State of Rhode Island

Caseload Estimating Conference

SHARON REYNOLDS FERLAND
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November 2025 Conference Chair

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MEMORANDUM

To: The Honorable K. Joseph Shekarchi, Speaker of the House
The Honorable Daniel McKee, Governor
The Honorable Valarie J. Lawson, President of the Senate

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

Date: November 17, 2025

Subject: **November 2025 Caseload Estimating Conference**

SUMMARY

The Caseload Estimating Conference convened on November 4, 2025, in an open public meeting to estimate cash assistance caseloads, costs for private community providers serving individuals with developmental disabilities, and medical assistance expenditures for FY 2026 and FY 2027.

Compared to the enacted budget, the adopted estimate for FY 2026 decreases expenses by $41.8 million from all sources, including $9.1 million from general revenues and $32.8 million from federal funds.

FY 2027 program costs are estimated to total $4,595.2 million, representing an increase of $105.4 million over the revised estimate and $63.6 million over the enacted budget. The general revenue components of those increases are $32.6 million and $23.5 million, respectively.

The following table summarizes the adopted estimates.

November 2025 Caseload Estimates	FY 2026 Enacted	FY 2026 Nov. CEC	Change to Enacted	FY 2027 Nov. CEC	Change to FY 2026 Nov.
Cash Assistance					
All Funds	$ 138,028,892	$ 129,607,965	$ (8,420,927)	$ 138,313,730	$ 8,705,765
General Revenues	28,804,158	28,603,164	(200,994)	28,805,869	202,705
Medical Assistance					
All Funds	$ 3,941,048,697	$ 3,900,800,000	$ (40,248,697)	$ 3,987,900,000	$ 87,100,000
General Revenues	1,426,413,116	1,412,741,390	(13,671,726)	1,443,574,819	30,833,429
Private Community Developmentally Disabled Services					
All Funds	$ 452,523,418	$ 459,374,523	$ 6,851,105	$ 468,976,505	$ 9,601,982
General Revenues	194,720,018	199,538,171	4,818,153	201,053,742	1,515,571
Consensus Caseload Total					
All Funds	$ 4,531,601,007	$ 4,489,782,488	$ (41,818,519)	$ 4,595,190,235	$ 105,407,747
General Revenues	1,649,937,292	1,640,882,725	(9,054,567)	1,673,434,430	32,551,705

Cash Assistance

Cash assistance program expenses for FY 2026 are estimated at $129.6 million, a decrease of $8.4 million from the enacted budget. Activities funded from general revenues are estimated to be $28.6 million, which is $0.2 million less than the enacted amount. FY 2027 expenditures are projected to reach $138.3 million, $8.7 million higher than the FY 2026 revised estimate, with $0.2 million of the increase coming from general revenues.

Rhode Island Works

The conferees project a caseload of 9,400 for FY 2026, with an average monthly cost per person of $287.00, which is 475 fewer individuals and $11.00 less per month per case than enacted. For FY 2027, the estimated caseload is projected to increase to 9,585, with an average monthly cost of $288.00 per person. This reflects an increase of 185 individuals and $1.00 in monthly costs compared to the FY 2026 revised estimate. Expenditures for Rhode Island Works, funded entirely by the federal Temporary Assistance for Needy Families block grant, total $34.6 million in FY 2026 and $35.4 million in FY 2027. This total includes $2.2 million in both years for bus passes and other supportive services.

Child Care Assistance

The FY 2026 caseload estimate for child care assistance includes $76.3 million to provide subsidized child care to 7,000 children at an average yearly cost of $10,900 per subsidy. The revised estimate assumes use of $66.4 million from federal block grant funds and $9.9 million from general revenues. Total expenses are expected to decrease by $5.2 million from the enacted budget. The FY 2026 enacted budget extended the childcare educators pilot program until July 2028, which exempts qualified participants from copayments and established an infant rate for center-based child care providers separate from, and 20 percent higher than, the toddler rate.

The 2024 Child Care and Development Fund final rule requires states to make several changes to subsidized child care programs. One change is to pay providers based on a child's enrollment, instead of attendance. Rhode Island plans to implement this change in March 2026, with the first payments scheduled for April. This marks a transition from current practice, where providers are paid based on actual attendance in a two-week period.

The estimate for FY 2027 is $83.9 million, assuming 7,700 subsidies, or 700 more than the revised estimate. at $10,900 per subsidy, consistent with FY 2026. By source, the estimate assumes $74.1 million from federal block grant funds and $9.8 million from general revenues.

Supplemental Security Income

The Supplemental Security Income program is estimated to cover 30,600 persons in FY 2026 and 30,550 in FY 2027 at a monthly cost per person of $45.00 for both fiscal years. The total cost of $16.6 million in FY 2026 is $84,780 less than enacted. The total cost in FY 2027 is $16.6 million, $27,000 less than the FY 2026 revised estimate.

General Public Assistance

Total expenditures for general public assistance are estimated to be $2.1 million in FY 2026 and $2.5 million in FY 2027, with $625,000 assumed for burials in both fiscal years. For FY 2026, the Conference estimates 772 individuals at a monthly cost of $162.00; this is $0.1 million less than enacted and assumes eight fewer participants and $7.00 less per month. The FY 2027 estimate assumes 912 individuals at $167.00 per month.

November 2025 Consensus Caseload Estimates	FY 2026 Enacted	FY 2026 Nov. CEC	Change to Enacted	FY 2027 Nov. CEC	Change to FY 2026
Cash Assistance					
Rhode Island Works					
Persons	9,875	9,400	(475)	9,585	185
Monthly Cost per Person	$ 298.00	$ 287.00	$ (11.00)	$ 288.00	$ 1.00
Cash Payments	$ 35,313,000	$ 32,373,600	$ (2,939,400)	$ 33,125,760	$ 752,160
Monthly Bus Passes	536,064	510,279	(25,785)	520,322	10,043
Supportive Services	1,000,000	1,000,000	-	1,000,000	-
Clothing - Children	750,000	701,518	(48,482)	715,000	13,482
Catastrophic	1,200	800	(400)	1,000	200
Total Costs (TANF)	**$ 37,600,264**	**$ 34,586,197**	**$ (3,014,067)**	**$ 35,362,082**	**$ 775,885**
Child Care					
Subsidies	6,818	7,000	182	7,700	700
Annual Cost per Subsidy	$ 11,956	$ 10,900	$ (1,056)	$ 10,900	$ -
Total Costs	**$ 81,516,008**	**$ 76,300,000**	**$ (5,216,008)**	**$ 83,930,000**	**$ 7,630,000**
Federal Funds	71,624,470	66,418,604	(5,205,866)	74,145,779	7,727,175
General Revenues	9,891,538	9,881,396	(10,142)	9,784,221	(97,175)
SSI					
Persons	30,757	30,600	(157)	30,550	(50)
Monthly Cost per Person	$ 45.04	$ 45.00	$ (0.04)	$ 45.00	$ -
Cash Payments	$ 16,608,780	$ 16,524,000	$ (84,780)	$ 16,497,000	$ (27,000)
Transaction Fees	72,000	72,000	-	72,000	-
Total Costs	**$ 16,680,780**	**$ 16,596,000**	**$ (84,780)**	**$ 16,569,000**	**$ (27,000)**
GPA Bridge					
Persons	780	772	(8)	912	140
Monthly Cost per Person	$ 169.00	$ 162.00	$ (7.00)	$ 167.00	$ 5.00
Total Payments	$ 1,581,840	$ 1,500,768	$ (81,072)	$ 1,827,648	$ 326,880
Burials	650,000	625,000	(25,000)	625,000	-
GPA/Bridge	**$ 2,231,840**	**$ 2,125,768**	**$ (106,072)**	**$ 2,452,648**	**$ 326,880**
Cash Assistance Total	**$ 138,028,892**	**$ 129,607,965**	**$ (8,420,927)**	**$ 138,313,730**	**$ 8,705,765**
Federal Funds	109,224,734	101,004,801	(8,219,933)	109,507,861	8,503,060
General Revenues	28,804,158	28,603,164	(200,994)	28,805,869	202,705

Private Services for Individuals with Developmental Disabilities

The Conference projects that total costs for private services for individuals with developmental disabilities will reach $459.4 million in FY 2026. This includes $259.8 million from federal funds and $199.5 million from general revenues. The total exceeds the enacted budget by $6.9 million, with $4.8 million of that coming from general revenues.

For FY 2027, the Conference estimates spending at $469.0 million, with $267.9 million from federal funds and $201.1 million from general revenues. This is $9.6 million higher than the revised estimate, including a $1.5 million increase in general revenues. The following subsections explain the service categories selected for estimation purposes.

November 2025 Consensus Caseload Estimates	FY 2026 Enacted	FY 2026 Nov. CEC	Change to Enacted	FY 2027 Nov. CEC	Change to FY 2026
Private Community Developmentally Disabled Services					
Residential Habilitation (Non-L9)	$ 210,200,000	$ 211,000,000	$ 800,000	$ 215,500,000	$ 4,500,000
Residential Habilitation (L9 Supplemental)	18,600,000	20,000,000	1,400,000	20,600,000	600,000
Residential Habilitation Total	*$ 228,800,000*	*$ 231,000,000*	*$ 2,200,000*	*$ 236,100,000*	*$ 5,100,000*
Community-Based Supports	166,800,000	180,000,000	13,200,000	184,000,000	4,000,000
Day Program	8,400,000	6,300,000	(2,100,000)	6,500,000	200,000
Professional & Other Supports	19,000,000	12,900,000	(6,100,000)	13,300,000	400,000
Employment	7,500,000	7,100,000	(400,000)	7,300,000	200,000
Transformation Phase III	2,500,000	1,211,905	(1,288,095)	803,887	(408,018)
Transportation	16,000,000	15,900,000	(100,000)	16,200,000	9,500,000
Contract Transportation	2,310,800	1,950,000	(360,800)	1,960,000	10,000
Non-Medicaid Placements	1,212,618	3,012,618	1,800,000	2,812,618	(200,000)
Total Costs	**$ 452,523,418**	**$ 459,374,523**	**$ 6,851,105**	**$ 468,976,505**	**$ 9,601,982**
Federal Funds	257,803,400	259,836,352	2,032,952	267,922,763	8,086,411
General Revenues	194,720,018	199,538,171	4,818,153	201,053,742	1,515,571

Residential Habilitation

Residential habilitation includes both 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 FY 2026, standard residential habilitation expenses are projected at $211.0 million, while L9 supplemental expenses are estimated at $20.0 million. Together, these total $231.0 million, which is $2.2 million more than originally enacted. The FY 2027 projection totals 236.1 million, which is 5.1 million more than the revised estimate, and includes $215.5 million for standard expenses and $20.6 million for L9 expenses.

Community-Based Services

Community-based day programs, including peer-to-peer support, assistance with daily activities, and training. The Conference estimates $180.0 million for FY 2026 expenditures, which is $13.2 million more than enacted. For FY 2027, the estimate is $184.0 million, or $4.0 million more than the revised estimate.

Day Program

Day program expenditures are estimated to be $6.3 million in FY 2026, $2.1 million less than enacted. FY 2027 expenditures are estimated to be $6.5 million, $0.2 million more than the revised 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 $12.9 million, a decrease of $6.1 million compared to the enacted budget based on updated expenses. For FY 2027, the Conference estimates $13.3 million, an increase of $0.4 million from the adjusted revised 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 is $0.4 million less than enacted. FY 2027 expenditures are estimated to be $7.3 million, which is $0.2 million more than the FY 2026 revised estimate

Transformation Phase III
The Transformation category represents a pool of funding that will be allocated to providers based on submitted proposals to enhance employment outcomes for the caseload population. The Conference estimates $1.2 million for FY 2026, which is $1.3 million less than the enacted budget, and $0.8 million for FY 2027.

Transportation
The transportation service category funds transportation for individuals to and from employment and day program activities. Transportation costs are estimated at $15.9 million for FY 2026 and $16.2 million for FY 2027.

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 is $0.4 million more than the enacted budget. Expenses will be fully funded from general revenues, as the Department is still working with the Executive Office of Health and Human Services to finalize an agreement to claim a Medicaid match for these services.

Non-Medicaid Funded
The Conference estimates $3.0 million for FY 2026 and $2.8 million for FY 2027 for items that are not currently eligible for Medicaid match. This is $1.8 million and $1.6 million more than the FY 2026 enacted, respectively. Expenses include $12,618 for monthly stipend payments to family caregivers of individuals who formerly resided at the Ladd Center in both years.

Medical Assistance

The Conference projects total medical assistance spending of $3,900.8 million in FY 2026, including $2,480.7 million from federal funds, $1,412.7 million from general revenues, and $7.4 million from restricted receipts. This represents $40.2 million less than the enacted amount from all sources, including $13.7 million less from general revenues.

For FY 2027, the Conference projects spending of $3,987.9 million, including $2,537.0 million from federal funds, $1,443.6 million from general revenues, and $7.4 million from restricted receipts. The estimate is $87.1 million more than the revised estimate for FY 2026, including $56.3 million from federal funds and $30.8 million from general revenues.

Federal legislation, contained in H.R. 1, enacted in July 2025, includes changes to the Medicaid program that will take effect over several fiscal years. The FY 2027 estimate accounts for the projected effects of two of these changes: community engagement work requirements and eligibility for a "qualified alien." The specific impacts on each category are described in the following items where appropriate. Federal guidelines have not yet been issued.

November 2025 Consensus Caseload Estimates	FY 2026 Enacted	FY 2026 Nov. CEC	Change to Enacted	FY 2027 Nov. CEC	Change to FY 2026
Medical Assistance					
Regular Hospital Payments	$ 76,881,246	$ 76,855,053	$ (26,193)	$ 86,855,053	$ 10,000,000
Disproportionate Share Payments	13,900,000	13,900,000	-	13,900,000	-
State Directed Payments	331,344,947	331,344,947	-	331,344,947	-
Hospitals - Total	*$ 422,126,193*	*$ 422,100,000*	*$ (26,193)*	*$ 432,100,000*	*$ 10,000,000*
Nursing Facilities	477,321,981	453,000,000	(24,321,981)	478,000,000	25,000,000
Home & Comm. Care	293,779,386	284,600,000	(9,179,386)	291,500,000	6,900,000
Long Term Care Services	*$ 771,101,367*	*$ 737,600,000*	*$ (33,501,367)*	*$ 769,500,000*	*$ 31,900,000*
Managed Care	1,117,462,318	1,106,800,000	(10,662,318)	1,165,300,000	58,500,000
Rhody Health Partners	341,201,948	336,700,000	(4,501,948)	348,900,000	12,200,000
Medicaid Expansion	730,790,208	741,500,000	10,709,792	701,600,000	(39,900,000)
Rhody Health Options	220,353,823	242,700,000	22,346,177	247,800,000	5,100,000
Other Medical Services	233,812,840	217,300,000	(16,512,840)	223,300,000	6,000,000
Pharmacy/Clawback	104,200,000	96,100,000	(8,100,000)	99,400,000	3,300,000
Total Medical Assistance	**$3,941,048,697**	**$3,900,800,000**	**$ (40,248,697)**	**$3,987,900,000**	**$ 87,100,000**
Federal Funds	$2,507,285,581	$2,480,708,610	$ (26,576,971)	$2,536,975,181	$ 56,266,571
General Revenues	1,426,413,116	1,412,741,390	(13,671,726)	1,443,574,819	30,833,429
Restricted Receipts	7,350,000	7,350,000	-	7,350,000	-

Hospitals
FY 2026 hospital expenditures are estimated to be $422.1 million, including state-directed payments of $331.3 million and disproportionate share hospital payments of $13.9 million. While the total is essentially unchanged, there is a $2.3 million decrease in fee-for-service activity, offset by adjustments to the Upper Payment Limit supplementary payments based on Medicare cost report submissions.

FY 2027 hospital expenditures are projected to reach $432.1 million, which is $10.0 million higher than the revised estimate. The projection assumes a 3.3 percent increase in hospital rates starting July 1, 2026. There is $27.5 million allocated for upper payment limit reimbursements, consistent with the revised FY 2026 levels. The state-directed payment of $331.4 million and the disproportionate share payment of $13.9 million both align with the enacted budget.

Long Term Care
Long term care expenditures are estimated to be $737.6 million in FY 2026 and $769.5 million in FY 2027. The FY 2026 estimate of $453.0 million for nursing and hospice care is $24.3 million less than enacted, reflecting a downward adjustment to the utilization increase in the enacted budget. In FY 2027, the nursing facility estimate is $25.0 million higher at $478.0 million. The increases assume a 6.2 percent rate adjustment on October 1, 2026, annualization of the FY 2026 annual increase, and an adjustment for utilization.

The Conference estimates $284.6 million for home and community-based services in FY 2026. This represents $9.2 million less than the enacted budget, primarily reflecting an adjusted utilization assumption. The FY 2027 estimate of $291.5 million is $6.9 million higher than the revised FY 2026 estimate and includes an increase in expenses for the PACE program.

Managed Care
FY 2026 expenditures for managed care are estimated to be $1,106.8 million, a $10.7 million decrease from the enacted budget. The decrease is primarily attributable to lower enrollment estimates across managed care product lines, offset by an increase in the average cost paid for births and a $5.0 million anticipated Risk Share payment.

Costs for FY 2027 are estimated at $1,165.3 million, which is $58.5 million more than the revised FY 2026 consensus estimate. The estimate assumes a decrease in enrollment resulting from recent federal changes that limit eligibility for certain non-citizens and impose work requirements for parents with older children. It also assumes an increase in the average cost of neonatal intensive care unit expenses and births, as well as a 5.0 percent price increase.

Rhody Health Partners
Program expenses are estimated at $336.7 million for FY 2026, which is $4.5 million less than enacted based on lower enrollment, a reduction in the composite monthly payment, and increased rebates offset by $1.8 million for an anticipated Risk Share payment. FY 2027 expenditures are estimated to be $348.9 million, which is $12.2 million more than the FY 2026 adopted estimate. This estimate assumes increasing enrollment, monthly costs, additional rebates, and no Risk Share payment.

Medicaid Expansion
The FY 2026 estimate for the Medicaid Expansion population of $741.5 million is $10.7 million more than the enacted budget, primarily driven by an increased monthly payment made on behalf of the approximately 82,000 enrollees and a $3.6 million anticipated Risk Share payment to the managed care plans.

The FY 2027 estimate of $701.6 million is $39.9 million less than the revised FY 2026 estimate, as monthly managed enrollment and fee-for-service spending are expected to decrease with the implementation of H.R. 1 provisions that limit eligibility for certain non-citizens and impose work requirements. The estimate includes a 5.0 percent price trend for the anticipated 73,000 beneficiaries.

Rhody Health Options
Expenses for Rhody Health Options, the state's integrated care initiative that provides acute and long-term care services to individuals eligible for both Medicare and Medicaid, are estimated to be $242.7 million for FY 2026. This represents a $22.3 million increase over the enacted budget, reflecting higher enrollment and $10.1 million of Certified Community Behavioral Health Clinic expenses shifted from other medical services. The FY 2027 consensus estimate of $247.8 million is $5.1 million higher than the revised estimate and assumes both enrollment and price increases.

Other Medical Services
Expenditures for other medical services are estimated to be $217.3 million for FY 2026 and $223.3 million for FY 2027. The estimate includes Medicare Part A and B payments for certain individuals, fee-for-service payments for rehabilitation services, and other medical services, as well as payments to the Tavares Pediatric Center. The FY 2026 estimate is $16.5 million lower than the enacted budget, due to a shift in Certified Community Behavioral Health Clinic (CCBHC) expenses to Rhody Health Options, decreased Medicare premium costs, and a downward revision of other fee-for-service activities.

The FY 2027 estimate is $6.0 million higher than the revised FY 2026 estimate, reflecting $13.2 million in additional expenses for Medicare premium payments due to increased enrollment and monthly costs, offset by CCBHC expenses shifted to Rhody Health Options. The estimates assume recoveries continue to grow through enhanced program integrity and other measures.

Pharmacy
Pharmacy expenses are estimated to be $96.1 million for FY 2026 and $99.4 million for FY 2027. Most of the funding is for the Medicare Part D clawback payment and is funded solely from general revenues. This payment is the state's portion of the federal Medicare pharmacy costs for individuals enrolled in both Medicare and Medicaid, commonly referred to as "dual-eligibles." The FY 2026 estimate is $8.1 million lower than enacted, mainly due to increased rebate collections and a $1.8 million decrease in the clawback payment, primarily from reduced enrollment.

The FY 2027 estimate reflects higher rebate collections and $3.3 million more than the FY 2026 consensus estimate for the clawback payment, assuming a combined increase in enrollment and price.

NEXT MEETING

The next required meeting of the conference is in May 2026.

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

The Honorable Marvin L. Abney, Chairman
House Finance Committee