Article 20 – Relating to Medicaid Reform Act of 2008

This article has been amended by adding a new subparagraph (f), enabling the Executive Office of Health and Human Services (EOHHS) to implement the authorities requested in the Section 1115 waiver renewal request upon approval by its federal partners, as appropriate. These changes to the joint resolution complement the amendments proposed to the Section 1115 waiver demonstration statute (RIGL 40-8-17) in Article 19. The addition of the new subparagraph (f) ensures that the EOHHS has the necessary level of state authority to seek the waiver or state plan changes to move forward with implementation subsequent to federal approval of the Section 1115 demonstration waiver extension request.

The joint resolution has also been amended in relabeled subparagraph (g) to authorize EOHHS to institute several eligibility and program changes required in conjunction with implementation of the federal Affordable Care Act (ACA). Specifically, the amendment addresses the extension of Medicaid eligibility up to age 26 for children covered by the Foster Care Independence Act of 1999. The amendment also grants EOHHS the discretion to pursue other opportunities under the ACA that will increase the availability of federal matching funds for services financed in whole or in part by the state, provided that such actions present no adverse impact to beneficiaries and will not require additional state appropriations.

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

TAM:13-Amend03
Attachments

cc: Sharon Reynolds Ferland, House Fiscal Advisor
Eugene Gessow, Senate Fiscal Advisor
Kelly Mahoney, Director of Policy
Richard Licht, Director of Administration
Peter Marino, Director, Office of Management and Budget
Gregory Stack, Supervising Budget Analyst

ARTICLE 20

RELATING TO MEDICAID REFORM ACT OF 2008

SECTION 1. *Rhode Island Medicaid Reform Act of 2008.*

WHEREAS, the General Assembly enacted Chapter 12.4 of Title 42 entitled "The Rhode Island Medicaid Reform Act of 2008"; and

WHEREAS, a Joint Resolution is required pursuant to Rhode Island General Laws § 42-12.4-1, et seq.; and

WHEREAS, Rhode Island General Law § 42-12.4-7 provides that any change that requires the implementation of a rule or regulation or modification of a rule or regulation in existence prior to the implementation of the global consumer choice section 1115 demonstration ("the demonstration") shall require prior approval of the general assembly; and further provides that any category II change or category III change as defined in the demonstration shall also require prior approval by the general assembly; and

WHEREAS, Rhode Island General Law § 42-7.2-5 provides that the Secretary of the Office of Health and Human Services is responsible for the "review and coordination of any Global Consumer Choice Compact Waiver requests and renewals as well as any initiatives and proposals requiring amendments to the Medicaid state plan or category II or III changes" as described in the demonstration, with "the potential to affect the scope, amount, or duration of publicly-funded health care services, provider payments or reimbursements, or access to or the availability of benefits and services as provided by Rhode Island general and public laws"; and

WHEREAS, in pursuit of a more cost-effective consumer choice system of care that is fiscally sound and sustainable, the secretary requests general assembly approval of the following proposals to amend the demonstration:

(a) *Nursing Facility Payment Rates – Eliminate Rate Increase.* The Medicaid agency proposes to eliminate the projected nursing facility rate increase and associated hospice rate increase that would otherwise become effective during state fiscal year 2014. A Category II

change is required to implement this proposal under the terms and conditions of the Global Consumer Choice Compact Waiver. Further, this change may also require the adoption of new or amended rules, regulations and procedures.

(b) *Medicaid Hospital Payment Rates – Eliminate Adjustments.* The Medicaid single state agency proposes to reduce hospital payments by eliminating the projected inpatient and outpatient hospital rate increase for state fiscal year 2014. A Category II change is required to implement this proposal under the terms and conditions of the Global Consumer Choice Compact Waiver. Further, this change may also require the adoption of new or amended rules, regulations and procedures.

(c) *Integrated Care Initiative – Implementation Phase-in.* The Medicaid single state agency proposes to continue implementation of the Medicaid Integrated Care Initiative for Adults authorized under the Rhode Island Medicaid Reform Act of 2008, as amended in 2011. Moving the initiative forward may require Category II changes under the terms and conditions of the Global Consumer Choice Compact Waiver and the adoption of new or amended rules, regulations and procedures.

(d) *BHDDH System Reforms – Implementation of Employment First and Housing First Initiative*. As part of ongoing reforms promoting rehabilitation services that enhance a person's dignity, self-worth and connection to the community, the Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals proposes to change Medicaid financing to support the Employment First and Housing First initiatives. Both initiatives use reductions in Medicaid payments to provide incentives for service alternatives that optimize health and independence. The resulting changes in payment rates may require Category II changes under the terms and conditions of the Global Consumer Choice Compact Waiver and the adoption of new or amended rules, regulations and procedures.

(e) *Costs Not Otherwise Matchable (CNOM) Federal Funding.* Implementation of the U.S. Patient Protection and Affordable Care Act of 2010 will render it unnecessary for the

Medicaid agency to continue to pursue federal CNOM funding for services to certain newly Medicaid eligible populations served by the Executive Office of Health and Human Services, the Department of Human Services and the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals. Category II changes may be necessary under the terms and conditions of the Global Consumer Choice Compact Waiver to facilitate the transition of the affected people and services to full Medicaid coverage.

(f) *Approved Authorities: Section 1115 Waiver Demonstration Extension.* The Medicaid agency proposes to implement authorities approved under the Section 1115 waiver demonstration extension request – formerly known as the Global Consumer Choice Waiver – that (1) continue efforts to re-balance the system of long term services and supports by assisting people in obtaining care in the most appropriate and least restrictive setting; (2) pursue further utilization of care management models that offer a health home, promote access to preventive care, and provide an integrated system of services; (3) use smart payments and purchasing to finance and support Medicaid initiatives that fill gaps in the integrated system of care; and (4) recognize and assure access to non-medical services and supports, such as peer navigation and employment and housing stabilization services, that are essential for optimizing a person's health, wellness and safety and that reduce or delay the need for long term services and supports.

(g) *Medicaid Requirements and Opportunities under the U.S. Patient Protection and Affordable Care Act of 2010.* The Medicaid agency proposes to pursue any requirements and/or opportunities established under the U.S. Patient Protection and Affordable Care Act of 2010 that may warrant a Medicaid State Plan Amendment and/or a Category II or III change under the terms and conditions of the Global Consumer Choice Compact Waiver or its successor or any extension thereof. Such opportunities and requirements include, but are not limited to: (1) the continuation of coverage for youths who had been in substitute care who are at least eighteen (18) years old but are not yet twenty-six (26) years of age, and who are eligible for Medicaid coverage under the Foster Care Independence Act of 1999 (2) the maximizing of Medicaid federal

matching funds for any services currently administered by the health and human services agencies that are authorized under Rhode Island general and public laws. Any such actions the Medicaid agency takes shall not have an adverse impact on beneficiaries or cause there to be an increase in expenditures beyond the amount appropriated for state fiscal year 2014.

Now, therefore, be it

RESOLVED, that the general assembly hereby approves proposals (a) through (f) listed above to amend the demonstration; and be it further

RESOLVED, that the secretary of the office of health and human services is authorized to pursue and implement any waiver amendments, category II or category III changes, state plan amendments and/or changes to the applicable department's rules, regulations and procedures approved herein and as authorized by § 42-12.4-7.

SECTION 2. This article shall take effect upon passage.