



# OFFICE OF MANAGEMENT & BUDGET

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## MEMORANDUM

**To:** The Honorable Marvin L. Abney, Chairman, House Finance Committee  
The Honorable Louis P. DiPalma, Chairman, Senate Finance Committee

**From:** Joseph Codega Jr., Budget Officer 

**Date:** May 15, 2026

**Subject:** Amendments to FY 2027 Appropriations Act (26-H-7127)

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### Governor's Budget Amendment #16

The Governor requests that several amendments be made to the FY 2027 Appropriations Act. The amendments include changes to the appropriation amounts in Article 1, Relating to Making Appropriations in Support of FY 2027.

A total of \$7.0 million in new receipts stemming from a settlement involving the December 2024 RIBridges data breach creates a general revenue surplus within the RI Bridges budget of the Executive Office of Health and Human Services plus additional savings related to a reduction of contract expenditures. These collective changes will finance several of the Governor's priorities across the health and human services agencies. A companion amendment of GBA #15 is being submitted under separate cover recognizing the settlement monies.

Within the Executive Office of Health and Human Services total savings of \$1.2 million in general revenue (\$2.5 million in all funds) relates to a reduction in contracted care management and hospital transition services that are no longer eligible for Medicaid match; comparable Medicaid-eligible services will continue to be provided through managed care organizations. These savings are offset by increases in other programming including \$1.6 million in direct grant funds for the Newport Birthing Center. A total of \$0.4 million in general revenue (\$0.8 million all funds) is for updates for the nursing home behavioral health per diem add-on. The changes are intended to remove barriers to program utilization and incentivize greater usage of the per diem rate to address the continuum of care for patients. A total of \$2.0 million in general revenue will cover the Ryan White HIV Care program to maintain program solvency in the midst of escalating drug costs, reductions in drug rebate revenue and federal grant funding reductions ensuring continued coverage of its members.

The Governor recommends restoring a previously recommended savings initiative and adds \$0.3 million in general revenue to continue the Miriam Hospital Tuberculosis Clinic within the budget of the Department of Health.

A total of \$1.2 million in general revenue (\$3.3 million all funds) is recommended for the Office of Health Aging (OHA) At HOME cost-share Medicaid CNOM program due to higher program utilization than originally projected.

In addition to amendments to appropriations, the Governor recommends two additional amendments to Article 8, Relating to Medicaid Assistance within the Rhode Island Medicaid Reform Act of 2008 Resolution. The first amendment requests the Executive Office of Health and Human Services (EOHHS) Medicaid program to pursue federal authorities to implement a less restrictive nursing home behavioral health per-diem add-on rate program for skilled nursing facilities to care for patients who are considered behaviorally complex. This amendment requests an additional \$0.4 million in general revenue (\$0.8 million in all funds) as mentioned above. The second amendment requests for the EOHHS to pursue federal authorities to allow the Department of Children, Youth and Families (DCYF) to claim federal reimbursement for the provision of targeted case management services by DCYF staff.

If you have any questions regarding these amendments, please feel free to call me or my staff at 222-6300.

cc: Sharon Reynolds Ferland, House Fiscal Advisor  
Stephen Whitney, Senate Fiscal Advisor  
Thomas Verdi, Acting Director of Administration  
Brian Daniels, Director, Office of Management and Budget

**ARTICLE 1, RELATING TO MAKING APPROPRIATIONS IN SUPPORT OF FY 2027**

**SECTION 1, APPROPRIATIONS IN SUPPORT OF FY 2027**

**Executive Office of Health and Human Services**

Increase General Revenue for the Central Management program, Page 12, Line 23, by \$2,359,288 from \$94,942,371 to \$97,301,659. This amendment consists of three separate adjustments, 1) a decrease of \$1,240,712 to recognize savings related to contracts for care management and hospital transition services (27-EOHHS1), 2) an increase of \$2,000,000 to sustain the Ryan White HIV Care program operations (27-EOHHS2) and 3) an increase of \$1,600,000 for a new state directed grant for the Newport Birthing Center (27-EOHHS4).

Page 12, Line 26: Add an additional grant recipient by appending the following language to the proviso: “[...] \$1,600,000 is for the Newport Birthing Center.”

Decrease Federal Funds for the Central Management program, Page 12, Line 27, by \$1,240,712 from \$254,983,208 to \$253,742,496. This amendment recognizes savings related to contract services for care management and hospital transition services (27-EOHHS1).

Increase General Revenue for the Nursing Facilities program, Page 12, Line 34, by \$306,167 from \$200,251,776 to \$200,557,943. This amendment finances updates to the behavioral health per-diem add-on program for skilled nursing facilities to care for patients who are considered behaviorally complex. This amendment assumes a phase-in starting April 2027 (27-EOHHS3).

Increase General Revenue for the Other Services program, Page 13, Line 2, by \$51,134 from \$128,214,236 to \$128,265,370. This amendment finances updates to the behavioral health per-diem add-on program for skilled nursing facilities to care for patients who are considered behaviorally complex. This amendment assumes a phase-in starting April 2027 (27-EOHHS3).

Increase Federal Funds for the Nursing Facilities program, Page 13, Line 8, by \$419,518 from \$273,484,597 to \$273,904,115. This amendment finances updates to the behavioral health per-diem add-on program for skilled nursing facilities to care for patients who are considered behaviorally complex. This amendment assumes a phase-in starting April 2027 (27-EOHHS3).

Increase Federal Funds for the Other Services program, Page 13, Line 10, by \$70,066 from \$734,939,712 to \$735,009,778. This amendment finances updates to the behavioral health per-diem add-on program for skilled nursing facilities to care for patients who are considered behaviorally complex. This amendment assumes a phase-in starting April 2027 (27-EOHHS3).

**Department of Health**

Increase General Revenue for the Emergency Preparedness and Infectious Disease program, Page 15, Line 21, by \$315,000 from \$2,110,829 to \$2,425,829. This amendment reinstates the FY 2027 grant funding for the Miriam Hospital Tuberculosis Clinic (27-DOH1).

## **Department of Human Services**

Increase General Revenue for the Office of Healthy Aging program, Page 17, Line 21, by \$1,212,274 from \$15,147,684 to \$16,359,958. This amendment provides additional general revenue to cover increased costs for the OHA At Home Cost Share CNOM Medicaid program which has seen higher utilization (27-DHS1).

Increase Federal Funds for the Office of Healthy Aging program, Page 17, Line 26, by \$2,057,175 from \$17,698,161 to \$19,755,336. This amendment provides the federal Medicaid matching funds to cover increased costs for the OHA At Home Cost Share CNOM Medicaid program which has seen higher utilization (27-DHS1).

### **Article 8 - RELATING TO MEDICAL ASSISTANCE**

Page 179, After Line 27. Insert the following language and renumber subsequent sections: “Change to Rates for Nursing Facility Services. The secretary of the executive office of health and human services is authorized to pursue and implement any waiver amendments, state plan amendments, and/or changes to the applicable department’s rules, regulations, and procedures required to update the behavioral health per-diem add-on program for particularly complex patients to include, but not limited to, those who: (a) require nursing home level of care and have complex needs that are barriers to placement in a traditional nursing home, and have a history of persistent, disruptive behaviors requiring moderate-to-frequent intervention, (b) admission to a specialized nursing home is consistent with the least restrictive setting requirement enunciated in the landmark U.S. Supreme Court case, *Olmstead v. L.C* (1999) and (c) the individual must meet nursing facility level of care criteria and has been approved by BHDDH for specialized services through the BHDDH Level II PASRR determination process prior to admission to a specialized nursing home.”

Page 180, After Line 6. Insert the following language and renumber subsequent sections: “Targeted Case Management. The secretary of the executive office of health and human services is authorized to pursue and implement any waiver amendments, state plan amendments, and/or changes to the applicable department’s rules, regulations, and procedures required to implement updates to Medicaid’s authority to reimburse for the governmental provision of targeted case management to Medicaid enrolled children and youth (up to 21 years old) by qualified staff at the Department of Children, Youth and Families.”

**Summary of Governor's Article 1 Amendments to FY 2027 Appropriations Act (26-H-7127)**

|   | General<br>Revenue   | Federal<br>Funds     | Restricted<br>Receipts | Other<br>Funds       | Total                 | Amendment Code<br>(27-AGENCY#) |
|---|----------------------|----------------------|------------------------|----------------------|-----------------------|--------------------------------|
| <b>FY 2027 Expenditures (Original Governor's Recommend)</b>             | <b>5,954,795,830</b> | <b>5,640,219,479</b> | <b>460,765,791</b>     | <b>2,937,689,227</b> | <b>14,993,470,327</b> |                                |
| <b>May 2026 Amendments</b>  |                      |                      |                        |                      |                       |                                |
| <b>Executive Office of Health and Human Services</b>                    |                      |                      |                        |                      |                       |                                |
| <i>Rhode Island Parent Information Network (RIPIN) contract savings</i> | (1,240,712)          | (1,240,712)          |                        |                      | (2,481,424)           | 27-EOHHS1                      |
| <i>Ryan White HIV state funding</i>                                     | 2,000,000            |                      |                        |                      | 2,000,000             | 27-EOHHS2                      |
| <i>Nursing Home Behavioral Health Per Diem</i>                          | 357,301              | 489,584              |                        |                      | 846,885               | 27-EOHHS3                      |
| <i>State Directed Grant: Newport Birthing Center</i>                    | 1,600,000            |                      |                        |                      | 1,600,000             | 27-EOHHS4                      |
| <b>Department of Health</b>   |                      |                      |                        |                      |                       |                                |
| <i>Miriam Hospital Tuberculosis Clinic</i>                              | 315,000              |                      |                        |                      | 315,000               | 27-DOH1                        |
| <b>Department of Human Services</b>                                     |                      |                      |                        |                      |                       |                                |
| <i>OHA CNOM Program Growth</i>  | 1,212,274            | 2,057,175            |                        |                      | 3,269,449             | 27-DHS1                        |
|   |                      |                      |                        |                      | -                     |                                |
| <b>Total</b>  | <b>4,243,863</b>     | <b>1,306,047</b>     | <b>-</b>               | <b>-</b>             | <b>5,549,910</b>      |                                |
| <b>Grand Total</b>  | <b>5,959,039,693</b> | <b>5,641,525,526</b> | <b>460,765,791</b>     | <b>2,937,689,227</b> | <b>14,999,020,237</b> |                                |