

Human Services & Medicaid Issues



Staff Presentation to the House
Finance Committee

April 21, 2010

Human Services

- I Programs and services for:
 - u Children and parents
 - u Adults with disabilities
 - u Elderly
 - u Veterans

Departments

- | Office of Health and Human Services
- | Human Services
- | Mental Health, Retardation & Hospitals
- | Children, Youth and Families
- | Elderly Affairs
- | Health

Human Service Programs

- | *Entitlements*
- | ARRA Requirements
- | Mandatory/Optional Populations
- | Mandatory/Optional Services
- | RI vs. US Medicaid Spending
- | State's Medicaid Program
- | Other Entitlements
- | Other Programs

Entitlements

- | Entitlements: Qualify for the program if eligibility criteria is met
 - u Medicaid
 - u Rhode Island Works
 - u Subsidized Child Care
 - u Supplemental Security Income Program

Entitlements – Medicaid

- | Title XIX of Social Security Act
- | Citizen or 5 yrs of legal permanent residency
- | Federal/State Partnership
 - u Mandatory populations & services that states must provide
 - u Optional populations & services that states chose to provide

Entitlements – Medicaid

- | Federal government shares in cost
 - └ Medicaid (FMAP) match rate
 - └ Based on 3-yr avg. of states' per capita income
- | ARRA – enhanced rate until 1/1/2011
- | Still not extended
- | FY 2011 rate at 58.54% if not extended
 - └ Governor's budget includes 64.19% assuming extension

Entitlements – Medicaid

I Children's Health Insurance Program

- u States receive a higher Medicaid match to cover additional populations
- u RI – children above 133 % to 250% of poverty level
 - u FY 2010 CHIP match rate – 66.83%
 - u FY 2011 CHIP match rate – 67.02%

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ARRA Enhanced Rate

- | FY 2010 General Revenue Savings:
 - └ \$194.8 million
- | FY 2011 General Revenue Savings:
 - └ \$196.7 million
 - └ Governor includes \$95.3 million more from the extension
- | FY 2012: General Revenues
 - └ Add \$208.0 million to adjust for lower rate

ARRA Requirements

Maintenance of Effort Requirement:

- | States cannot adopt eligibility standards, methodologies or procedures that are more restrictive than those in place July 1, 2008
 - u Example: Cannot reduce eligibility for RItE Care to parents from the current rate of 175 % of the poverty level to 150 % of the poverty level

ARRA Requirements

Maintenance of Effort Requirement

- | Cannot institute or increase premiums that restrict, limit or delay eligibility
 - u Example: Cannot increase the Rlte Care monthly cost sharing requirement

ARRA Requirements

Maintenance of Effort Requirement

- | Cannot change methods of eligibility redetermination
 - └ Example: Rlte Care family eligibility is evaluated annually. State cannot change that to every 6 months

ARRA Requirements

Maintenance of Effort Requirement

- | Can limit scope, duration and amount of services available
 - └ Decrease services, institute waiting lists, decrease reimbursements
 - └ Examples: Limit the # of days an elderly person can attend an adult day facility or limit the number of residential placements

Medicaid (FMAP) Rate

	FFY	SFY
2012 Projected	52.14 %	52.35%
2011 Enhanced	64.27%	64.19%
2010 Enhanced	63.93%	63.92%
2009 Enhanced (1/1/09)	63.89%	61.04%
FY 2008	52.51%	52.59 %

Medicaid Global Waiver

- | State flexibility to provide Medicaid funded services
 - u Restructure long term care services
 - u Provide services in the least restrictive settings
 - u Provide services in the most appropriate setting
 - u Address high cost cases

Medicaid Global Waiver

- | Allows the state to make program changes to address costs
 - u Established levels of care
 - u Mandatory enrollment in managed care plans
 - u Allow selective contracting
 - u Durable medical equipment
 - u Transportation

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Medicaid - Populations

I Mandatory:

- u Low Income Medicare Beneficiaries
- u Individuals who would qualify under 1996 AFDC eligibility standards (50% of poverty)
- u SSI or SSDI recipients
- u Children under 6 and pregnant women at or below 133% of poverty
- u Infants born to Medicaid enrolled pregnant women

Medicaid - Populations

I Mandatory:

- u Children 6 to 19 at or below 100% of the poverty level
- u Children who receive adoption assistance or who live in foster care under a federally sponsored Title IV-E program

Medicaid - Populations

I Optional:

- u Low income elderly or adults with disabilities
- u Individuals eligible for home and community based waiver services
- u Children and Parents above federal limits
 - RI: Children to 250% and parents to 175%

Medicaid - Populations

I Optional:

- Individuals who are medically needy
 - Not eligible for Medicaid except for large medical bills
- Children under 18 who would otherwise need institutional care (Katie Beckett)
- Women eligible for breast and cervical cancer program

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Medicaid – Mandatory Acute Care Benefits

- | Physician Services
- | Lab & X-ray
- | In/Outpatient Hospital
- | EPSDT
- | Family Planning Services & Supplies
- | Federally Qualified Health Centers
- | Rural Health Clinic Services
- | Nurse Midwife Services as state law permits
- | Certified Pediatric & family nurse practitioner services

Medicaid – Optional Acute Care Benefits

- | Prescription Drugs
- | Rehabilitation & Other therapies
- | Clinic Services
- | Dental, dentures
- | Prosthetic devices, eyeglasses
- | Case management
- | Durable medical equipment
- | TB – related services
- | Medical/ remedial care provided by other licensed professionals

Medicaid - Long Term Care Benefits

Mandatory	Optional
<i>Institutional</i>	
§ Nursing facility services for those 21 or older needing that level of care	§ Intermediate Care Facility § 65 + in an IMD § inpatient psych hospital services for under 21
<i>Home and Community Services</i>	
§ Home health care services for those entitled to nursing home care	§ Home & comm based § Targeted case mgt § Hospice- personal care § PACE program

Medicaid - Long Term Care Benefits

- | State must provide nursing home care
 - u Highest level of care
- | State also provides residential services:
 - u Children in DCYF custody
 - u Adults with developmental disabilities
 - u Adults with behavioral health issues

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State vs. US Medicaid Spending

I Four Categories

- u Children: Rite Care
- u Adults: Rite Care
- u Blind/Disabled: Includes Children
- u Elderly

I RI: 76.4% of expenses for 32.3% of population

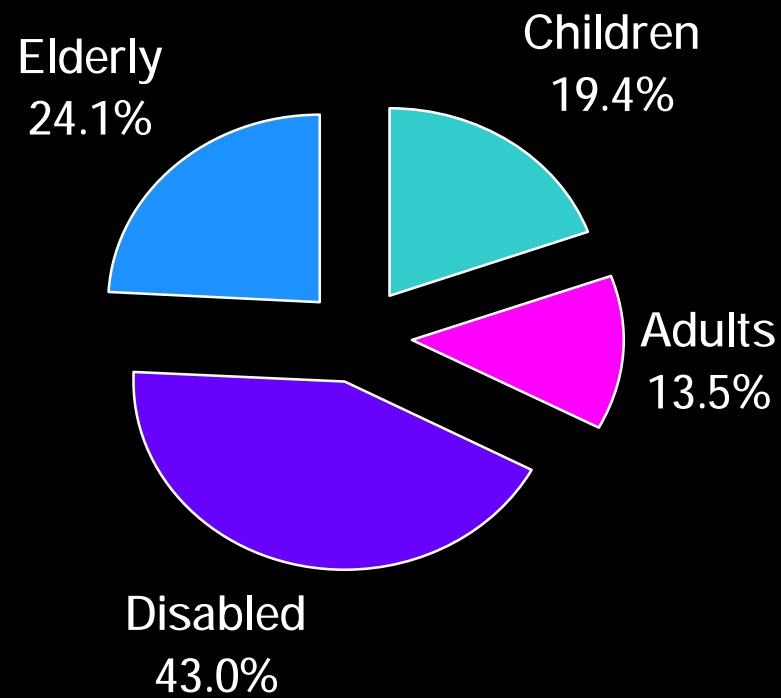
- u Elderly, blind and disabled categories

US Medicaid Spending

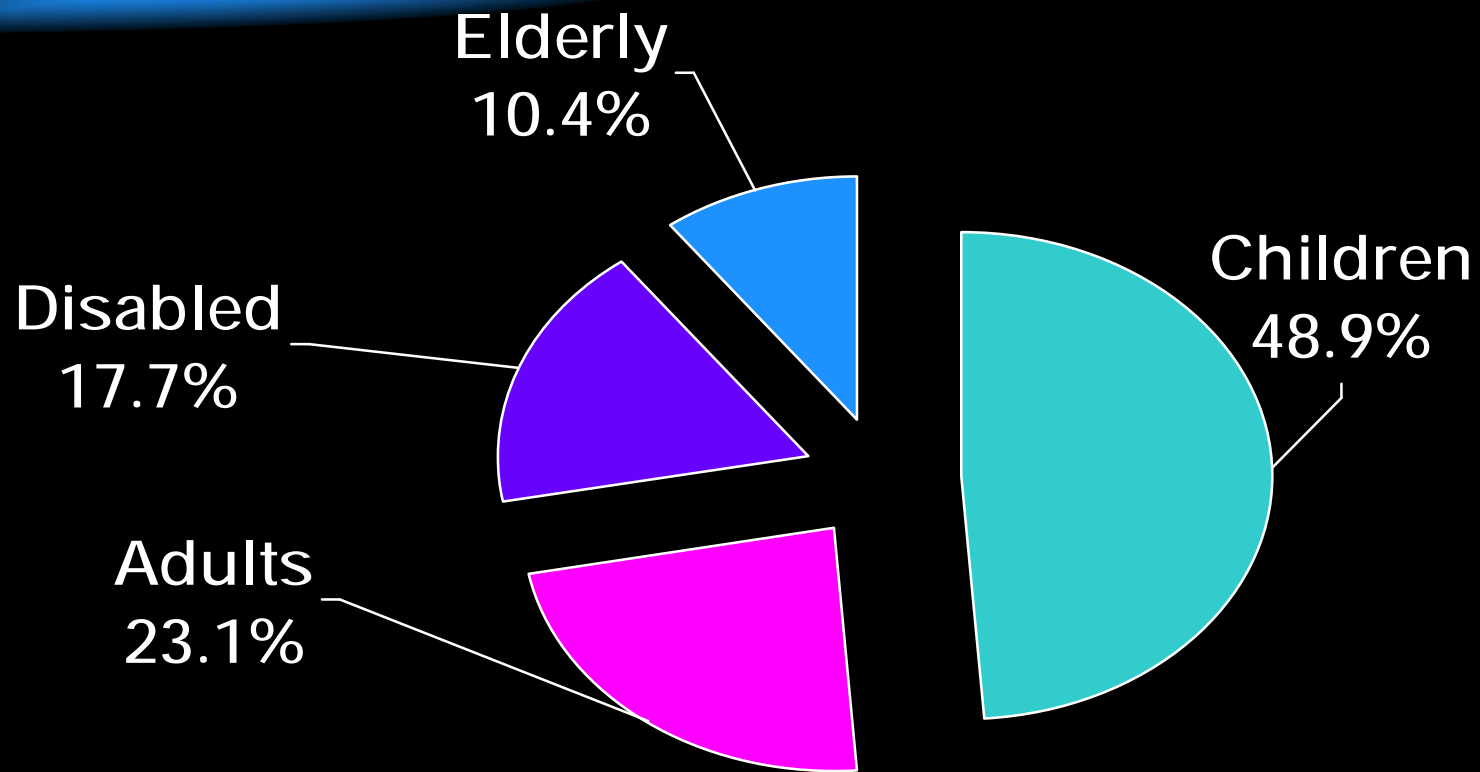
US*	Share of Enrollment	Cost (millions)	Percent	Per Enrollee
Children	48.9%	\$57,110	19.4%	\$2,435
Adults	23.1%	\$39,700	13.5%	\$3,586
Disabled	17.7%	\$126,700	43.0%	\$14,858
Aged	10.4%	\$70,900	24.1%	\$14,058
Total	100.0%	\$294,400	100.0%	\$6,120

****Based on 2007 data***

US Medicaid Spending by Population



US Medicaid Enrollment by Population

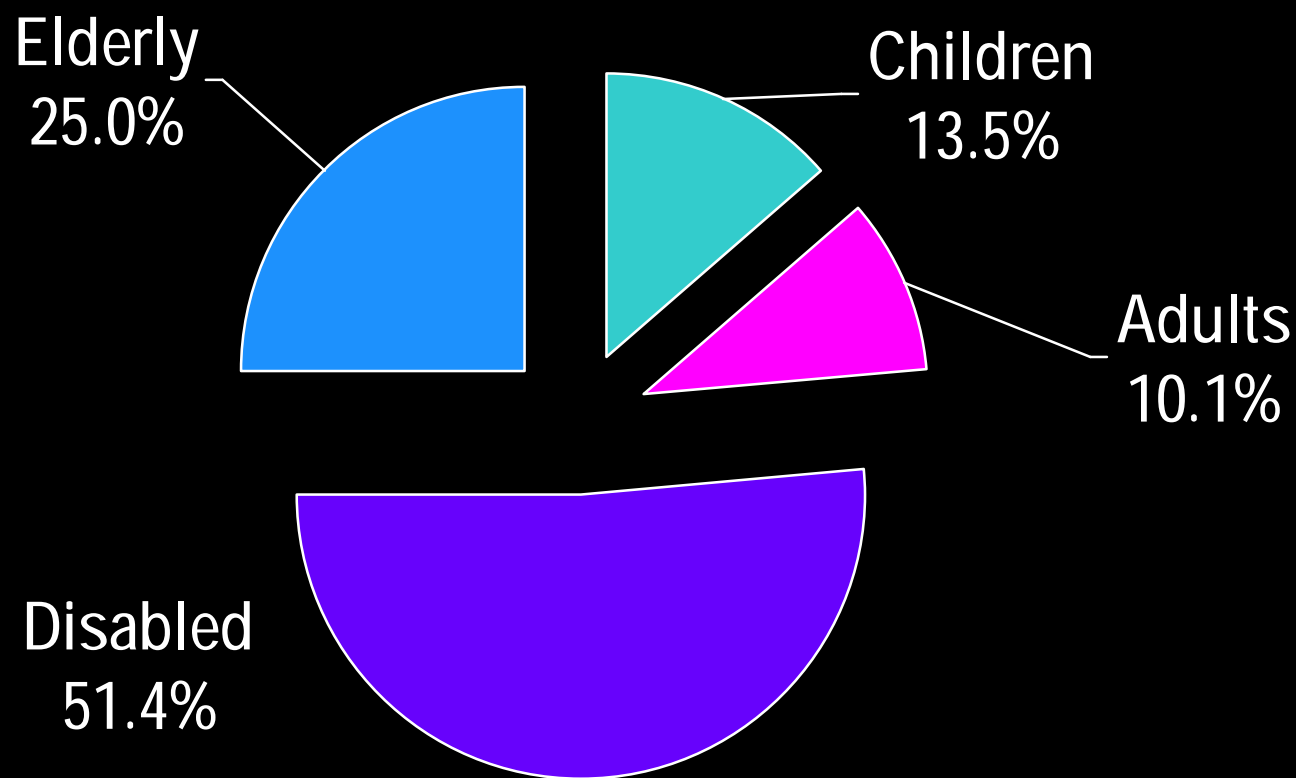


RI Medicaid Spending

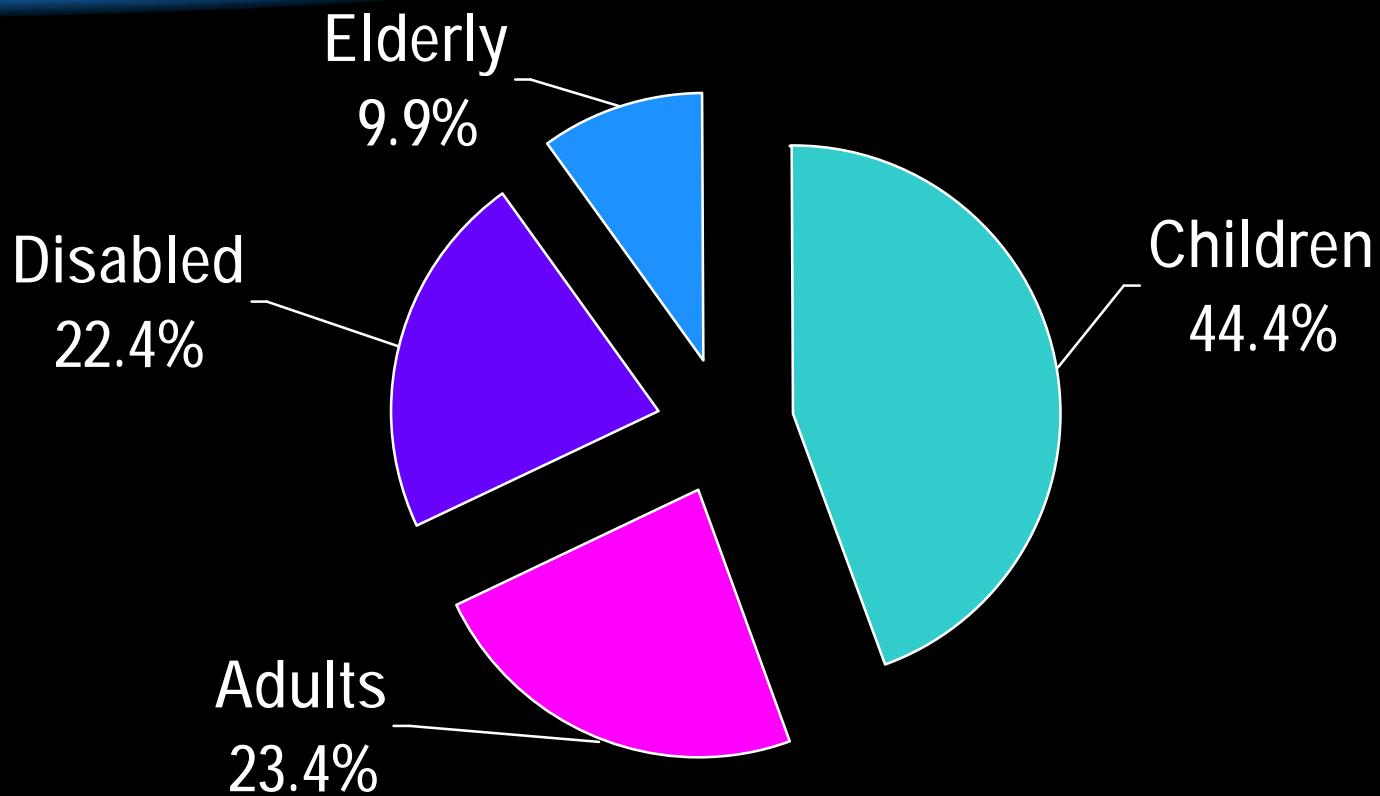
RI*	Share of Enrollment	Cost (millions)	Percent	Per Enrollee
Children	44.4%	\$228.0	13.5%	\$2,848
Adults	23.4%	\$170.5	10.1%	\$4,048
Disabled	22.4%	\$865.0	51.4%	\$21,433
Aged	9.9%	\$420.8	25.0%	\$23,647
Total	100.0%	\$1,684.3	100.0%	\$9,341

**Based on 2007 data*

RI Medicaid Spending by Population



RI Medicaid Enrollment by Population



How RI Compares

- | As a percent of the total population covered, Rhode Island's enrollment includes more disabled
- | Costs for each group exceeds the US average

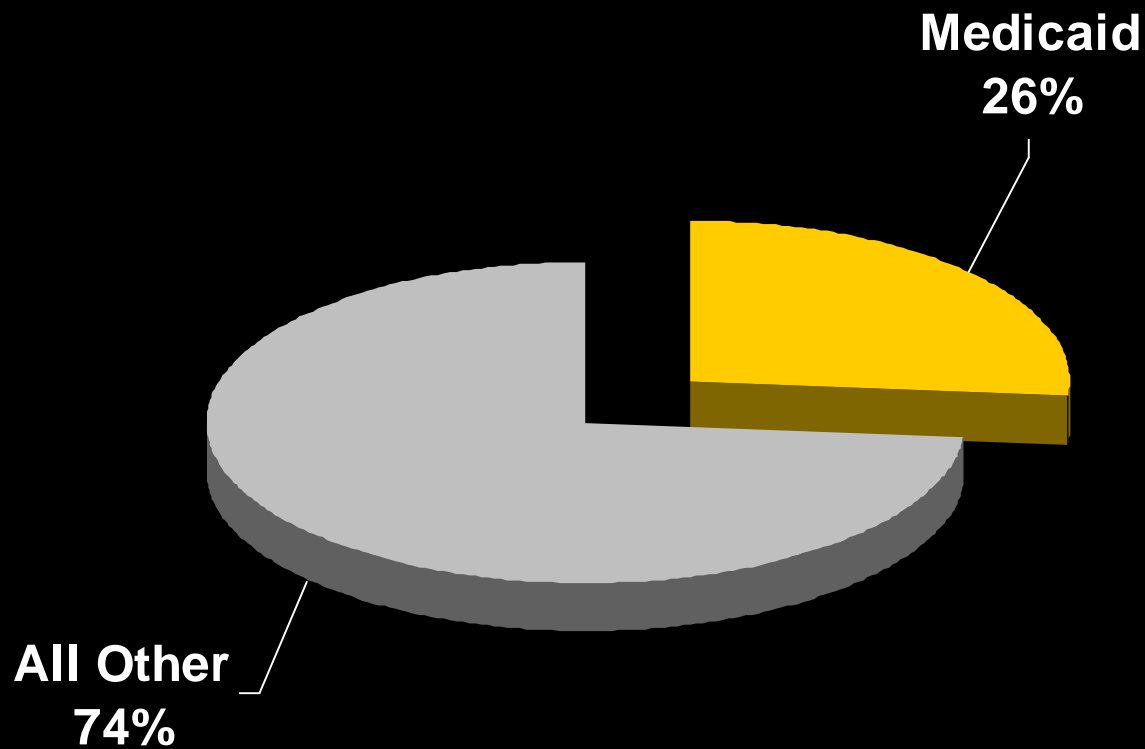
How RI Compares to US

	% of our expenses	RI vs. US Cost Per Enrollee
Children	(5.9%)	\$413
Adults	(3.4%)	\$462
Disabled	8.4%	\$6,575
Elderly	0.9%	\$9,589
Average		\$3,469

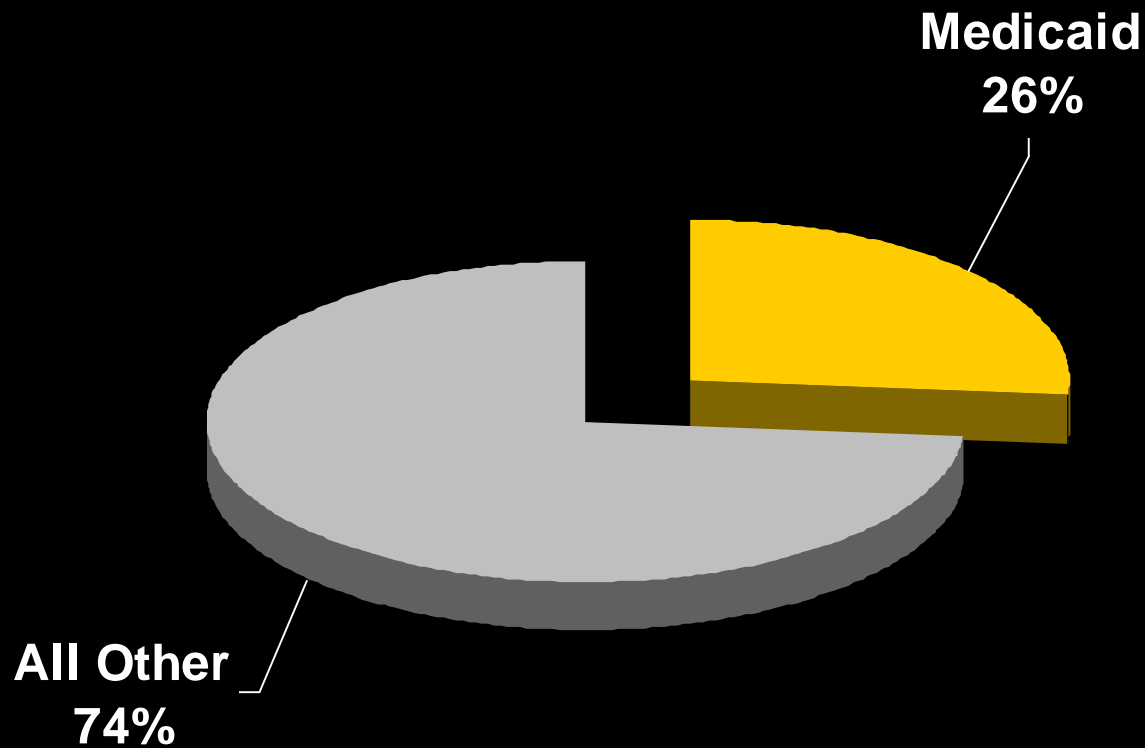
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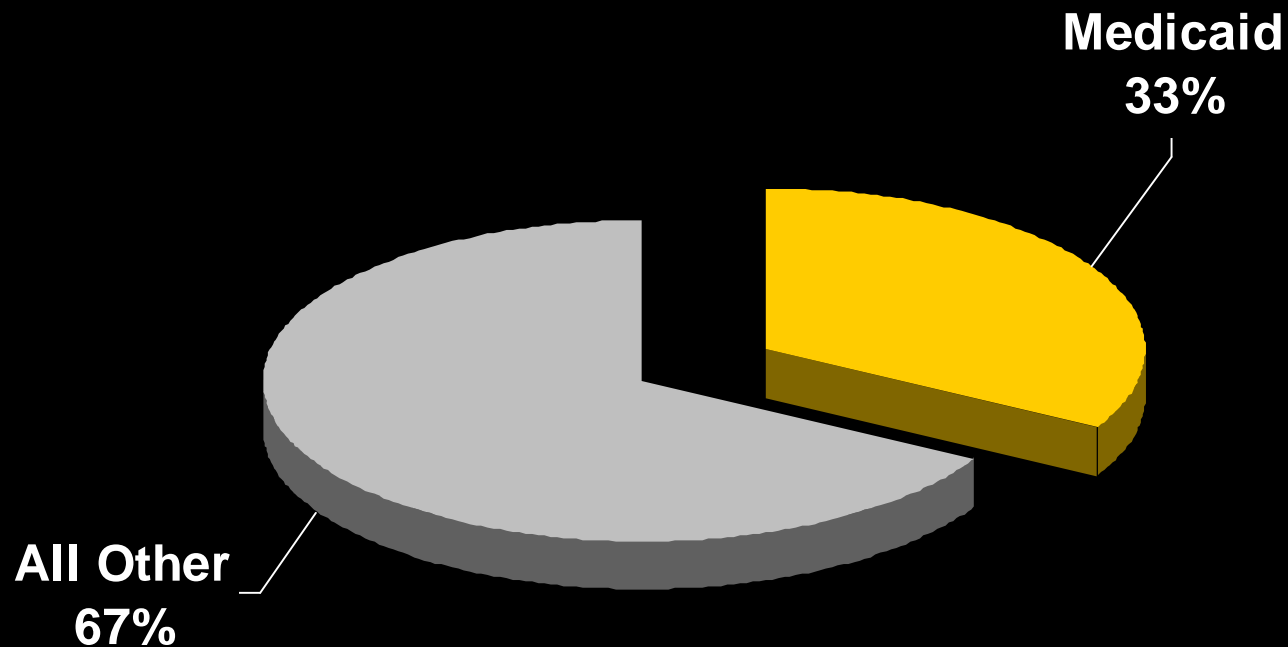
Medicaid - % of State Budget – All Funds



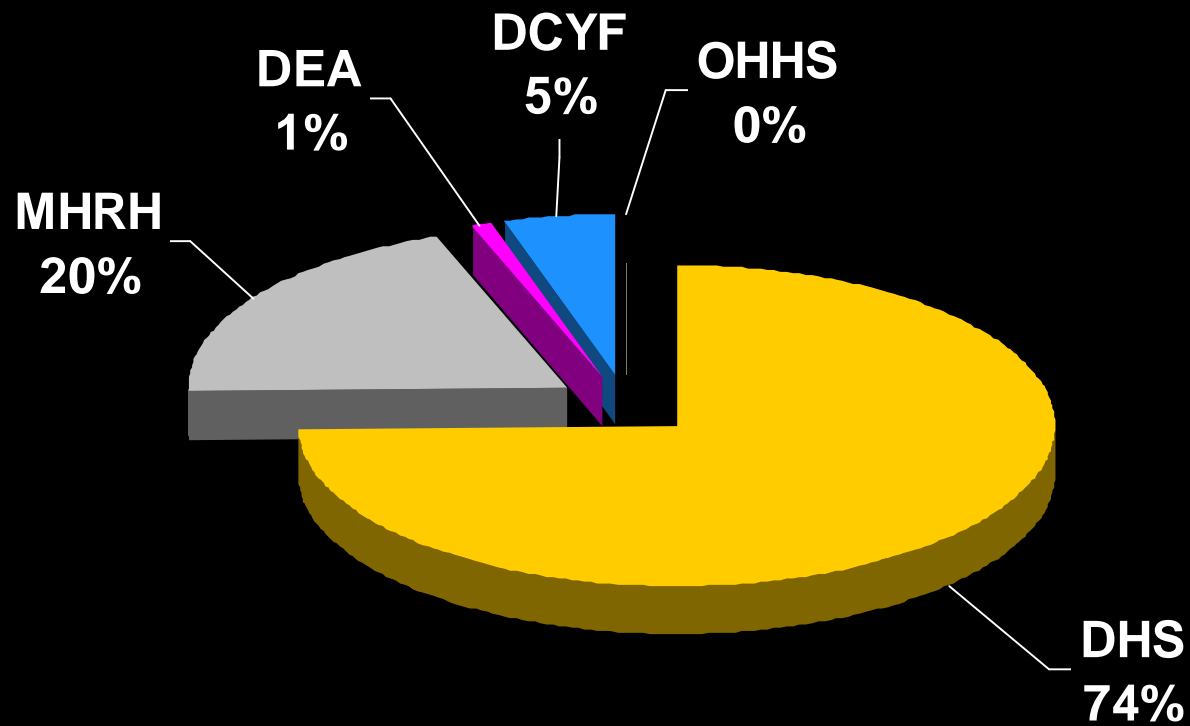
Medicaid - % of State Budget- General Revenues



Medicaid - % of State Budget- General Revenues w/o Enhanced Rate



Medicaid – Spending by Department



Adults & Children

I Rite Care Population

- u Children to 250% of poverty level
- u Adults to 175% of poverty level
- u Department of Human Services' budget
- u March 2010: 121,690 recipients

I Rite Share: 11,258 enrollees

Elderly

- | Long Term Care and Acute Care Expenses
 - u Nursing Homes
 - u Home and Community Based Care
- | Dual Eligibles
- | Medicare Primary Payer of acute & primary benefits
- | DHS and Elderly Affairs

Elderly

- | Admittance into nursing facility: need nursing home level of care
 - └ Meet 3 deficiency in activities of daily living
 - Mobility, bathing, dressing, meal preparation
 - └ Meet income eligibility
- | Home and Community Based Services
 - └ Deficiency in activities of daily living

Elderly – Services

	DHS	DEA	Type
Nursing Home	X	-	Mandatory
Hospice	X	-	Optional
Assisted Living	X	X	Optional
Adult Day	X	X	Optional
Home Care	X	X	Optional

Disabled Populations

- | Individuals with a physical or mental disability
 - u Adults: physical or mental disability
 - Include adults w/ a developmental disability
 - u Children
 - Children with Special Health Care Needs
 - Children in DCYF custody
 - u Programs administered by the DHS, MHRH & DCYF

Disabled Adults

	DHS	MHRH
SSI Only	X	X
Adults with Dev Disabilities	X	X
Adults with Behavioral Health Issues	X	X

Disabled Population – Adults

- | Meet the federal Social Security Administration's definition of a disability:
 - u Inability to engage in any substantial gainful activity because of a physical or mental impairment which can be expected to result in death or has lasted or can be expected to last for a continuous period-not less than 12 months
- | Meet income guidelines

Disabled Population – Adults

- | Receive either SSDI and/or SSI benefits
 - └ SSI cash assistance benefit
 - └ Estimated 32,600 for FY 2011
- | Medical benefits
- | Other Services
 - └ Residential and other community based services

Disabled Population – Adults

- | Individuals with developmental disability
 - u State has option to use one or both federal eligibility thresholds. RI statute references both:
 - u First if a person's IQ is 70 or below, they are eligible for services.
 - u RI does not use this definition
 - u Eligibility standard for Massachusetts and Connecticut

Disabled Population – Adults

- I Second: person w/ severe, chronic disability that is:
 - u Attributable to a mental or physical impairment or a combination of both;
 - u Manifested before the person turned 22 and is likely to continue

Disabled Population – Adults

- | Second: person w/ severe, chronic disability that is:
 - u Results in substantial functional limitation in 3 or more areas of a major life activity: self care, receptive and expressive language, learning, mobility, self-direction capacity for independent living and economic self-sufficiency

Adults with Developmental Disabilities

Benefit	DHS	MHRH	Type
Medical	X	-	Mandatory
Residential-nursing home level of care	-	X	Mandatory
Residential-intermediate care facility	-	X	Optional

Adults with Developmental Disabilities

Benefit	DHS	MHRH	Type
Group Homes/Shared Living	-	X	Optional
Day & Supported Employment	-	X	Optional
Respite	-	X	Optional
Family Supports	-	X	Optional

Disabled Population – Adults with Behavioral Health Issues

- | Eligible for mental health treatment through community support program:
 - u Definition: A severely mentally disabled adult is a person 18 years or over, with a severe and/or persistent mental or emotional disorder that seriously impairs his/her functioning relative to such primary aspects of daily living as personal relations, living arrangements, or employment

Disabled Population – Adults with Behavioral Health Issues

I General Outpatient/Non community support:

- u Definition: An individual is 18 years or older with a diagnosis and statistical manual (DSM) of mental disorders that does not meet the community support criteria

Disabled Population – Adults with Behavioral Health Issues

I Substance Abuse Treatment Services

- u Definition: An individual who meets the American Society of Addiction Medicine placement criteria

Adults with Behavioral Health Issues

Benefit	DHS	MHRH	Type
Medical	X	-	Mandatory
Residential Support	-	X	Optional
Day Treatment	-	X	Optional

Disabled Population – Children

- | Children with Special Health Care Needs
 - u SSA level of disability
 - u Children in DCYF custody
 - Automatically enrolled in this category

Disabled Population – Children

- | Children with Special Health Care Needs
 - u Eligible for Katie Beckett provision
 - Disability requires institutional level of care
 - Receive home based services
 - Includes children with autism

Children w/Special Health Care Needs

Benefit	DHS	DCYF	Type
Rate Care Benefits	X	-	Mandatory
Katie Beckett Services	X	-	Optional
Early Intervention	X	-	Optional
Residential	-	X	Optional
Psychiatric Hospitalization	X	-	Optional

Medicaid Expenses*

Mandatory Population		
	Gen Rev	All Funds
Mandatory Services	\$303.2 M	\$639.6 M
Optional Services	\$277.0 M	\$584.2 M
Optional Population		
Mandatory Services	\$140.8 M	\$297.0 M
Optional Services	\$106.2 M	\$223.9 M
Total Expenses	\$827.2 M	\$1,744.7 M

* OHHS Annual Medicaid Report FY 2008 p. 26

Medicaid Expenses by Population*

	Persons	Costs (millions)	Per Person
Children/Parents	118,789	\$416.0	\$3,504
Elderly	17,478	\$431.0	\$24,672
Disabled – Children	12,800	\$264.0	\$20,628
Disabled – Adults	27,580	\$634.0	\$22,968

* OHHS Annual Medicaid Report FY 2008 p. 19

State Only/CNOM programs

- | Previously state only programs
- | Not subject to the ARRA maintenance of effort requirements
- | Can make changes to these programs

CNOM Funded Programs

	Gen Rev	All Funds
MHRH – MH Services	\$3.0 M	\$6.0 M
MHRH - SA Treatments	\$2.4 M	\$5.0 M
MHRH - CMAP	\$1.2 M	\$2.6 M
MHRH - DD Day Programs	\$0.6 M	\$1.3 M
DEA - Home Care	\$1.2 M	\$2.5 M
DEA - Adult Day	\$1.0 M	\$2.0 M

CNOM Funded Programs

	Gen Rev	All Funds
DCYF - Residential Diversion Programs	\$3.6 M	\$7.8 M
DHS - Early Intervention	\$1.7 M	\$3.7 M
DHS - GPA Medical	\$0.8 M	\$1.8 M
DHS – Community Health Centers	\$0.6 M	\$1.2 M

State Only Programs

	Gen Rev
DCYF - Residential Care	\$18.1 M
DCYF - Purchased Placements	\$15.3 M
DCYF- 18 to 21 yr. olds	\$6.2 M
DCYF- Foster Care	\$11.0 M

State Only Programs

	Gen Rev
MHRH - Substance Abuse Treatment*	\$5.9 M
MHRH - Mental Health Treatment*	\$0.8 M
MHRH - DD Day Programming	\$2.5 M

** A correction has been made to the show the appropriate expenses by program*

Program Options

I Eliminate Programs

- u Services for adults with behavioral health issues
- u Programs funded through CNOM
 - Adult day and home care
 - Early Intervention services

Program Options

I Reduce services

- u For adults with developmental disabilities - day program
- u Reduce number of days an individual attends an adult day program

I Institute waiting lists

- u Home and community care programs
- u Admission into a nursing home

Optional Programs

	Gen Rev	All Funds
DHS - Home & Community Care	\$25.0 M	\$71.0 M
MHRH - MH Treatment Services (Rehab)	\$22.5 M	\$63.2 M
MHRH - Day Services (Adults with DD)	\$19.8 M	\$55.0 M
MHRH - Substance Abuse	\$2.1 M	\$5.1 M
MHRH - DD Rehab	\$0.4 M	\$1.2 M

Optional Programs

	Gen Rev	All Funds
DCYF - Residential (Group Homes & Purchased Placements)	\$10.7 M	\$29.6 M
DCYF - Therapeutic Foster Care	\$1.5 M	\$3.7 M
DCYF - 18 to 21 year olds	\$2.9 M	\$8.0 M

Program Reduction

- | Reducing Programs: Consequences
- | Seek treatment in an alternate setting
 - u Increase hospitalization
 - u Decrease in adult day or nursing home care may result in nursing home placement
 - u Reduce family supports through DD program
 - Placement in a group home

Medicaid Providers

I Hospitals

- u Community Hospitals & Eleanor Slater Hospital

I Physicians

I Nursing Homes/Assisted Living Facilities

Medicaid Providers

- I Community Providers
 - u Developmental Disability Providers
 - u Mental Health Centers
 - u Community Health Centers
 - u Adult Day Facilities

Recent Assembly Actions

I Provider Reductions

- u 4.7 % rate reduction applied to DD providers
- u Reduction to NICU rates
- u Implementation of DRG and a reduction to hospital rates

Recent Assembly Actions

- | 2008 Assembly reduced parents eligibility for Rlte Care from 185% to 175% of poverty
- | 2008 Assembly eliminated state only Rlte Care benefits for child care providers
- | 2008 Assembly eliminated state only Rlte Care benefits for children

Governor's FY 2011 Budget

- | Governor's FY 2011 budget
 - └ Savings of \$42.6 million from reprocurement of managed care contracts
 - └ reduced payments to hospitals
 - └ \$12.0 million in long term care
 - └ \$7.0 million from restructuring DD network
 - └ \$4.0 million from savings to the community mental health providers

Governor's FY 2011 Budget

- | Governor's FY 2011 budget
 - u \$10.0 million reprocurement of DCYF services to continue system of care transformation

Medicaid - Out year projections

Fiscal Year	Gen Rev	Change to Prior Year
2012	\$898.9 M	\$267.9 M
2013	\$969.7 M	\$70.8 M
2014	\$1,041.4 M	\$71.8 M
2015	\$1,114.3 M	\$72.9 M

State Comparison

	RI	MA	CT
Children	to 250%	to 300%	to 185%
Parents	to 175 %	to 133%	to 150%
Katie Beckett	No enrollment limit	Limited	Limited
DD Adults	Broader federal def	Do not	Do not

Other States – Proposed Medicaid Cost Reductions

State	Proposal
California	Reduce adult day services
Massachusetts	Reduce day services to adults with developmental disabilities
South Carolina	Eliminated EI /restricted DD services to those in a residential setting
Arizona	Eliminate optional benefits – dentures, eyeglasses, prosthetics
Missouri	Reducing mental health/DD services

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Other Entitlement Programs

Program	Gen Rev	All Funds
RI Works	\$ -	\$43.2 M
Child Care	\$8.3 M	\$47.1 M
Food Stamps	-	\$276.5 M
SSI	\$22.6 M	\$22.6 M
WIC	-	\$23.6 M

Recent Assembly Actions

- | 2008 Assembly passed Rhode Island Works legislation to replace FIP
 - u Limited time to collect to 48 months in a 5 year period
 - u Unlimited 60 months
 - u Eliminated child only cases (except for SSI-only cases)
- | 2007 Assembly reduced child care eligibility from 225% to 180%
- | Eliminated child care for those over age of 13

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Other Programs

Programs	Gen Rev	All Funds
Veterans Home	\$19.5 M	\$27.6 M
Head Start	\$0.8 M	\$0.8 M
Hardship Expenses	\$0.4 M	0.4 M
Health- HIV services	\$0.6 M	\$4.2 M
Health – Smoking Cessation Programs	\$0.7 M	\$2.0 M

Federal Health Care Reform

- | Patient Protection and Affordable Health Care Act
 - u Extends benefits to childless adults
 - u Extends medical benefits to former foster care children who were in state custody at 18
 - u Maintenance of Effort requirement
 - u Unless state can prove a deficit
 - u State impact still under review

FY 2011 Budget Hearings

- | OHHS/DHS – April 27, 2010 at 1:00
- | MHRH – April 28, 2010 at 2:00
- | DEA/DCYF – May 4, 2010 at 1:00
- | Health – May 4, 2010 at the Rise

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