



## State of Rhode Island

### Caseload Estimating Conference

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#### MEMORANDUM

To: The Honorable Daniel McKee, Governor  
The Honorable Valarie J. Lawson, President of the Senate  
The Honorable Christopher R. Blazewski, Speaker of the House

From: Joseph M. Codega Jr., State Budget Officer  
Stephen H. Whitney, Senate Fiscal Advisor  
Sharon Reynolds Ferland, House Fiscal Advisor

Date: May 18, 2026

Subject: **May 2026 Caseload Estimating Conference**

#### SUMMARY

The Caseload Estimating Conference convened on May 4, 2026, in an open public meeting to estimate cash assistance caseload, costs for private community providers serving individuals with developmental disabilities, and medical assistance expenditures for FY 2026 and FY 2027.

Compared to the November 2025 Caseload Estimating Conference, the adopted estimate for FY 2026 decreases funding by \$34.2 million to \$4,455.6 million. This includes \$22.9 million less for Medical Assistance, \$11.6 million less for cash assistance, and \$288,095 more for community-based services for adults with developmental disabilities.

For FY 2027, the conferees adopted total expenses of \$4,639.0 million, which is \$43.8 million more than the November consensus. This includes \$61.3 million more for medical assistance, \$23.2 million less for cash assistance, and \$5.7 million more for community-based services for adults with developmental disabilities. Revisions to the November medical assistance estimates reflect updated enrollment and cost trends and delayed initiatives. Expenditures for child care assistance and services for developmentally disabled adults are revised consistent with historical trends. General revenue expenditures are expected to total \$1,685.1 million, an increase of \$11.7 million compared to the November estimate.

The following table summarizes the adopted estimates.

<b>May 2026 Consensus</b>	<b>FY 2026 May</b>	<b>Change to Nov.</b>	<b>FY 2027 May</b>	<b>Change to Nov.</b>
<b>Caseload Estimates</b>	<b>CEC</b>	<b>CEC</b>	<b>CEC</b>	<b>CEC</b>
<b>Cash Assistance</b>				
All Funds	\$ 118,053,148	\$ (11,554,817)	\$ 115,107,530	\$ (23,206,200)
General Revenue	\$ 28,591,884	\$ (11,280)	\$ 28,557,313	\$ (248,556)
<b>Private Community Developmentally Disabled Services</b>				
All Funds	\$ 459,662,618	\$ 288,095	\$ 474,662,618	\$ 5,686,113
General Revenue	\$ 199,739,418	\$ 201,247	\$ 202,997,078	\$ 1,943,336
<b>Medical Assistance</b>				
All Funds	\$ 3,877,900,000	\$ (22,900,000)	\$ 4,049,200,000	\$ 61,300,000
General Revenue	\$ 1,406,067,032	\$ (6,674,358)	\$ 1,453,544,054	\$ 9,969,235
<b>Consensus Caseload Total</b>				
All Funds	\$ 4,455,615,766	\$ (34,166,722)	\$ 4,638,970,148	\$ 43,779,913
General Revenue	\$ 1,634,398,334	\$ (6,484,391)	\$ 1,685,098,445	\$ 11,664,015

**Cash Assistance**

Cash assistance programs for FY 2026 are estimated to total \$118.1 million, a decrease of \$11.6 million from the November consensus. Activities funded by general revenue are estimated to be \$28.6 million, \$11,280 less than the November consensus.

FY 2027 expenditures are estimated to total \$115.1 million, \$23.2 million less than the November consensus. For FY 2027, general revenue expenditures are estimated at \$28.6 million, or \$248,556 less than the November Conference estimate.

<b>May 2026 Consensus Caseload Estimates</b>	<b>FY 2026 May CEC</b>	<b>Change to Nov. CEC</b>	<b>FY 2027 May CEC</b>	<b>Change to Nov. CEC</b>
<b>Cash Assistance</b>				
<b>Rhode Island Works</b>				
Persons	8,056	(1,344)	6,600	(2,985)
Monthly Cost per Person	\$ 286.84	\$ (0.16)	\$ 286.84	\$ (1.16)
Cash Payments	\$ 27,729,396	\$ (4,644,204)	\$ 22,717,728	\$ (10,408,032)
Monthly Bus Passes	397,564	(112,715)	325,710	(194,612)
Supportive Services	950,000	(50,000)	1,000,000	-
Clothing - Children	717,000	15,482	600,000	(115,000)
Catastrophic	200	(600)	1,000	-
<b>Total Costs (TANF)</b>	<b>\$ 29,794,160</b>	<b>\$ (4,792,037)</b>	<b>\$ 24,644,438</b>	<b>\$ (10,717,644)</b>
<b>Child Care</b>				
Subsidies	6,410	(590)	6,700	(1,000)
Annual Cost per Subsidy	\$ 10,850	\$ (50)	\$ 10,700	\$ (200)
<b>Total Costs</b>	<b>\$ 69,548,500</b>	<b>\$ (6,751,500)</b>	<b>\$ 71,690,000</b>	<b>\$ (12,240,000)</b>
Federal Funds	59,667,104	(6,751,500)	61,905,779	(12,240,000)
General Revenue	9,881,396	-	9,784,221	-
<b>SSI</b>				
Persons	30,480	(120)	30,550	-
Monthly Cost per Person	\$ 45.50	\$ 0.50	\$ 45.50	\$ 0.50
Cash Payments	\$ 16,642,080	\$ 118,080	\$ 16,680,300	\$ 183,300
Transaction Fees	69,000	(3,000)	72,000	-
<b>Total Costs</b>	<b>\$ 16,711,080</b>	<b>\$ 115,080</b>	<b>\$ 16,752,300</b>	<b>\$ 183,300</b>
<b>GPA</b>				
Persons	707	(65)	718	(194)
Monthly Cost per Person	162.00	-	162.00	(5.00)
<b>Total Payments</b>	<b>\$ 1,374,408</b>	<b>\$ (126,360)</b>	<b>\$ 1,395,792</b>	<b>\$ (431,856)</b>
Burials	625,000	-	625,000	-
<b>Total Costs</b>	<b>\$ 1,999,408</b>	<b>\$ (126,360)</b>	<b>\$ 2,020,792</b>	<b>\$ (431,856)</b>
<b>Cash Assistance Total</b>	<b>\$ 118,053,148</b>	<b>\$ (11,554,817)</b>	<b>\$ 115,107,530</b>	<b>\$ (23,206,200)</b>
Federal Funds	89,461,264	(11,543,537)	86,550,217	(22,957,644)
General Revenue	28,591,884	(11,280)	28,557,313	(248,556)

**Rhode Island Works**

The conferees project a caseload of 8,056 at an average monthly cost of \$286.84 in FY 2026, which is 1,344 individuals fewer than the November consensus estimate and a \$0.16 decrease in monthly cost. For FY 2027, the conferees adopt a caseload of 6,600 at an average monthly cost of \$286.84, which is 2,985 fewer individuals than adopted in November and a \$1.16 lower monthly cost. Expenditures for Rhode Island Works, including monthly bus passes and other supportive services, total \$29.8 million for FY 2026 and \$24.6 million for FY 2027. Program expenses are funded entirely by the federal Temporary Assistance for Needy Families (TANF) block grant. The Department attributes the decline from FY 2025 and prior estimates to a number of factors, including people leaving the state and the impact of recent wage increases on eligibility.

**Child Care Assistance**

The FY 2026 caseload estimate for child care assistance includes \$69.5 million to provide 6,410 children with subsidized care at an average yearly cost of \$10,850 per subsidy. The revised estimate assumes use of \$59.7 million from federal block grant funds and \$9.9 million from general revenue. Projected program expenses are anticipated to decrease by \$6.8 million from the November consensus based on updated enrollment data. The estimate also reflects projections related to the Child Care for Child Care Workers Pilot, which provides free child care to individuals working for an eligible provider.

For FY 2027, program costs are estimated to be \$71.7 million, for 6,700 subsidies at an average yearly cost of \$10,700 per subsidy. This represents 1,000 fewer subsidies and \$200.00 less per subsidy than adopted in November. The estimate assumes \$61.9 million from federal block grant funds and \$9.8 million from general revenue. The total cost is \$12.2 million less than the November consensus.

**Supplemental Security Income**

The caseload for the Supplemental Security Income program is estimated to be 30,480 persons in FY 2026 and 30,550 in FY 2027. The estimated monthly cost per person is \$45.50 in each year for total funding of \$16.7 million from general revenue in FY 2026 and \$16.8 million in FY 2027, inclusive of transaction costs.

**General Public Assistance**

For FY 2026, the Conference assumes 707 individuals at a monthly cost of \$162.00, which is 65 fewer individuals than November and no change in the monthly cost. The FY 2027 estimate assumes 718 individuals at \$162.00 per month; this is \$431,856 less than the November consensus and assumes 194 fewer participants at a \$5.00 lower monthly cost. Total costs for burials are estimated to be \$625,000 in FY 2026, and FY 2027. Total expenditures for payments in FY 2026 and FY 2027 are estimated to be \$2.0 million each year.

**Private Services for Individuals with Developmental Disabilities**

The Conference projects total costs for private services for individuals with developmental disabilities of \$459.7 million in FY 2026, including \$259.9 million from federal funds and \$199.7 million from general revenue. This is \$288,095 more than the adopted estimates from the November Conference, including \$201,247 more from general revenue.

For FY 2027, the Conference projects spending of \$474.7 million, including \$271.7 million from federal funds and \$203.0 million from general revenue. This is \$5.7 million more than the November estimate, including \$1.9 million more from general revenue. The following subsections describe the service categories selected for estimating purposes.

<b>May 2026 Consensus Caseload Estimates</b>	<b>FY 2026 May CEC</b>	<b>Change to Nov. CEC</b>	<b>FY 2027 May CEC</b>	<b>Change to Nov. CEC</b>
<b>Private Community Developmentally Disabled Services</b>				
Residential Habilitation (Non-L9)	\$ 207,500,000	\$ (3,500,000)	\$ 216,000,000	\$ 500,000
Residential Habilitation (L9 Supplemental)	20,500,000	500,000	21,000,000	400,000
<i>Residential Habilitation Total</i>	<i>\$ 228,000,000</i>	<i>\$ (3,000,000)</i>	<i>\$ 237,000,000</i>	<i>\$ 900,000</i>
Community-Based Supports	181,200,000	1,200,000	187,500,000	3,500,000
Day Program	6,200,000	(100,000)	6,500,000	-
Employment	7,100,000	-	7,500,000	200,000
Transportation	15,800,000	(100,000)	16,200,000	-
Professional & Other Supports	14,800,000	1,900,000	15,100,000	1,800,000
Transformation Phase III	1,500,000	288,095	900,000	96,113
Contract Transportation	1,950,000	-	1,950,000	(10,000)
Non-Medicaid Placements	3,112,618	100,000	2,012,618	(800,000)
<b>Total Costs</b>	<b>\$ 459,662,618</b>	<b>\$ 288,095</b>	<b>\$ 474,662,618</b>	<b>\$ 5,686,113</b>
Federal Funds	259,923,200	86,847	271,665,540	3,742,777
General Revenue	199,739,418	201,247	202,997,078	1,943,336

**Residential Habilitation**

Residential habilitation includes congregate and non-congregate living supports. The estimate for residential habilitation is divided into standard and L9 supplemental estimates, depending on the type of authorization used for service delivery. For 2026, standard residential habilitation expenditures are estimated to be \$207.5 million, while L9 supplemental expenses are estimated at \$20.5 million. Together, these total \$228.0 million, which is \$3.0 million less than the November estimate. The FY 2027 projection totals \$237.0 million, which is \$900,000 more than the November estimate, and includes \$216.0 million for standard expenses and \$21.0 million for L9 expenses.

**Community-Based Supports**

The community-based supports category captures services offered at community-based day programs including the provision of education and training. The Conference estimates \$181.2 million for FY 2026, an increase of \$1.2 million as compared to the November estimate. For FY 2027, the estimate is \$187.5 million, or \$3.5 million more than the revised estimate.

**Day Program**

Day program captures services offered at center-based day programs, including the provision of education and training. Day Program expenditures are estimated at \$6.2 million in FY 2026, \$100,000 less than the November estimate. FY 2027 expenditures are estimated at \$6.5 million, which is the same as the November estimate.

### **Employment**

Employment services include job assessment and development, job coaching, and job retention for adults with developmental disabilities. For FY 2026, the Conference estimates \$7.1 million for employment services, which represents no change from the November estimate. FY 2027 expenditures are estimated to be \$7.5 million, which is \$200,000 more than the November consensus.

### **Transportation**

The transportation service category provides funding for transportation for individuals to and from employment and day program activities. Transportation costs are estimated to be \$15.8 million in FY 2026, which represents a decrease of \$100,000 from the November estimate. For FY 2027, the Conference estimates \$16.2 million, which represents no change from the November estimate.

### **Professional and Other Supports**

The professional and other supports category encompasses the various services an individual can receive including, but not limited to, medical, psychiatric, and attendant care, home modifications, assistive technology, and support facilitation. For FY 2026, the Conference estimates \$14.8 million, an increase of \$1.9 million as compared to the November estimate. For FY 2027, the Conference estimates \$15.1 million, an increase of \$1.8 million from the November estimate.

### **Transformation Phase III**

This category represents a pool of funding that will be granted to providers based on submitted proposals to increase employment outcomes for the caseload population. The Conference estimates \$1.5 million in FY 2026, an increase of \$288,095 as compared to the November estimate. FY 2027 expenditures are estimated to be \$900,000, an increase of \$96,113 as compared to the November estimate.

### **Contract Transportation**

Contract transportation reflects the expected cost of the agreement with the Rhode Island Public Transit Authority to cover expenses for public transportation used by the caseload population. The Conference estimates \$2.0 million for each year, which represents no change from the November estimate for FY 2026 and \$10,000 less in FY 2027. Expenses will be fully funded with general revenue, as the Department continues to work with the Executive Office of Health and Human Services to determine if an agreement can be reached to claim a Medicaid match for these services.

### **Non-Medicaid Funded**

This category includes items that are not currently eligible to receive Medicaid. The Conference estimates \$3.1 million in FY 2026, an increase of \$100,000 as compared to the November estimate. In FY 2027, the Conference estimates \$2.0 million, a decrease of \$800,000 as compared to the November estimate which recognizes the ability claim a Medicaid match for placements formerly in this category. Estimates in each year include \$12,618 in monthly stipend payments to family caregivers of individuals who formerly resided at the Ladd Center.

### Medical Assistance

The Conference projects total medical assistance spending of \$3,877.9 million in FY 2026, including \$2,464.5 million from federal funds, \$1,406.1 million from general revenue, and \$7.4 million from restricted receipts. This is \$22.9 million less than the November consensus, including \$6.7 million less from general revenue.

For FY 2027, the Conference projects spending of \$4,049.2 million, including \$2,584.7 million from federal funds, \$1,453.5 million from general revenue, and \$10.9 million from restricted receipts. This estimate is \$61.3 million more than November with increases of \$47.7 million from federal funds, \$10.0 million from general revenue and \$3.6 million from restricted receipts.

Estimates for both fiscal years reflect a decline in enrollment following the second application of The Work Number (TWN) income verification initiative for purposes of Post Eligibility Verification of MAGI-eligible beneficiaries. Enrollment estimates are largely impacted by federal changes included in H.R. 1 including immigration status and new community engagement requirements. Due to updated guidance on impacted noncitizens and more clarity on the timing of the implementation of the community engagement and six-month renewal requirements, there is a significant reduction in the number of closures compared to November for FY 2027. Estimates also include the Medicaid costs of the primary care health assessment. The assessment, enacted in FY 2026, is based on a per member per month fee applied to all covered lives to support primary care and other healthcare programs. The Conference assumes state-only costs for the assessment beginning October 1, 2026, due to the H.R. 1 restrictions on the imposition of new provider taxes.

<b>May 2026 Consensus</b>				
<b>Caseload Estimates</b>	<b>FY 2026 May CEC</b>	<b>Change to Nov. CEC</b>	<b>FY 2027 May CEC</b>	<b>Change to Nov. CEC</b>
<b>Medical Assistance</b>				
Regular Hospital Payments	\$ 71,155,053	\$ (5,700,000)	\$ 82,155,053	\$ (4,700,000)
Disproportionate Share Payments	13,900,000	-	13,900,000	-
State Directed Payments	331,344,947	-	331,344,947	-
<i>Hospitals - Total</i>	<i>\$ 416,400,000</i>	<i>\$ (5,700,000)</i>	<i>\$ 427,400,000</i>	<i>\$ (4,700,000)</i>
Nursing and Hospice Care	453,000,000	-	483,000,000	5,000,000
Home and Community Care	296,000,000	11,400,000	304,600,000	13,100,000
<i>Long Term Care Services Total</i>	<i>\$ 749,000,000</i>	<i>\$ 11,400,000</i>	<i>\$ 787,600,000</i>	<i>\$ 18,100,000</i>
Managed Care	1,090,000,000	(16,800,000)	1,171,000,000	5,700,000
Rhody Health Partners	337,700,000	1,000,000	336,500,000	(12,400,000)
Rhody Health Options	247,800,000	5,100,000	270,300,000	22,500,000
Other Medical Services	216,900,000	(400,000)	223,500,000	200,000
Medicaid Expansion	724,900,000	(16,600,000)	735,800,000	34,200,000
Pharmacy/Clawback	95,200,000	(900,000)	97,100,000	(2,300,000)
<b>Total Medical Assistance</b>	<b>\$ 3,877,900,000</b>	<b>\$ (22,900,000)</b>	<b>\$ 4,049,200,000</b>	<b>\$ 61,300,000</b>
Federal Funds	2,464,460,374	(16,248,236)	2,584,716,672	47,741,491
General Revenue	1,406,067,032	(6,674,358)	1,453,544,054	9,969,235
Restricted Receipts	7,372,593	22,593	10,939,274	3,589,274

### Hospitals

Hospital expenditures are estimated to be \$416.4 million for FY 2026 and \$427.4 million for FY 2027. This is \$5.7 million less in FY 2026 and \$4.7 million less in FY 2027 than estimated in November. The largest piece of the estimate is the state directed payments made through the managed care plans, totaling \$331.3 million for both FY 2026 and FY 2027, consistent with November.

Disproportionate Share Hospital payments in both FY 2026 and FY 2027 total \$13.9 million, consistent with November.

### **Long Term Care**

Long term care expenditures are estimated to be \$749.0 million in FY 2026 and \$787.6 million in FY 2027. Nursing facility expenses represent \$453.0 million of the FY 2026 amount and \$483.0 million in FY2027, representing no change from November for FY 2026 and an increase of \$5.0 million relative to the November consensus for FY 2027 due to increased utilization.

The estimates include \$296.0 million for FY 2026 and \$304.6 million for FY 2027 for home and community-based services. This is \$11.4 million more for FY 2026 and \$13.1 million more for FY 2027 relative to the November estimate to adjust for utilization in both fiscal years. Consistent with the enacted budget, the estimate for home care no longer includes an annual inflationary index as relevant rates are subject to the biennial OHIC rate review process.

### **Managed Care**

FY 2026 expenditures for managed care are estimated to be \$1,090.0 million, \$16.8 million less than November. Costs for FY 2027 are estimated to total \$1,171.0 million, \$5.7 million more than the November estimate. The FY 2027 variances are largely explained by changes in enrollment estimates impacted by H.R. 1 federal changes. The estimate also includes \$19.0 million in FY 2026 and \$15.0 million in FY 2027 for the state-only expense for children who would qualify for coverage but for their immigration status.

### **Rhody Health Partners**

Rhody Health Partners program expenses are estimated at \$337.7 million for FY 2026, which is \$1.0 million more than November. FY 2027 expenditures are estimated to be \$336.5 million, which is \$12.4 million less than the November estimate. The FY 2027 decrease is largely due to a decrease in premium payments due to flat enrollment projections with lower per member costs partially offset by a decrease in pharmacy rebates.

### **Rhody Health Options**

Expenses for Rhody Health Options, the state's integrated care initiative, which provides acute and long-term care services to individuals eligible for both Medicare and Medicaid (dual eligibles), are estimated to be \$247.8 million for FY 2026. This represents an increase of \$5.1 million compared to the November consensus. FY 2027 expenses are estimated to total \$270.3 million, \$22.5 million more than the November consensus. On January 1, 2026, EOHHS implemented a new Fully Integrated Dual Eligible Special Needs Plan (FIDE-SNP), a type of Medicare Advantage plan which combines dual eligible benefits into one single plan. Projected increases in the program are primarily due to higher-than-expected price growth in the new FIDE-SNP as well as the inclusion of CCBHC expenditures.

### **Other Medical Services**

Expenditures for other medical services are estimated to be \$216.9 million for FY 2026, a decrease of \$400,000 compared to November. The FY 2027 estimate of \$223.5 million, is \$200,000 more than estimated in November.

### **Medicaid Expansion**

The FY 2026 estimate for the Medicaid Expansion population is \$724.9 million, which is \$16.6 million less than estimated in November. This includes reissued rates and updated enrollment. The FY 2027 estimate of \$735.8 million is \$34.2 million more than November. FY 2027 variances are largely explained by changes in enrollment estimates impacted by H.R. 1 federal changes.

### **Pharmacy**

Pharmacy expenses are estimated to be \$95.2 million for FY 2026 and \$97.1 million for FY 2027. Nearly all the funding is for the Medicare Part D clawback payment, funded solely from general revenue. There are decreases to the November estimates of \$900,000 for FY 2026 and \$2.3 million for FY 2027. The

Medicare Part D payment is the state's portion of the federal Medicare pharmacy costs for its population that are dual-eligibles. Decreases of \$700,000 in FY 2026 and \$2.2 million in FY 2027 in the Part D clawback are due to forecasted enrollment declines. The remaining decreases can be explained by the removal of the full liability for the high cost of cell and gene therapy treatments from fee-for-service lines and inclusion in the managed care rates in FY 2026 and FY 2027.

The next required meeting of the Conference is November 2026.

cc: The Honorable Louis P. DiPalma, Chairman  
Senate Finance Committee

The Honorable Marvin L. Abney, Chairman  
House Finance Committee