



OFFICE OF MANAGEMENT & BUDGET

Jonathan Womer, Director

One Capitol Hill
Providence, RI 02908-5890

Office: (401) 574-8430
Fax: (401) 222-6436

MEMORANDUM

To: The Honorable Marvin L. Abney
Chairman, House Finance Committee
The Honorable Ryan W. Pearson
Chairman, Senate Finance Committee

From: Jonathan Womer
Director, Office of Management & Budget

Date: June 7, 2021

Subject: **Amendments to FY 2022 Appropriations Act (21-H-6122)**

The Governor requests that amendments be made to the FY 2022 Appropriations Act to comply with recent requirements of the Consent Decree for the Behavioral Healthcare, Developmental Disabilities, and Hospitals – Private Developmental Disabilities (DD) program. The amendment repurposes \$13.0 million out of \$15.0 million all funds Governor Recommended initiative to support providers through a transformation and transition fund to instead a direct pass-through wage increase for the direct support professional (DSP) workforce. This wage increase will require an additional \$7.8 million in general revenues and \$19.0 million in federal funds in investments compared to the FY 2022 Governor Recommended Budget and would allow Rhode Island to offer DSP wages that are competitive with bordering states. This investment will seek to raise the average estimated DSP wage amongst current Developmental Disability Organizations (DDOs) to at least \$15.75, raise the average estimated wage of direct care overnight professionals to the minimum wage of \$12.25 and raise the estimated average wage of supervisors in the appropriate scale to the new wage of supervisees (average estimated wage of \$21.99). It should be noted that this rate increase is not reflective of an exact wage of a DSP as the wages are determined by providers. A total of \$2.0 million all funds of the state infrastructure support included as part of the original transformation and transition initiative will be retained to ensure that the State continues to meet the requirements of the Consent Decree. This budget amendment is being submitted under separate cover. An amendment to Article 12 – Relating to Medical Assistance would cover any required amendments to the Medicaid state plan and/or Section 1115 demonstration waiver due to changes in payment methodologies. Finally, in support of more consistent and transparent budgeting for the Developmental Disabilities budget, the Governor requests to amend Article 3 Relating to Government Reform and Reorganization by moving up the date for which the DD program would be included as part of the Caseload Estimating Conference from FY 2023 to FY 2022.

JW:21-Amend-17

cc: Sharon Reynolds Ferland, House Fiscal Advisor
Stephen Whitney, Senate Fiscal Advisor
James E. Thorsen, Director of Administration
Joseph Codega Jr., Deputy Budget Officer

2021 – H 6122 Making Appropriations For The Support of The State
For the Fiscal Year Ending June 30, 2022

1. Article 1 – Relating to Making Appropriations in Support of FY 2022

Section 1. This amendment removes the recommendation to utilize \$9.0M in general revenues and \$4.0M in federal funds of the total Services of the Developmental Disabled program budget for a transformation and transition fund for providers and instead recommends that \$16.8M in general revenues and \$23.0M in federal funds of the total appropriation be dedicated as a pass-through wage increase for direct support professional (DSP) workers. A total of \$1.0M general revenues and \$1.0M in federal funds of the original proposal for the transformation and transition fund will be retained to invest in the state infrastructure support needed in meeting the future recent requirements of the Consent Decree including placing the DD program in the Caseload Estimating Conference beginning November 2021 and conducting a comprehensive rate review.

Page 17, Lines 27 – 34 and Page 18, Lines 1 - 9 strike: ~~“Of this general revenue funding, \$10.0 million shall be expended to improve the quality of, and access to, integrated community day and employment support programs for individuals with intellectual and developmental disabilities. Funds shall be dedicated to a transformation and transition fund to help providers strengthen their operating and service delivery models and/or to give providers access to tools and technology that support consumers’ needs for living meaningful lives of their choosing in the community; allow providers the opportunity to participate in an outcome based payment methodology that will link payments to quality benchmarks and performance standards; reducing administrative burdens for providers; and investments in state infrastructure to implement and manage these initiatives, support substantial compliance with the consent decree, and prepare for inclusion of the I/DD population in the caseload estimating conference. All disbursements from this investment must be approved by the Office of Management and Budget and the Executive Office of Health and Human Services; approval will be based upon a review of final program details and evidence of a clear connection between spending and long term system transformation goals to be provided by Behavioral Healthcare, Developmental Disabilities and Hospitals. All unexpended or unencumbered balances of this fund, at the end of any fiscal year, shall be reappropriated to the ensuing fiscal year and made immediately available for the same purposes.”~~ and replace with the following: “Of this general revenue funding, \$16,780,499 shall be expended on certain community-based department of behavioral healthcare and developmental disabilities and hospitals (BHDDH), developmental disability private provider and self-directed consumer direct-care service worker raises and associated payroll costs as authorized by BHDDH. Any increases for direct support staff in residential or other community-based settings must first receive the approval of BHDDH. A total of \$1,000,000 shall be expended on state infrastructure to implement and manage compliance with most recent consent decree initiatives of which all unexpended or unencumbered balances, at the end of the fiscal year, shall be reappropriated to the ensuing fiscal year and made immediately available for the same purposes.”

Page 18, Lines 11 – 26 strike: ~~“Of this federal funding, \$5.0 million shall be expended to improve the quality of, and access to, integrated community day and employment support programs for individuals with intellectual and developmental disabilities. Funds shall be dedicated to a transformation and transition fund to help providers strengthen their operating and service delivery models and/or to give providers access to tools and technology that support consumers’ needs for living meaningful lives of their choosing in the community; allow providers the opportunity to participate in an outcome based payment methodology that will link payments to quality benchmarks and performance standards; reducing administrative burdens for providers; and~~

~~investments in state infrastructure to implement and manage these initiatives, support substantial compliance with the consent decree, and prepare for inclusion of the I/DD population in the caseload estimating conference. All disbursements from this investment must be approved by the Office of Management and Budget and the Executive Office of Health and Human Services; approval will be based upon a review of final program details and evidence of a clear connection between spending and long term system transformation goals to be provided by Behavioral Healthcare, Developmental Disabilities and Hospitals. All unexpended or unencumbered balances of this fund, at the end of any fiscal year, shall be reappropriated to the ensuing fiscal year and made immediately available for the same purposes.”~~ and replace with the following: “Of this general revenue funding, \$22,964,880 shall be expended on certain community-based department of behavioral healthcare and developmental disabilities and hospitals (BHDDH), developmental disability private provider and self-directed consumer direct-care service worker raises and associated payroll costs as authorized by BHDDH. Any increases for direct support staff in residential or other community-based settings must first receive the approval of BHDDH. A total of \$1,000,000 shall be expended on state infrastructure to implement and manage compliance with most recent consent decree initiatives of which all unexpended or unencumbered balances, at the end of the fiscal year, shall be reappropriated to the ensuing fiscal year and made immediately available for the same purposes.”

2. Article 3 – Relating to Government Reform and Reorganization

Section 5. This amendment seeks to move up the date for when the BHDDH Private Community Developmental Disabilities Services program budget would be included in the Caseload Estimating Conference from November 2022 of FY 2023 to November 2021 of FY 2022.

Page 62, Line 29 strike, “2022”-and replace with “2021”.

Section 6. This amendment supersedes the March 30, 2021 Governor Budget Amendment which sought to correct an error of inadvertently skipping one year of the required DD Article 28 monthly BHDDH reporting. This amendment corrects for the inadvertent skipping of one year of the required Article 28 reporting and moves up the year for which the Article 28 reporting will be included under Section 35-17-1 and 35-17-3 of the General Law in Chapter 35-17 entitled “Medical Assistance and Public Assistance Caseload Estimating Conference” to July 2021. This aligns with the requested amendment for Section 5 referenced above to move up the date for which the DD program will be incorporated into the Caseload Estimating Conference from November 2022 to November 2021.

Page 64, line 8: Add “effective July 1, 2021” following “[...] is hereby repealed.”

3. Article 12 – Relating to Medical Assistance

Section 8. This amendment seeks to include a new subsection for a request to provide for a rate increase for Developmental Disability Providers to finance a wage increase of DSP workers.

Page 242, Insert after line 8 and renumber subsequent sections: “(b) Increase in the department of behavioral healthcare, developmental disabilities and hospitals (BHDDH) direct care service workers wages. To further the goals of the consent decree, the executive office, in collaboration with BHDDH proposes to establish a targeted wage increase for certain community based BHDDH developmental disability private providers and self-directed consumer direct care service workers. Implementation of the program may require amendments to the Medicaid state plan and/or Section 1115 demonstration waiver due to changes in payment methodologies.”