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ARTICLE 7

RELATING TO MEDICAID REFORM ACT OF 2008 RESOLUTION

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

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 Law § 42-12.4-1, et seq. for federal waiver requests and/or state plan amendments; and

WHEREAS, Rhode Island General Law § 42-7.2-5 provides that the Secretary of the Executive Office of Health and Human Services (hereafter “the Secretary”) is responsible for the review and coordination of any Medicaid section 1115 demonstration 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 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.* The Executive Office of Health and Human Services (hereafter “EOHHS”) proposes to eliminate the projected nursing facility rate increase that would otherwise take effect during the state fiscal year 2017. Implementation of this initiative may require amendments to the Rhode Island’s Medicaid state plan and/or Section 1115 waiver under the terms and conditions of the demonstration. Further, implementation of these initiatives may require the adoption of new or amended rules, regulations and procedures.

(b) *Beneficiary Liability Collection Enhancements* – Federal laws and regulations require beneficiaries who are receiving Medicaid-funded long-term services and supports (LTSS) to pay a portion of any excess income they may have once eligibility has been determined toward in the cost of care. The amount the beneficiary is obligated to pay is referred to as a *liability* or *cost-share* and must be used solely for the purpose of offsetting the agency’s payment for the LTSS provided. The EOHHS is seeking to implement new methodologies that will make it easier for

1 beneficiaries to make these payments and enhance the agency's capacity to collect them in a
2 timely and equitable manner. The EOHHS may require federal state plan and/or waiver authority
3 to implement these new methodologies. Amended rules, regulations and procedures may also be
4 required.

5 (c) *Medicaid Managed Care Organizations (MCO) – Administrative Rate-Setting.* The
6 EOHHS seeks to alter the manner in which administrative rates are set for Medicaid MCOs from
7 a variable to a fixed approach. Changes in rate-setting methodology may require section 1115
8 waiver or Medicaid State Plan authorities.

9 (d) *Managed Care Plan Re-procurement.* The EOHHS is re-procuring its managed care
10 delivery system by September 1, 2016. The re-procurement includes Rite Care plans for children
11 and families and Rhody Health Partners plans for low-income elders and persons with disabilities
12 and adults ages nineteen (19) to sixty-four (64) eligible under the federal Affordable Care Act of
13 2010. The re-procurement process will take into account a range of initiatives affecting the
14 delivery system such as accountable care entities, STOP and CEDARR direct services which will
15 change the organization and financing of certain Medicaid services and various performance-
16 based payment incentives and rewards. Therefore, the re-procurement process may require state
17 plan and/or waiver amendments as well as actuarial analyses. Any reconfiguration of in-plan and
18 out-of-plan benefits will also necessitate amendments to agency rules, processes and procedures.

19 (e) *Increase in LTSS Home Care Provider Wages.* To further the goal of rebalancing the
20 long-term care system to promote home and community based alternatives, the EOHHS proposes
21 to establish a wage-pass through program targeting certain home health care professionals.
22 Implementation of the program may require amendments to the Medicaid State Plan and/or
23 section 1115 demonstration waiver due to changes in payment methodologies.

24 (f) *Integrated Care Initiative (ICI) – Enrollment.* The EOHHS proposes to establish
25 mandatory enrollment for all Medicaid beneficiaries including but not limited to beneficiaries
26 receiving LTSS through the ICI, including those who are dually eligible for Medicaid and
27 Medicare. Implementation of mandatory enrollment requires section 1115 waiver authority under
28 the terms and conditions of the demonstration. New and/or amended rules, regulations and
29 procedures are also necessary to implement this proposal.

30 (g) *Alternative Payment Arrangements –* The EOHHS proposes to leverage all available
31 resources by repurposing funds derived from various savings initiatives and obtaining federal
32 financial participation for costs not otherwise matchable to expand the reach and enhance the
33 effectiveness of alternative payment arrangements that maximize value and cost-effectiveness,
34 and tie payments to improvements in service quality and health outcomes. Amendments to the

1 section 1115 waiver and/or the Medicaid state plan may be required to implement any alternative
2 payment arrangements the EOHHS is authorized to pursue.

3 (h) *Implementation of Approved Authorities: Section 1115 Waiver Demonstration*
4 *Extension and Amendments.* The EOHHS, in conjunction with the departments of Human
5 Services, Children, Youth and Families, Health, Behavioral Healthcare, Developmental
6 Disabilities and Hospitals, proposes to implement the authorities approved under the section 1115
7 waiver demonstration extension and subsequent amendments as follows: (1) the Division of
8 Elderly Affairs of DHS plans to obtain federal financial participation for costs-otherwise not
9 matchable for certain Medicaid dementia care services provided to otherwise ineligible
10 participants in its copay program with income up to two-hundred and fifty (250) percent of the
11 Federal Poverty Level ; (2) the EOHHS is continuing efforts to re-balance the LTSS system by
12 instituting, with the assistance of the DHS, an expedited eligibility pathway for applicants seeking
13 care in the home or community-based setting who meet certain income and clinical criteria; (3)
14 all EOHHS agencies are pursuing waiver authorities promoting the utilization of care
15 management models that offer a “health home”, promote access to preventive care, and provide
16 an integrated system of services; and (4) the EOHHS plans to use waiver authorized program
17 refinements that recognize and assure access to the non-medical services and supports, such as
18 peer navigation and housing stabilization services, that optimize a person’s health, wellness and
19 safety, reduce or delay the need for long term services and fill gaps in the integrated system of
20 care;

21 (i) *Federal Financing Opportunities.* The EOHHS proposes to review Medicaid
22 requirements and opportunities under the U.S. Patient Protection and Affordable Care Act of
23 2010 and various other recently enacted federal laws and pursue any changes in the Rhode Island
24 Medicaid program that promote service quality, access and cost-effectiveness that may warrant a
25 Medicaid State Plan Amendment or amendment under the terms and conditions of Rhode Island’s
26 section 1115 Waiver, its successor, or any extension thereof. Any such actions the EOHHS takes
27 shall not have an adverse impact on beneficiaries or cause an increase in expenditures beyond the
28 amount appropriated for state fiscal year 2017; now, therefore, be it

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

31 RESOLVED, that the Secretary is authorized to pursue and implement any waiver
32 amendments, state plan amendments, and/or changes to the applicable department’s rules,
33 regulations and procedures approved herein and as authorized by § 42-12.4-7; and be it further

34 RESOLVED, that this joint resolution shall take effect upon passage.

SECTION 2. This article shall take effect upon passage.