have paid (AWOP), had the PACE program not existed, i.e., Medicaid FFS. Rates were rebased for the FY 2022 rating period and will be rebased again for the FY 2025 rating period. While the PACE rate adjustment will reflect the increased nursing facility reimbursement, given that Medicaid nursing charges are a modest component of the PACE rates, the 5.0% placeholder remains a reasonable proxy for FY 2025.

Table X-5 summarizes PACE monthly caseload and premiums. **Table X-6** summarizes the price-volume comparison for PACE expenditures between FY 2022 and FY 2025.

Table X-1. Summary of Home and Community Care Expenditures

	SFY 2023		SFY 2024		SFY 2025		FY24 → FY25	
	Final	Nov CEC	Current	Surplus/(Deficit)	Nov CEC	Current		Surplus/(Deficit)
PACE	\$ 19,880,758	\$ 21,661,514	\$ 20,392,035	\$1.3 M	\$ 25,113,740	\$ 23,044,963	\$2.1 M	\$2.7 M
Enrollment	406	424	404	-20	467	433	-34	29
FFS Activity								
Self-Directed	\$ 14,443,432	\$ 17,764,427	\$ 23,986,000	(\$6.2 M)	\$ 17,878,322	\$ 24,588,000	(\$6.7 M)	\$0.6 M
Adult Day	4,782,002	5,686,588	5,399,000	0.3 M	5,828,753	5,535,000	0.3 M	0.1 M
Personal Care	60,775,114	73,207,082	75,213,000	(2.0 M)	75,037,259	77,187,000	(2.1 M)	2.0 M
Shared Living	7,060,603	7,360,327	7,140,000	0.2 M	7,544,335	7,319,000	0.2 M	0.2 M
Assisted Living	18,785,221	20,525,235	20,471,000	0.1 M	21,038,366	20,984,000	0.1 M	0.5 M
Other HCBS	4,416,474	4,577,987	4,056,000	0.5 M	4,667,987	4,157,000	0.5 M	0.1 M
Conflict Free Case Management	0	1,395,293	795,000	0.6 M	16,941,331	5,725,000	11.2 M	4.9 M
Subtotal FFS	\$ 110,262,845	\$ 130,516,939	\$ 137,060,000	(\$6.5 M)	\$ 148,936,353	\$ 145,495,000	\$3.4 M	\$8.4 M
Subtotal - Home and Community Care	\$ 130,143,603	\$ 152,178,453	\$ 157,452,035	(\$5.3 M)	\$ 174,050,093	\$ 168,539,963	\$5.5 M	\$11.1 M
Balance to RIFANS/Rounding	(6,407,162)	21,547	47,965	(0.0 M)	(550,093)	60,037	(0.6 M)	0.0 M
Total - Home and Community Care	\$ 123,736,441	\$ 152,200,000	\$ 157,500,000	(\$5.3 M)	\$ 173,500,000	\$ 168,600,000	\$4.9 M	\$11.1 M
General Revenue	\$52.1 M	\$67.3 M	\$69.7 M	(\$2.3 M)	\$76.4 M	\$74.2 M	\$2.2 M	\$4.5 M
Federal Funds	\$71.6 M	\$84.9 M	\$87.8 M	(\$3.0 M)	\$97.1 M	\$94.4 M	\$2.7 M	\$6.6 M

Table X-2. PACE and FFS Home and Community Based Services Authorizations

	SFY 2022	SFY 2023	Current: Mar-24	FY23→Current Growth
PACE	359	406	397	-2.2%
HCBS Authorization in FFS				
Assisted Living	614	702	771	9.8%
Shared Living	237	293	335	14.3%
Self-Directed	487	576	673	16.8%
Home Care	2,240	2,697	3,237	20.0%
Subtotal HCBS	3,578	4,268	5,016	17.5%
HCBS Enrolled in RHO	1,636	1,767	1,994	12.8%
% of HCBS (excl. PACE) in RHO	31.4%	29.3%	28.4%	

Note 1. Figures represent LTSS authorizations for home-based services. There may be a lag in authorizations.

Note 2. HCBS Authorizations do not include Preventive Only authorizations and are for members with full Medicaid benefits only.

⁸ <https://www.medicaid.gov/sites/default/files/State-resource-center/Medicaid-State-Plan-Amendments/Downloads/RI/RI-18-007.pdf>

⁹ <https://www.medicaid.gov/sites/default/files/2019-12/pace-medicaid-capitation-rate-setting-guide.pdf>

Table X-3. Calculation of Price Factors for Personal Care Services and Home Delivered Meals

		Series Title:	Medical care in new England, all urban consumers, not seasonally adjusted	Food at home in New England, all urban consumers, not seasonally adjusted
		Series ID:	CUUR0110SAM	CUUR0110SAF11
Year	Period	Label	Observation Value	Observation Value
2024	M02	2023 Feb.	115.689	123.745
2023	M02	2024 Feb.	115.549	122.127
Annual Trend:			0.12%	1.32%

Table X-4. FY 2025 HCBS and Home Delivered Meals Trend Assumptions

Personal Care	Percent	Dollar Impact	Source
Price Factor	0.12%	\$0.1 million	New England CPI-U for Medical Care (March Release)
Utilization	2.50%	\$1.9 million	EOHHS
TOTAL – Personal Care		\$2.0 million	
Home Delivered Meals			
Price Factor	1.32%	\$9,000	New England CPI-U for Food at Home (March Release)
Utilization	2.50%	\$17,000	EOHHS
TOTAL – Home Delivered Meals		\$26,000	

Table X-5. Summary of PACE Monthly Premiums

	SFY 2023	SFY 2024	SFY 2025	FY23→FY24 Trend	FY24→FY25 Trend
PACE					
Medicaid Only	\$5,191	\$5,398	\$5,668	4.0%	5.0%
Dual, 55-64 y.o.	\$3,740	\$3,815	\$4,005	2.0%	5.0%
Dual, 65+ y.o.	\$3,961	\$4,067	\$4,270	2.7%	5.0%
Composite	\$4,081	\$4,209	\$4,440	3.1%	5.5%
Average Member Months	406	404	433	-0.5%	7.1%

Table X-6. PACE Price-Volume Comparison

	Price	Volume	Net
FY 2024: Current over Nov CEC	(\$0.2 M)	(\$1.0 M)	(\$1.3 M)
	-1.2%	-4.8%	-5.9%
FY 2024 over FY 2023	\$0.6 M	(\$0.1 M)	\$0.5 M
	3.1%	-0.5%	2.6%
FY 2025 over FY 2024	\$1.2 M	\$0.4 M	\$1.6 M
	5.5%	7.1%	13.0%

XI. Pharmacy

		Pharmacy	
		All Funds	General Revenue
FY 2022	Final	(\$991,441)	(\$148,300)
FY 2023	Final	(\$2,218,124)	(\$804,506)
FY 2024	Enacted	\$1,300,000	\$825,250
	November CEC	(\$300,000)	\$103,795
	Current	(\$500,000)	\$15,295
	<i>Surplus over Nov CEC</i>	<i>\$200,000</i>	<i>\$88,500</i>
FY 2025	November CEC	(\$700,000)	(\$71,525)
	Current	(\$300,000)	\$104,515
	<i>Deficit over Nov CEC</i>	<i>(\$400,000)</i>	<i>(\$176,040)</i>

FY 2024

EOHHS' revised forecast for pharmacy in FY 2024 is (\$0.5 million), a \$0.2 million surplus compared to the November CEC. Although spending on claims is expected to trend upwards, so too are EOHHS' rebate collections for FFS, driving a net savings for the State.

With respect to its pharmacy spend, EOHHS' projections annualized the average monthly spend during the first half of FY 2024. Rebate information is based on invoices issued to manufacturers through February 2024, for prescriptions incurred through December 31, 2023.

FY 2025

EOHHS projects spending at (\$300,000) in FY 2025, an increase of \$0.4 million over the November CEC. The reduction is attributed to higher claims total. While EOHHS is not statutorily required to apply an inflationary index to its pharmacy spend, an inflationary factor is applied due to the fluctuation of drug costs. The FY 2025 forecast assumes a 2.1% increase, based on the IHS Markit 2023 Q2 forecast for pharmacy in CY 2025 Q2, which corresponds to the end of FY 2025.

Revised FY 2024 and FY 2025 pharmacy expenditures and rebates are presented in **Table XI-1**.

Generally, rebate fluctuates due to several reasons:

- (1) CMS' rebate formula, which, for certain drugs, can compensate for significant price changes;
- (2) Medicaid being entitled to the full rebate amount even if it only pays a portion of a drug claim (excluding Part D drugs); and
- (3) the Pharmacy budget line reflects J-Code rebates collected against pharmaceuticals delivered in an outpatient hospital setting, which may vary dramatically with acuity of patient and amount of FFS utilization.

Table XI-1. Summary of Pharmacy Expenditures

	SFY 2023	SFY 2024			SFY 2025			FY24 → FY25
	Final	Nov CEC	Current	Surplus/(Deficit)	Nov CEC	Current	Surplus/(Deficit)	
FFS Activity	\$ 6,909,733	\$ 7,068,657	\$ 8,711,000	(\$1.6 M)	\$ 7,217,099	\$ 9,113,000	(\$1.9 M)	\$0.4 M
Rebates	(9,340,506)	(7,447,912)	(9,251,973)	1.8 M	(7,952,013)	(9,444,381)	1.5 M	(0.2 M)
DRE	(8,077,094)	(6,054,262)	(7,913,737)	1.9 M	(6,460,263)	(8,072,874)	1.6 M	(0.2 M)
J-Code	(1,263,412)	(1,393,650)	(1,338,236)	(0.1 M)	(1,491,750)	(1,371,507)	(0.1 M)	(0.0 M)
Subtotal - Pharmacy	\$ (2,430,772)	\$ (379,255)	\$ (540,973)	\$0.2 M	\$ (734,914)	\$ (331,381)	(\$0.4 M)	\$0.2 M
Balance to RIFANS - Accruals/Rounding	212,648	79,255	40,973	0.0 M	34,914	31,381	0.0 M	(0.0 M)
Grand Total - Pharmacy	\$ (2,218,124)	\$ (300,000)	\$ (500,000)	\$0.2 M	\$ (700,000)	\$ (300,000)	(\$0.4 M)	\$0.2 M
General Revenue	(\$0.8 M)	\$0.1 M	\$0.0 M	\$0.1 M	(\$0.1 M)	\$0.1 M	(\$0.2 M)	\$0.1 M
Federal Funds	(\$1.4 M)	(\$0.4 M)	(\$0.5 M)	\$0.1 M	(\$0.6 M)	(\$0.4 M)	(\$0.2 M)	\$0.1 M

XII. Pharmacy Clawback (Medicare Part D)

		Pharmacy Clawback (Medicare Part D)	
		All Funds	General Revenue
FY 2022	Final	\$69,358,996	\$69,358,996
FY 2023	Final	\$81,272,876	\$81,272,876
FY 2024	Enacted	\$95,700,000	\$95,700,000
	November CEC	\$98,000,000	\$98,000,000
	Current	\$92,300,000	\$92,300,000
	<i>Surplus over Nov CEC</i>	<i>\$5,700,000</i>	<i>\$5,700,000</i>
FY 2025	November CEC	\$107,800,000	\$107,800,000
	Current	\$96,800,000	\$96,800,000
	<i>Surplus over Nov CEC</i>	<i>\$11,000,000</i>	<i>\$11,000,000</i>

EOHHS' revised FY 2024 estimate of \$92.3 million for Pharmacy Clawback is \$5.7 million (5.8%) below the November CEC. The surplus is driven by reduced enrollment of Rhode Islanders into the Medicare Premium Payment program. This revised forecast is based on actual invoices through February 2024.

The enhanced FMAP associated with the COVID-19 emergency period provided \$2.1 million in GR relief in FY 2024 due to the lower Clawback multiplier.

For FY 2025, EOHHS projects spending of \$96.8 million, a GR surplus of \$11.0 million (10.2%) compared to November CEC estimate and a \$4.5 million increase over revised forecast for FY 2024. There is a 4,595-member decrease from the current projection from November CEC. The fiscal impact of this enrollment decrease is equal to the \$11 million surplus in FY 25 projections.

Table XII-1. Summary of Pharmacy Claw Back Expenditures

	SFY 2023	SFY 2024			SFY 2025			FY24 → FY25
	Final	Nov CEC	Current	Surplus/(Deficit)	Nov CEC	Current	Surplus/(Deficit)	
Part D Premium Payments	\$ 81,263,799	\$ 97,972,288	\$ 92,233,832	\$5.7 M	\$ 107,784,387	\$ 96,782,496	\$11.0 M	\$4.5 M
Balance to RIFANS/Accruals/Rounding	9,077	27,712	66,168	(0.0 M)	15,613	17,504	(0.0 M)	(0.0 M)
Total - Pharmacy Clawback	\$ 81,272,876	\$ 98,000,000	\$ 92,300,000	\$5.7 M	\$ 107,800,000	\$ 96,800,000	\$11.0 M	\$4.5 M
<i>General Revenue</i>	<i>\$81.3 M</i>	<i>\$98.0 M</i>	<i>\$92.3 M</i>	<i>\$5.7 M</i>	<i>\$107.8 M</i>	<i>\$96.8 M</i>	<i>\$11.0 M</i>	<i>\$4.5 M</i>
Part D Multiplier	\$155.95	\$183.99	\$183.62	-\$0.37	\$199.53	\$199.54	\$0.01	\$15.92
July - September	\$148.18	\$173.90	\$173.90		\$194.08	\$194.08		
October - December	\$151.69	\$173.70	\$173.70		\$194.78	\$194.78		
January - March	\$159.12	\$194.08	\$194.08		\$204.52	\$204.52		
April - June	\$163.91	\$194.08	\$194.08		\$204.52	\$204.52		
Average Enrollment	43,430	44,387	41,890	-2,498	45,022	40,426	-4,595	-1,463

Table XII-2. Pharmacy Claw Back Price-Volume Comparison

	Price	Volume	Net
FY 2024: Current over Nov CEC	(\$0.2 M)	(\$5.5 M)	(\$5.7 M)
	-0.2%	-5.6%	-5.8%
FY 2024 over FY 2023	\$13.9 M	(\$2.9 M)	\$11.0 M
	17.7%	-3.5%	13.6%
FY 2025 over FY 2024	\$7.7 M	(\$3.2 M)	\$4.5 M
	8.7%	-3.5%	4.9%

XIII. Other Services

		Other Services	
		All Funds	General Revenue
FY 2022	Final	\$144,989,690	\$46,706,708
FY 2023	Final	\$160,383,687	\$51,517,385
FY 2024	Enacted	\$188,659,199	\$72,078,045
	November CEC	\$181,700,000	\$69,793,784
	Current	\$166,300,000	\$62,979,284
	<i>Surplus over Nov CEC</i>	<i>\$15,400,000</i>	<i>\$6,814,500</i>
FY 2025	November CEC	\$240,900,000	\$95,745,386
	Current	\$206,700,000	\$80,893,966
	<i>Surplus over Nov CEC</i>	<i>\$34,200,000</i>	<i>\$14,851,420</i>

FY 2024

EOHHS' revised FY 2024 estimate of \$166.3 million for Other Medical Services is a \$15.4 million surplus compared to the November CEC. The surplus is driven by the items below.

- \$5.2 million in reduced CCBHC Expenditures for the delay in its implementation until FY 2025.
- \$3.5 million in reduced rehabilitation and targeted case management claims expenditures.
- \$2.0 million in reduced enhanced MHPRR expenditures. The November CEC assumed three facilities would be open by June 30, 2024. One facility is open, and a second facility may open by the end of the current fiscal year.

EOHHS' methodology for revising its current year estimate looked at the average of the July 2023 through December 2023 claims, adjusted by an IBNR factor.

The enhanced FMAP associated with the COVID-19 emergency period provided \$1.7 million in GR relief in FY 2024.

FY 2025

The FY 2025 estimate totals \$206.7 million, an increase of \$40.4 million over FY 2024. Compared to November CEC, EOHHS is forecasting a surplus of \$34.2 million including \$14.9 million GR. The surplus is driven by the items below.

- \$28.2 million in reduced CCBHC expenditures resulting from a delay in implementation to October 1, 2024 and inclusion of cost avoidance for Medicare collections not considered in November. The revised estimate continues to assume that the 8 contingently certified facilities, including 3 Gateway locations, will begin operations in October.
- \$3.1 million in reduced rehabilitation and claims expenditures.
- \$1.8 million in reduced MHPRR expenditures. November CEC assumed four facilities would be open in FY 2025, whereas the revised estimate reduces it to three facilities.

Children Health Account collections for FY 2025 are expected to be \$8,300,000, a decline of \$200,000 over FY 2024 collections.

A summary of expenditures for both FY 2024 and FY 2025, by type of service, is presented in **Table XIII-1**.

Table XIII-2 summarizes all Other Medical Services expenditures subject to a non-regular matching rate.

See **Table XIII-3** for summary of EOHHS' average monthly caseload and composite PMPM for Part A and Part B.

Table XIII-1. Summary of Other Medical Services Expenditures

	SFY 2023		SFY 2024		SFY 2025			FY24 → FY25
	Final	Nov CEC	Current	Surplus/(Deficit)	Nov CEC	Current	Surplus/(Deficit)	
Medicare Premium Payments								
Part A	\$ 15,808,044	\$ 19,293,919	\$ 19,550,165	(\$0.3 M)	\$ 20,757,433	\$ 21,186,884	(\$0.4 M)	\$1.6 M
Part B	82,005,438	83,775,610	83,551,802	0.2 M	89,982,847	88,692,979	1.3 M	5.1 M
Subtotal - Supplemental Payments	\$ 97,813,482	\$ 103,069,529	\$ 103,101,967	(\$0.0 M)	\$ 110,740,281	\$ 109,879,863	\$0.9 M	\$6.8 M
Non-Emergency Transportation Recoveries	6,382,803 (15,000,000)	7,112,500 (15,000,000)	6,729,307 (17,500,000)	0.4 M 2.5 M	7,533,284 (15,000,000)	6,974,738 (15,000,000)	0.6 M 0.0 M	0.2 M 2.5 M
FFS Activity								
BHDDH Medical Services	22,220,031	24,366,398	23,496,000	0.9 M	24,366,398	24,083,000	0.3 M	0.6 M
Rehab & TCM	21,586,267	23,360,530	19,812,000	3.5 M	23,360,530	20,307,000	3.1 M	0.5 M
Tavares	6,527,430	7,063,638	6,986,000	0.1 M	7,180,188	8,110,979	(0.9 M)	1.1 M
DME	2,938,409	3,095,200	3,339,000	(0.2 M)	3,095,200	3,419,000	(0.3 M)	0.1 M
Physician Services	12,178,677	13,147,650	11,567,000	1.6 M	13,147,650	11,857,000	1.3 M	0.3 M
Other Practitioners	4,434,800	5,781,911	6,185,000	(0.4 M)	6,531,911	7,072,000	(0.5 M)	0.9 M
State Only	0	536,384	536,384	0.0 M	536,384	536,384	0.0 M	0.0 M
COVID-19 Vaccinations (Federal Only)	2,284,373	1,000,000	1,000,000	0.0 M	250,000	250,000	0.0 M	(0.8 M)
Certified Community BH Clinic (CCBHC)	0	5,200,000	0	5.2 M	52,400,000	24,200,000	28.2 M	24.2 M
MHPRR Rate Increase	0	2,954,700	1,000,000	2.0 M	6,752,025	5,000,000	1.8 M	4.0 M
Subtotal - FFS Activity	72,169,987	86,506,411	73,921,384	12.6 M	137,620,286	104,835,363	32.8 M	30.9 M
Subtotal - Other Services	\$ 161,366,272	\$ 181,688,439	\$ 166,252,658	\$15.4 M	\$ 240,893,850	\$ 206,689,964	\$34.2 M	\$40.4 M
Balance to RIFANS/Accruals/Rounding	(2,070,807)	11,561	47,342	(0.0 M)	6,150	10,036	(0.0 M)	(0.0 M)
Total - Other Services	\$ 159,295,465	\$ 181,700,000	\$ 166,300,000	\$15.4 M	\$ 240,900,000	\$ 206,700,000	\$34.2 M	\$40.4 M
General Revenue	\$51.5 M	\$69.8 M	\$63.0 M	\$6.8 M	\$95.7 M	\$80.9 M	\$14.9 M	\$17.9 M
Federal Funds	\$97.9 M	\$103.4 M	\$94.8 M	\$8.6 M	\$136.6 M	\$117.5 M	\$19.1 M	\$22.7 M
Restricted Receipts	\$9.9 M	\$8.5 M	\$8.5 M	\$0.0 M	\$8.5 M	\$8.3 M	\$0.2 M	(\$0.2 M)

Table XIII-2. Non-Regular FMAP Sources of Funds Applied to Other Medical Services

	SFY 2023		SFY 2024		SFY 2025			FY24 → FY25
	Final	Nov CEC	Current	Surplus/(Deficit)	Nov CEC	Current	Surplus/(Deficit)	
Restricted - Children's Health Account	\$ 9,865,600	\$ 8,500,000	\$ 8,500,000	\$0.0 M	\$ 8,500,000	\$ 8,300,000	\$0.2 M	(\$0.2 M)
Restricted - Organ Transplant Fund	15,000	15,000	15,000	0.0 M	15,000	15,000	0.0 M	0.0 M
100% Federal - COVID-19 Vaccination	2,284,373	1,000,000	1,000,000	0.0 M	250,000	250,000	0.0 M	(0.8 M)
100% Federal - Qualifying Individuals	(1,750,000)	(1,750,000)	(1,750,000)	0.0 M	(1,750,000)	(1,750,000)	0.0 M	0.0 M
100% State - Breast & Cervical Cancer	(200,000)	(200,000)	(200,000)	0.0 M	(200,000)	(200,000)	0.0 M	0.0 M

Table XIII-3. Medicare Monthly Part A and Part B Premiums

	SFY 2023		SFY 2024		SFY 2025			FY24 → FY25
	Final	Nov CEC	Current	Change	Nov CEC	Current	Change	
Part A PMPM	\$ 514.79	\$ 485.45	\$ 488.22	\$ 2.76	\$ 509.74	\$ 512.57	\$ 2.83	\$ 24.35
July-December	573.34	473.55	476.18		497.23	499.99		
January-June	480.18	497.23	499.99		522.09	524.99		
Part A - Average Enrollment	2,559	3,312	3,337	25	3,394	3,445	51	\$ 107.58
Part B PMPM	\$ 170.70	\$ 172.32	\$ 172.62	\$ 0.17	\$ 181.79	\$ 182.14	\$ 0.00	\$ 9.51
July-December	172.90	167.29	167.61		177.33	177.67		
January-June	168.51	177.33	177.67		186.19	186.55		
Part B - Average Enrollment	40,034	40,514	40,334	(276)	41,249	40,580	(669)	\$ 245.83

XIV. Attachments