November 2025 Caseload Estimating Conference

Executive Office of Health and Human Services Follow-up Questions to October 27, 2025 Testimony

1. Please provide the corrections to tables included **General Consideration**.

An updated PDF of the full testimony is attached. The only changes are for these three tables and a correction to page 17 regarding the number of beneficiaries receiving CFCM from a BHDDH staff member.

p. 6. Table II-1 updated. Correct surplus/deficit change for FY 2025.

Original error was attributed to incorrect ordering of CEC Budget Lines in SFY 2025 Revised (not shown in table).

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

	SFY 2025		SFY 2026			SFY 2027	
CEC Budget Line	Final	Surplus/ (Deficit)	Enacted	Current	Surplus/ (Deficit)	Current	FY26 → FY27
Managed Care	$ 1,044,283,333	($6.7 M)	$ 1,117,462,318	$ 1,106,800,000	$10.7 M	$ 1,165,300,000	$58.5 M
Rhody Health Partners	301,555,968	9.8 M	341,201,948	336,700,000	4.5 M	348,900,000	12.2 M
Rhody Health Options	215,486,871	(3.1 M)	220,353,823	242,700,000	(22.3 M)	247,800,000	5.1 M
Expansion	717,473,870	(12.4 M)	730,790,208	741,500,000	(10.7 M)	701,600,000	(39.9 M)
Hospitals - Regular	341,190,603	5.7 M	408,226,193	405,800,000	2.4 M	402,700,000	(3.1 M)
Hospitals - DSH	27,646,654	(0.0 M)	13,900,000	13,900,000	0.0 M	13,900,000	0.0 M
Nursing and Hospice Care	402,946,046	22.1 M	477,321,981	452,600,000	24.7 M	477,500,000	24.9 M
Home and Community Care	237,449,962	11.2 M	293,779,386	284,600,000	9.2 M	291,500,000	6.9 M
Pharmacy	731,624	2.0 M	7,800,000	1,500,000	6.3 M	1,300,000	(0.2 M)
Clawback	92,702,111	(0.5 M)	96,400,000	94,600,000	1.8 M	98,100,000	3.5 M
Other Services	205,337,135	2.4 M	233,812,840	222,500,000	11.3 M	231,800,000	9.3 M
Subtotal - CEC Benefits	**$ 3,586,804,177**	**$30.4 M**	**$ 3,941,048,697**	**$ 3,903,200,000**	**$37.8 M**	**$ 3,980,400,000**	**$77.2 M**
Health System Transformation Project	6,493,295	(1.2 M)	1,615,734	0	1.6 M	0	0.0 M
Special Education	33,201,305	(3.8 M)	29,450,000	45,400,000	(16.0 M)	45,400,000	0.0 M
ARPA HCBS Investments	64,430	(4.9 M)	5,217,695	2,056,214	3.2 M	0	(2.1 M)
Total - Benefits	**$ 3,626,563,207**	**$20.5 M**	**$ 3,977,332,126**	**$ 3,950,656,214**	**$26.7 M**	**$ 4,025,800,000**	**$75.1 M**

p. 7. Table II-3. Updated. Error – original table was incorrect.

The error was attributed to FY 2026 data being reflected in original table presented.

Table II-3. Summary of major drivers of variances between Revised and Fiscal Close, FY 2025 (excludes non-CEC)

	FY 2025:		
	Revised	Prelim Final	Surplus/(Deficit)
Favorable Variances			
Nursing Home & Hospice FFS	$428.6 M	$409.9 M	$18.7 M
Drug Rebates	($153.6 M)	($163.1 M)	$9.6 M
HCBS FFS	$220.8 M	$215.8 M	$5.0 M
Rite Care	$878.1 M	$875.7 M	$2.4 M
PACE/Rite Smiles/NEMT/Rite Share	$94.0 M	$94.0 M	$0.1 M
NICU FFS	$30.4 M	$29.7 M	$0.7 M
Other FFS (Excl. NH/HCBS/NICU)	$294.8 M	$289.4 M	$5.4 M
Subtotal Favorable	**$1,793.1 M**	**$1,751.4 M**	**$41.8 M**
Unfavorable Variance			
RHP	$337.0 M	$341.0 M	($4.1 M)
RHO II	$209.5 M	$212.7 M	($3.1 M)
SOBRA	$79.5 M	$81.4 M	($2.0 M)
Expansion	$666.3 M	$666.5 M	($0.2 M)
Medicare Premium Payments	$201.9 M	$202.2 M	($0.3 M)
Other/Miscellaneous	$3.0 M	$4.6 M	($1.6 M)
Supplemental Hospital Payments	$327.0 M	$327.0 M	($0.0 M)
Subtotal Unfavorable	**$1,824.1 M**	**$1,835.4 M**	**($11.3 M)**
Total	**$3,617.2 M**	**$3,586.8 M**	**$30.4 M**

p. 9. Table II-4. Updated. Error – original table was incorrect.

The error was attributed to table not being updated with figures from Medicaid's final model.

	FY 2026: Enacted	Current	Surplus/(Deficit)
Favorable Variances			
Rite Care	$944.0 M	$918.9 M	$25.1 M
Nursing Home & Hospice FFS	$477.3 M	$452.6 M	$24.8 M
HCBS FFS	$266.0 M	$256.8 M	$9.2 M
Other FFS (Excl. NH/HCBS/NICU)	$343.2 M	$306.4 M	$36.8 M
RHP	$373.8 M	$369.0 M	$4.9 M
Medicare Premium Payments	$214.3 M	$214.1 M	$0.2 M
Drug Rebates	($155.0 M)	($156.1 M)	$1.0 M
PACE/Rite Smiles/NEMT/Rite Share	$102.3 M	$99.2 M	$3.1 M
Subtotal Favorable	**$2,566.0 M**	**$2,460.9 M**	**$105.1 M**
Unfavorable Variance			
RHO II	$217.5 M	$239.7 M	($22.2 M)
Expansion	$696.2 M	$710.1 M	($14.0 M)
Risk Share	$0.0 M	$10.4 M	($10.4 M)
SOBRA	$88.7 M	$97.3 M	($8.6 M)
Supplemental Hospital Payments	$363.8 M	$366.1 M	($2.2 M)
NICU FFS	$32.1 M	$33.0 M	($0.9 M)
Other/Miscellaneous	($23.2 M)	($14.2 M)	($9.0 M)
Subtotal Unfavorable	**$1,375.1 M**	**$1,442.3 M**	**($67.2 M)**
Total	**$3,941.0 M**	**$3,903.2 M**	**$37.8 M**
By Funding Source:			
General Revenue	$1,426.4 M	$1,413.8 M	$12.7 M
Federal Funds	$2,507.3 M	$2,482.1 M	$25.2 M
Restricted Receipts	$7.4 M	$7.4 M	($0.0 M)
Total	**$3,941.0 M**	**$3,903.2 M**	**$37.8 M**

p. 24. Table III-1. Updated. Error – original table was incorrect.

Table III-1 backed out the CCBHC spending (6.7 million) included in Rite Care CSHCN from the RC Core line in the table. The values in the header, and attachment and elsewhere in the testimony/backup are correct. It was incorrectly backed out of the expenditure amount for presentations purposes in Table III-1.

The correct amount for RC Core is highlighted in the table below. The sum of the GR and FF amounts that were presented below the table were correct and added to the $1,165,300.

	SFY 2025		SFY 2026			SFY 2027	
	Final	Surplus/ (Deficit)	Enacted	Current	Surplus/ (Deficit)	Current	FY26 → FY27
Payments to Plans							
Rite Care Core	$ 687,394,024	$2.3 M	$ 728,402,629	$ 704,080,062	$24.3 M	$ 738,518,126	$34.4 M
Rite Care Cover-All-Kids	15,904,570	0.2 M	16,905,000	18,397,956	(1.5 M)	19,317,854	0.9 M
Rite Care CSHCN	166,633,589	(0.1 M)	192,719,143	190,347,917	2.4 M	203,805,214	13.5 M
Rite Care EFP	347,149	0.0 M	370,486	515,326	(0.1 M)	336,274	(0.2 M)
Rite Care SOBRA	77,261,667	(3.0 M)	81,370,901	91,638,705	(10.3 M)	103,467,749	11.8 M
Withhold	4,369,882	0.0 M	4,635,546	4,564,825	0.1 M	4,753,653	0.2 M
Risk Share	3,308,487	(1.8 M)	0	5,005,326	(5.0 M)	0	(5.0 M)
Rite Smiles	26,739,066	(0.1 M)	27,943,080	26,607,834	1.3 M	28,427,568	1.8 M
Subtotal - Payments to Plans	**$ 981,958,435**	**($2.4 M)**	**$ 1,052,346,785**	**$ 1,041,157,952**	**$11.2 M**	**$ 1,098,626,437**	**$57.5 M**
CCBHC (reflected in "Payments to Plans")	*22,107,175*	*(0.4 M)*	*30,780,195*	*26,743,182*	*4.0 M*	*29,210,932*	*2.5 M*
Other Payments							
Non-Emergency Transportation	$ 9,793,695	$0.0 M	$ 10,060,738	$ 9,602,571	$0.5 M	$ 9,803,804	$0.2 M
TANF Offset	(500,000)	0.0 M	(500,000)	(500,000)	0.0 M	(500,000)	0.0 M
Rite Share	2,178,067	(0.1 M)	3,222,008	3,290,315	(0.1 M)	4,541,490	1.3 M
Premium Assistance Program	46,056	(0.0 M)	50,000	50,000	0.0 M	50,000	0.0 M
Core FFS	54,806,334	(1.5 M)	58,294,000	57,330,000	1.0 M	58,144,000	0.8 M
CSHCN FFS	3,655,687	(0.8 M)	2,669,000	3,703,000	(1.0 M)	3,824,000	0.1 M
Early Intervention FFS	4,588,484	(0.2 M)	4,586,000	5,295,000	(0.7 M)	5,374,000	0.1 M
NICU	29,704,199	0.7 M	32,077,410	32,957,230	(0.9 M)	37,654,582	4.7 M
State Only FFS (Non Medicaid)	1,057,959	(0.1 M)	1,000,000	1,000,000	0.0 M	1,000,000	0.0 M
Rebates	(46,943,043)	1.7 M	(46,193,623)	(46,984,717)	0.8 M	(53,091,413)	(6.1 M)
Premium Collection	(50,000)	0.0 M	(50,000)	(50,000)	0.0 M	(50,000)	0.0 M
Tax Intercept	(105,000)	0.0 M	(100,000)	(100,000)	0.0 M	(100,000)	0.0 M
Subtotal - Other Payments	**$ 58,232,438**	**($0.2 M)**	**$ 65,115,533**	**$ 65,593,399**	**($0.5 M)**	**$ 66,650,462**	**$1.1 M**
Subtotal - Managed Care	**$ 1,040,190,873**	**($2.7 M)**	**$ 1,117,462,318**	**$ 1,106,751,350**	**$10.7 M**	**$ 1,165,276,900**	**$58.5 M**
Balance to RIFANS/Rounding	4,092,460	(4.0 M)	0	48,650	(0.0 M)	23,100	(0.0 M)
Total - Managed Care	**$ 1,044,283,333**	**($6.7 M)**	**$ 1,117,462,318**	**$ 1,106,800,000**	**$10.7 M**	**$ 1,165,300,000**	**$58.5 M**
General Revenue	$445.9 M	$4.4 M	$464.3 M	$462.7 M	$1.6 M	$481.5 M	$18.7 M
Federal Funds	$598.4 M	$9.8 M	$653.2 M	$644.1 M	$9.1 M	$683.8 M	$39.8 M

2. Please give the breakdown of reductions assumed for Community Engagement, including those assumed exempt from community engagement requirements due to "disability."

In estimating clients who will be subject to the community engagement requirements, EOHHS considered (a) whether the client would be exempt from the work requirements, (b) whether they were eligible for TANF, and (c) a client's household income.

Overall, there were 91,406 clients as of June 2025 who would be potentially subject to the community engagement requirements. When removing those with a child under 14, there were 86,123.

Of these 86,123, 16.0% are expected to be exempt for a medical reason, that we defined as shown in the following table based on a thorough claims review. The Activities of Daily Living (ADL) proxy reflects clients using home care services and is intended as a proxy for client with mobility issues that could reasonably prevent them from getting a job:

Sum of MM	202506
01. I/DD	371
02. Complex Medical	5,463
03. Severe BH - SPMI/SMI	4,023
04. Chronic SUD	3,609
05. Pregnancy	241
06. ADL Proxy	38
Grand Total	**13,745**

Anyone who is not exempt due to medical reason, were then excluded if they were on TANF or SNAP, as that implies the client already meets the work requirements.

Finally, for those who were not exempt due to medical condition or who did not already appear to have met work requirements through their TANF eligibility, we considered the client's household income. As a proxy for those not likely to be meeting the work requirement of 80 hours per month we included any client with either no reported income or with income less than 50% of the FPL. Please note that we understand that volunteering or being in school would allow someone to meet community engagement requirement.

A total of 32,840 clients of remaining pool of clients were below this income threshold. Our estimate assumes 75% of these clients will ultimately lose coverage as noted in testimony.

Table VII. June Snapshot - clients without potential exemption with no income/under 50% FPL and no TPL		
INCL_IND		
EXEMPT_IND	Not Exempt	
TPL_IND	No TPL	
FPL_RANGE	(Multiple Items)	
Sum of MM		
		202506
TANF/SNAP (i.e., meet work requirement criteria)		7,742
Not on TANF/SNAP	Expansion	32,613
	RC Core	227
Not on TANF/SNAP Total		**32,840**
Grand Total		**40,582**

3. Please provide a further explanation of Program Integrity savings and/or unachieved savings.

Medicaid reduced the recoveries line in caseload testimony to avoid an overstatement of savings from this initiative over the course of FY 2026 as most of their recent work has led to avoided utilization vs. recoveries. For example, the Office of Program Integrity (OPI) has identified a pattern of fraud, waste, and abuse within the Community Health Worker program. Since September 1, 2022, RI Medicaid has paid a total of $15,810,757 for 77,883 claims for Community Health Worker Services to 60 distinct providers (as of 9/12/25). Six CHW providers have been referred to MFCU and have been accepted as criminal investigations, and three more CHW providers are expected to be referred to MFCU shortly. Combined, these nine providers represent $11.4 million of claims activity, of which $7.8 million have been documented as inappropriate or fraudulent. Between September 2024 and May 2025, Medicaid paid $11,797,932 in CHW claims, averaging $1,410,881 paid per month. Since the interventions, Medicaid has paid an average of $144,000 in CHW claims in the last three months (July, August, September). This run rate demonstrates cost avoidance of $15 million in SFY 2026.

OPI's work to identify fraud, waste, and abuse, as well as deliver provider education, reduces the underlying spend and trends. While recoveries that occur are easily quantifiable, cost avoidance is more complex. Despite the cost avoidance of $15 million in the current year, the interaction of the separate CHW initiative results in only an explicit change of $494,627 GR compared to the enacted ($2,236,233 in federal funds). As such, the conferees could reapply the below the line adjustment for the OPI initiative and Medicaid can adjust in the Spring based on other known cost avoidance or recoveries that occur through February. OPI also recently identified an overpayment within the home care program of $3.4 million, however they are in the early stages and not yet reflected in underlying base data used for the caseload estimates, so this further supports an adjustment to the recoveries line.

4. Provide a summary of Risk Share accrual for FY 2025.

	FY 2024 Outstanding *(FY25 Accrual)*	**FY 2025 *(FY25 Accrual)***
RIte Care Core	$(5,478,651)	$ 2,798,630
Rite Care CSHCN	$1,453,937	$405,631
Rhody Health Partners	$(625,673)	$1,229,414
Expansion	$(11,407,103)	$17,046,911
Total	$(16,057,491)	$21,480,586

Note. A POSTIVE value represents a PAYMENT, while a NEGATIVE value represents a RECOUPMENT

Please note we have included the total by Product Line only; we intentionally did not include MCO specific risk share estimates. Also, the values for FY 2025 are preliminary estimates based on health plans' financial

reporting through March 2025 and includes considerable IBNR and estimates of rebates, reinsurance, etc. estimates (as reported by the MCOs). EOHHS recently received updated quarterly reporting (i.e., through June 2025) that we are presently reviewing to finalize its payments. EOHHS may need to adjust its accrual for FY 2025 and/or refine its final payments/recoupments for FY 2024 based on this new reporting.

In December 2025, EOHHS will pay out approximately 80% of the total liability (or recoup 80% of any gain share), with final settlement to occur after 12 months. Any amount still outstanding for FY 2025 will be re-accrued at the end of FY 2026 (as we did with the FY 2024 balance at the end of FY 2025). This amount may be revised upward or downward based on additional reporting from the health plans (as it was for the FY 2024 balance).

As part of its fiscal close activities, RIAOG confirms individual risk share accruals with each of the MCOs. (Similar to what EOHHS does for the auditors of the MCOs.)

5. ***Please provide some additional information on the long term BH unit cost estimate and savings compared to Enacted.***

The revised estimate assumes implementation in January 2026. The SPA is expected to be submitted by the end of October and CMS has 90 days to review from the date of submission. The per diem rate is $1,716. The estimate assumes 6 beneficiaries are claimed at the new rate beginning in January. We then assume 3 new beneficiaries are added each month until a max census of 18 is reached in May 2026. This census is flat for FY 2027. It should be noted that as this is a hospital setting with access to more potential open beds and all inpatient hospitals could choose to participate in this program, growth could be greater than assumed here.

Amounts included in Hospitals – Regular:

	FY 2026 Enacted	FY 2026 Revised	Surplus/(Deficit)	FY 2027	Change over FY 2026
Long-Term BH Unit	$7,500,000	$4,100,000	$3,400,000	$11,275,000	$7,175,000

6. ***Please update the fiscal close for any anticipated adjustments to FY 2025 preliminary close and restate fiscal close by budget line to reflect these recommendations.***

In its testimony, Medicaid noted that it anticipates making an adjustment for the Hospital SDP to correct some erroneous journal entries made during the fiscal year. This adjustment has no impact on overall fiscal position; but it will change the GR/FF positions across different budget lines.

Additionally, Medicaid did not make its usual adjustment for Previously Eligible Expansion members. The is usually done as a year-end journal entry and not an accrual; however, the data was not available at year-end and Medicaid forgot to record an interim accrual in lieu of the journal entry. Last year's adjustment (i.e., for FY 2024) was $5.6 million.

With these adjustments, Hospitals – Regular swings to a deficit that is attributed to FFS activity, Managed Care increases its deficit, RHP reduces its surplus, and Expansion swings to an overall surplus albeit with a GR deficit.

	SFY 2025 Revised	SFY 2025 Final	Surplus/(Deficit)	SDP Adjustment	CW/CX Adjustment	SFY 2025 Restated	Surplus/(Deficit)	%
Hospitals - Regular	**$346,900,000**	**$341,190,603**	**$5,709,397**			**$352,226,799**	**-$5,326,799**	-1.5%
FF	$234,273,074	$224,236,799	$10,036,275	$11,793,901		$236,030,700	-$1,757,626	
GR	$112,626,926	$116,953,804	-$4,326,878	-$757,705		$116,196,099	-$3,569,173	
Managed Care	**$1,037,600,000**	**$1,044,283,333**	**-$6,683,333**			**$1,048,225,286**	**-$10,625,286**	-1.0%
FF	$593,252,426	$598,368,893	-$5,116,467	$2,593,267		$600,962,160	-$7,709,734	
GR	$444,347,574	$445,914,440	-$1,566,866	$1,348,686		$447,263,126	-$2,915,552	
Rhody Health Partners	**$311,400,000**	**$301,555,968**	**$9,844,032**			**$304,474,505**	**$6,925,495**	2.2%
FF	$177,699,349	$171,636,581	$6,062,768	$1,719,849		$173,356,430	$4,342,919	
GR	$133,700,651	$129,919,387	$3,781,264	$1,198,688		$131,118,075	$2,582,576	
Expansion	**$705,100,000**	**$717,473,870**	**-$12,373,870**			**$699,577,184**	**$5,522,816**	0.8%
FF	$628,927,161	$643,697,070	-$14,769,909	-$16,107,017	-$6,000,000	$621,590,053	$7,337,108	
GR	$76,172,839	$73,776,800	$2,396,039	-$1,789,669	$6,000,000	$77,987,131	-$1,814,292	
				$0	**$0**			

Finally, other accrual adjustments may be necessary. For example, Medicaid's accrual for risk share was calculated based on reporting through March 2025. Depending on the changing performance of the health plans this initial accrual may increase or decrease. Medicaid is presently reviewing June 2025 reporting from the health plans and anticipates making preliminary payments to the health plans in December. Any changes to the final FY 2024 payments/recoupments or preliminary FY 2025 payments recoupments should be reflected in final accrual adjustments posted by RIOAG in November or December.

Similarly, we will review paid FFS paid activity to see if adjustments are necessary to the FY 2025 IBNR accrual.

7. Certain budget lines had a large unexplained variance for purposes of FY 2025 fiscal close. Please provide additional information for drivers of this unexplained variance in the following budget lines.

a. Hospital – Regular

b. Nursing Home & Hospice

c. Home and Community Based Services

Each caseload, EOHHS re-estimates its FFS estimates using a standard methodology that imputes still outstanding claims activity based on historical completion factors. In the aggregate this is a reasonable approach; however, it is a mathematical formula that can admittedly create some anomalies based on unusual claims activity that can lead to significant over- or under-estimations when high cost are involved (e.g., IP hospital, NICU, nursing) or when there is a meaningful change in utilization patterns. The major variances correctly noted by House Fiscal can be largely explained by prior year accruals.

a. Hospital – Regular Variance

After correcting for SDP issue (see Question 6 above), there is a 5.3 million deficit for Hospitals – Regular. As noted by the conferees, this is a significant "error" on the relatively small base. With respect to Hospital IP and OP FFS, the Revised Enacted included 41,764,000 million for IP and OP (the conferees added 5.3 million in May CEC). Based on FFS claims activity for FY 2025 paid through 9/30/2025 and with IBNR applied, total estimated hospital FFS spending is 41,236,000 – i.e., very close. As such, the error is assumed to be associated with the prior year accrual.

The FY 2024 accrual was $8,331,963; however, the actual paid for FY 2024 and prior activity (paid YTD) was $13,280,689. This under accounting of the FY 2024 accrual accounts for the deficit and unexplained variance in FY 2025 activity compared to RIFANS close.

CEC_GRP	Hospitals - Regular							
AGENCY	Medicaid							
Sum of PAID		**SVC_SFY**						
CEC_GRP_LVL_2	**PD_SFY**	**2021**	**2022**	**2023**	**2024**	**2025**		
Inpatient	2024	$200,952	$1,393,699	$9,083,924	$23,961,496			
Inpatient	2025	-$5,018	$14,933	$2,569,400	$9,523,800	$23,466,272		$12,103,115
Outpatient	2024	-$1,986	-$299	$932,204	$5,979,690			
Outpatient	2025	-$491	-$2,818	-$6,422	$1,187,305	$7,052,259		$1,177,574
Grand Total		**$193,457**	**$1,405,515**	**$12,579,107**	**$40,652,292**	**$30,518,531**		$13,280,689

b. Nursing Home & Hospice variance

Working in the opposite direction as Hospitals – Regular, Nursing Home & Hospice has an negative variance.

Medicaid's summary of expenditures for FY 2025 reflects a variance of ($6,996,962) between incurred claims for FY 2025 and the RIFANS/ERP preliminary close. This implies that spending in FY 2025 was higher, by $7.0 million, than the fiscal close would suggest.

As with Hospitals – Regular, and error in the FY 2024 accrual accounts for the difference. FY 2024 accruals included $48,484,899 for Nursing Home and $6,197,569 for Hospice, totaling $54.7 million. The actual paid for FY 2024 and prior activity (paid YTD) was $48,050,512. The reversal of the $54.7 million in effect gave EOHHS a built-in surplus of $6.7 million for FY 2025 and explains nearly all of the variance.

CEC_GRP	Nursing and Hospice (Nursing Home & Hospice)						
AGENCY	Medicaid						
Sum of PAID		SVC_SFY					
CEC_GRP_LVL_2	PD_SFY	2021	2022	2023	2024	2025	
Hospice	2024	-$6,018	$56,246	$4,922,635	$20,628,329		
Hospice	2025			$81,343	$4,908,213	$27,447,510	$4,989,555
Nursing Home	2024	$6,547	$563,891	$41,695,310	$278,048,769		
Nursing Home	2025	-$5,030	$56,415	$670,772	$42,338,800	$324,618,231	$43,060,957
Grand Total		**-$4,500**	**$676,552**	**$47,370,060**	**$345,924,110**	**$352,065,741**	$48,050,512

c. Home and Community Based Services variance

The narrative of HCBS is like Nursing Home, the FY 2024 accrual was overstated. This delta is less surprising given the increasing utilization may be impacting the accuracy of mathematical model that relies on historical completion factors. For FY 2024 utilization increased dramatically over FY 2023, and in trying to project total spending we effectively overestimated the outstanding increase at fiscal year-end.

Medicaid's summary of expenditures for FY 2025 reflects a variance of ($6,848,340) between incurred claims for FY 2025 and the RIFANS/ERP preliminary close. This implies spending for FY 2025 activity was higher than the fiscal close suggests.

This variance is due to overestimating of HCBS accrual. For FY 2024, EOHHS accrued $17,450,417 for HCBS. Actual spending in FY 2025 for FY 2024 and prior was less at $12,320,310 – a delta of $5,130,107. The balance of the variance may suggest the need for a more modest downward revision to the FY 2025 accrual reflected in the preliminary close.

CEC_GRP	Home and Community (Nursing Home & Hospice)						
AGENCY	Medicaid						
Sum of PAID		SVC_SFY					
CEC_GRP_LVL_2	PD_SFY	2021	2022	2023	2024	2025	FY24 or Prior
Adult Day	2024			$240,724	$5,031,141		
Adult Day	2025				$283,138	$6,027,536	$283,138
Assisted Living	2024		$26,915	$3,102,327	$18,098,436		
Assisted Living	2025		$4,030	$152,166	$2,886,965	$22,161,423	$3,043,162
Personal Care	2024	-$311	$17,318	$4,234,253	$72,746,802		
Personal Care	2025	$4,069	$12,046	$29	$5,842,948	$130,981,501	$5,859,092
Personal Choice	2024	-$2,611		$3,010,076	$20,095,217		
Personal Choice	2025				$2,218,967	$24,873,584	$2,218,967
Shared Living	2024			$327,020	$7,225,352		
Shared Living	2025				$368,533	$9,997,908	$368,533
Other HCBS	2024	$2,042	-$12,854	$113,672	$3,237,537		
Other HCBS	2025	$11,220	$15,946	-$31,926	$552,178	$5,266,437	$547,418
Grand Total		**$14,409**	**$63,403**	**$11,148,341**	**$138,587,214**	**$199,308,390**	$12,320,310

8. Provide amount for Perry-Sullivan calculation after adjustments of missing claims activity.

After accounting for these missing days (and not including other Medicare-paid stays or Hospice days), **the adjusted census is 4,604 in FY 2025 compared to 4,559 in FY 2024.** Therefore, it does not appear that a Perry Sullivan appropriation is necessary.

Additional detail on methodology follows:

Figure IX-1 and Table IX-4 below are copied from EOHHS Nov 2025 CEC Testimony p. 42.

Based on YTD data, there has been a declining census of 73 clients in FY 2025 compared to FY 2024. At a per diem rate of $346 this is equivalent to $7,860,275.

However, after accounting for lags in FFS activity and outstanding claims submission, EOHHS anticipates overall census will be flat in FY 2025 compared to FY 2024 and/or show a modest growth in FY 2025 over FY 2024.

On the FFS side, there appears to be at least $9.0 million that is still outstanding claims activity for FY 2025 FFS activity. This is equivalent of 30,500 bed days or an **average census of 83 clients**.

We can also reasonably assume there is several million in outstanding claims in RHO: both long term stays and skilled Medicare days. Specifically, the number of clients enrolled in "IC60 NH > 90" declined from 643 in FY 2024 to 611 in FY 2025. However, this decline is significantly less than the decline in claims activity submitted to Medicaid as reflected in Table IX-4: i.e., from 606 in FY 2024 to 530 to FY 2025. This suggests their remains a lot of outstanding claims activity. Applying the same ratio of enrollment : claims in FY 2025 as reflected in FY 2024, suggests there are **outstanding claims equivalent a daily census 35 clients**.

Figure IX-1. Average daily nursing home census and paid amount by month, all payers, Jan-20 through Jun-25

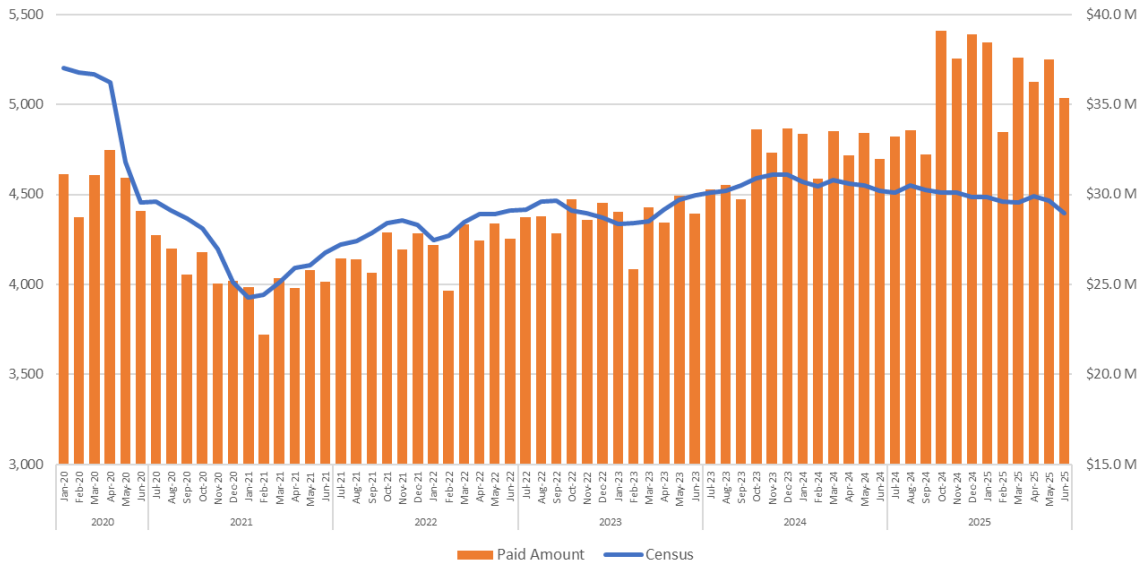

Table IX-4. Average daily nursing facility census, by fiscal year

	SFY 2020	SFY 2021	SFY 2022	SFY 2023	SFY 2024	SFY 2025
Regular FFS - Medicaid Days	4,459	3,672	3,725	3,616	3,822	3,824
Expansion FFS	73	73	87	75	87	89
Rhody Health Options	503	375	458	669	606	530
Other Managed Care	63	48	49	50	43	44
Total	5,099	4,168	4,320	4,411	4,559	4,486