



OFFICE OF MANAGEMENT & BUDGET


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MEMORANDUM

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

From: Joseph Codega Jr., Budget Officer 

Date: May 20, 2022

Subject: Amendments to FY 2023 Appropriations Act (22-H-7123)

The Governor requests that several amendments be made to the FY 2023 Appropriations Act based on updated federal guidance from the Centers for Medicare and Medicaid Services (CMS) and the U.S. Office of Health and Human Services regarding the end of the Public Health Emergency (PHE) and its impact on state Medicaid programs.

During the PHE federal authorities imposed a “continuous coverage” requirement which essentially paused eligibility redetermination activity. The resumption of beneficiary redeterminations will require relevant state agencies to contact individual Medicaid enrollees and reconfirm their eligibility status. The resumption of this activity will result in significant operational and compliance burdens for state entities.

As of this writing, the PHE is currently set to expire on July 15, 2022 which would correspond with a resumption of redetermination activity as soon as October 1, 2022. In anticipation of this resumption, the following amendments request critical IT, personnel, and other operating support expenditures.

Additionally, over the course of the PHE the federal government has provided the state with enhanced Medicaid reimbursement rates, resulting in significant general revenue savings. These amendments also reallocate some of those savings for the purposes of supporting the Rhode Island healthcare system.

These amendments include the following:

- **Unwinding of the Public Health Emergency**
 - \$20.9 million all funds (\$9.8 million general revenue) allocated across the Department of Human Services, the Executive Office of Health and Human Services, and the Health Benefits Exchange within the Department of Administration for the purpose of financing critical IT, personnel, and other support services expenditures. This is in addition to funds requested in a prior amendment in support of FY 2022.
- **Health Care Workforce Support**
 - \$6.0 million general revenue allocated to the Department of Labor and Training to coordinate with Skills RI and partner with Rhode Island healthcare systems to facilitate the outreach, recruitment, screening, placement, onboarding,

supportive services, training curriculum assistance, and outcome reporting of medical personnel to address the heightened need for healthcare services in the state.

- \$0.5 million allocated to the Community College of Rhode Island to fund four staff positions, stipends for students, and marketing and advertising costs to support the training of certified nursing assistants, licensed practical nurses, and registered nurses.
- **Health Care Recruitment and Incentives** - \$2.5 million all funds (\$1.6 general revenue) to support various employment incentives at the Departments of Corrections, Human Services, and Behavioral Healthcare, Developmental Disabilities, and Hospitals.
- **Health Care System Supports**
 - **Adult Dental Rate Increase** - \$8.1 million all funds (\$2.7 million general revenue) to support enhanced rates to Medicaid adult dental providers. This increase is intended to address concerns about patients using emergency departments for dental care and encourage more Medicaid participation among dentists.
 - **Nursing Facility Transformation Grant** - \$5.0 million general revenue to finance a competitive grant program for nursing homes to better serve at-risk populations with specialized needs.
- **DCYF Supports**
 - **DCYF Provider Wage Stabilization Extension** - \$1.9 million general revenue to support continuation of wage stabilization payments which phases down over the course of FY 2023.
 - **DCYF Temporary Provider Rate Adjustments** - \$6.0 million all funds (\$4.5 million general revenue) for temporary rate increases for eligible community-based providers.

If you have any questions regarding these amendments, please feel free to call me or my staff at 222-6300.

JC:22-Amend-18
Attachments

cc: Sharon Reynolds Ferland, House Fiscal Advisor
Stephen Whitney, Senate Fiscal Advisor
James E. Thorsen, Director of Administration
Brian Daniels, Director, Office of Management and Budget

ARTICLE 1, RELATING TO MAKING APPROPRIATIONS IN SUPPORT OF FY 2023

SECTION 1, APPROPRIATIONS IN SUPPORT OF FY 2023

Department of Administration

Increase General Revenues in the Rhode Island Health Benefit Exchange program, Page 6, Line 3, by \$1,131,926 from \$2,820,336 to \$3,952,262. These funds will be used for general IT and system support at HealthSource RI during the resumption of redetermination activity and to maintain compliance with federal requirements (23-DOA1).

Department of Labor and Training

Increase General Revenues in the Workforce Development Services program, Page 10, Line 6 by \$5,981,000 from \$903,105 to \$6,884,105. This amendment would appropriate additional funds to the department to contract with the Real Jobs RI sector partnership administered by Skills for Rhode Island's Future (Skills RI). Skills RI will partner with Rhode Island healthcare systems to facilitate the outreach, recruitment, screening, placement, onboarding, supportive services, training curriculum assistance, and outcome reporting of medical personnel to address the heightened need for healthcare services in the state (23-DLT1).

Executive Office of Health and Human Services

Increase General Revenues in the Central Management program, Page 14, Line 12, by \$7,052,178 from \$42,221,694 to \$49,273,872. This increase is composed of two initiatives. The first provides \$5.0 million for transformation grants to nursing facilities supporting high quality services (23-EOHHS2). The second, an increase of \$2.1 million, will be used for general IT and system support during the resumption of redetermination activity and to maintain compliance with federal requirements (23-EOHHS3).

Increase Federal Funds in the Central Management program, Page 14, Line 13, by \$5,284,680 from \$132,402,412 to \$137,687,092. These funds will be used for general IT and system support at during the resumption of redetermination activity and to maintain compliance with federal requirements (23-EOHHS3).

Increase General Revenues Managed Care – Medical Assistance Program, Page 14, Line 24 by \$959,273 from \$382,344,923 to \$383,304,196. (23-EOHHS1). This item increases fee-for-service (FFS) rates for adult dental care (23-EOHHS1).

Increase General Revenues Other Services – Medical Assistance Program, Page 14, Line 31 by \$1,773,279 from \$133,013,828 to \$134,787,107. This item increases fee-for-service (FFS) rates for adult dental care (23-EOHHS1).

Increase Federal Funds Managed Care – Medical Assistance Program, Page 15, Line 1 by \$1,227,662 from \$488,134,078 to \$489,361,740. This item increases fee-for-service (FFS) rates for adult dental care (23-EOHHS1).

Increase Federal Funds Other Services – Medical Assistance Program, Page 15, Line 5 by \$4,187,752 from \$726,255,819 to \$730,443,571. This item increases fee-for-service (FFS) rates for adult dental care (23-EOHHS1).

Department of Children, Youth and Families

Increase General Revenues in Child Welfare, Page 16, Line 11 by \$6,441,447 from \$155,441,971 to \$161,883,418. This amendment includes the following: (1) Utilizes general revenue surplus savings achieved due to an extension of PHE-enhanced FMAP to continue the ARPA-SFRF Wage Stabilization program into the third and fourth quarter of FY23. This Amendment reflects current forecasted expenditures and where appropriate assumes unspent ARPA-SFRF funds will roll forward to the first and second quarters of FY23. The last two quarters will provide phased-down payments utilizing general revenue at a rate of 66 percent (\$1,282,842) in the third quarter and 33 percent (\$641,421) in the fourth quarter (23-DCYF1); and (2) Provides a temporary rate increase across all DCYF contract programs, by \$9,397,464 in All Funds. A total of \$3,348,065 will be utilized through Enhanced FMAP with the Executive Office of Health and Human Services and is reflected in the EOHHS HCBS enhanced FMAP budget and the EOHHS HCBS Enhanced FMAP amendments within GBAs 15 and 16 (22-EOHHS1 and 23-EOHHS2). These Medicaid eligible programs will receive a 14% “temporary rate” increase, and an additional \$6,049,399 will be utilized through DCYF surplus funds and will provide a 10% “temporary rate” increase for non-Medicaid eligible programs. This temporary increase is for FY 2023. This amendment reflects current forecasted expenditures according to the particular funding source, federal funds and general revenue (23-DCYF2).

Increase Federal Funds in Child Welfare, Page 16, Line 12 by \$1,551,652 from \$71,268,481 to \$72,820,133. This amendment provides a temporary rate increase across all DCYF contract programs, by \$9,397,464 in All Funds. A total of \$3,348,065 will be utilized through Enhanced FMAP with the Executive Office of Health and Human Services and is reflected in the EOHHS HCBS enhanced FMAP budget and the EOHHS HCBS Enhanced FMAP amendments within GBA 15 and 16 (22-EOHHS1 and 23-EOHHS2). These Medicaid eligible programs will receive a 14% “temporary rate” increase, and an additional \$6,049,399 will be utilized through DCYF surplus funds and will provide a 10% “temporary rate” increase for non-Medicaid eligible programs. This temporary increase is for FY 2023. This amendment reflects current forecasted expenditures according to the particular funding source, federal funds and general revenue (23-DCYF2).

Department of Human Services

Increase General Revenues in the Individual and Family Support program, Page 18, Line 19, by \$5,670,337 from \$39,250,009 to \$44,920,346. These funds will be used for general IT and system support during the resumption of redetermination activity and to maintain compliance with federal requirements (23-DHS2).

Increase Federal Funds in the Individual and Family Support program, Page 18, Line 20, by \$3,477,602 from \$119,508,574 to \$122,986,176. These funds will be used for general IT and system support during the resumption of redetermination activity and to maintain compliance with federal requirements (23-DHS2).

Increase General Revenues in the Healthcare Services program, Page 18, Line 31, by \$397,240 from \$30,304,208 to \$30,701,448. This amendment adds \$397,240 in general revenue to provide four incentives that address critical healthcare staffing shortages: (1) \$128,240 for Pathways training, (2) \$130,500 for clothing allowances, (3) \$15,500 for mentoring bonuses, and (4) \$120,000 for recruiting bonuses (23-DHS1).

Increase General Revenues in the Health Care Eligibility program, Page 19, Line 9, by \$929,614 from \$8,375,256 to \$9,304,870. These funds will be mainly used to hire additional state employees and other operating costs to support the redetermination work (23-DHS2).

Increase Federal Funds in the Health Care Eligibility program, Page 19, Line 10, by \$1,807,078 from \$13,810,817 to \$15,617,895. These funds will be mainly used to hire additional state employees and other operating costs to support the redetermination work (23-DHS2).

Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals

Increase General Revenues in the Healthcare Services program, Page 21, Line 23, by \$1,465,660 from \$80,422,430 to \$81,888,090. This amendment adds \$1,465,660 in general revenue to provide four incentives that address critical healthcare staffing shortages: (1) \$569,660 for Pathways training, (2) \$385,000 for clothing allowances, (3) \$55,500 for mentoring bonuses, and (4) \$455,500 for recruiting bonuses. This program will most likely be eligible for federal Medicaid matching funds thereby reducing the general revenues required (23-BHDDH1).

Community College of Rhode Island

Increase General Revenues Page 27, Line 9 by \$547,145 from \$55,121,637 to \$55,668,782. This amendment would fund four staff positions, stipends for students, and marketing and advertising costs to support the training of certified nursing assistants, licensed practical nurses, and registered nurses (23-CCRI1).

Department of Corrections

Increase General Revenues in the Healthcare Services program, Page 30, Line 3, by \$665,340 from \$27,484,248 to \$28,149,588. This amendment adds \$665,340 in general revenue to provide four incentives that address critical healthcare staffing shortages: (1) \$487,340 for Pathways training, (2) \$31,000 for equipment allowances, (3) \$59,000 for mentoring bonuses, and (4) \$88,000 for recruiting bonuses (23-DOC1).

Summary of Governor's Article 1 Amendments to FY 2023 Appropriations Act (22-H-7123)

	General Revenue	Federal Funds	Restricted Receipts	Other Funds	Total	Amendment Code (23-AGENCY#)
FY 2023 Expenditures (Original Governor's Recommend)	4,731,312,148	5,311,039,436	432,230,976	2,350,432,468	12,825,015,028	
March 3, 2022 Amendments	(1,215,113)	4,324,634	(27,219,536)	228,000	(23,882,015)	
April 22, 2022 Amendments	2,391,317	3,588,866	736,767	2,895,000	9,611,950	
April 29, 2022 Opioid Amendments	-	-	20,288,596	-	20,288,596	
May 4, 2022 COVID Budget Amendments	-	33,417,510	15,422,857	-		
May 20, 2022 End of Session Amendments	2,949,215	8,385,646	8,228,385	-	19,563,246	
May 2022 Amendments						
Department of Administration						
Unwinding of the Public Health Emergency	1,131,926	-	-	-	1,131,926	23-DOA1
Department of Labor and Training						
Healthcare Workforce Support - Skills RI	5,981,000				5,981,000	23-DLT1
Executive Office of Health and Human Services						
Adult Dental Rate Increase	2,732,552	5,415,414	-	-	8,147,966	23-EOHHS1
Nursing Facility Transformation Grant	5,000,000	-	-	-	5,000,000	23-EOHHS2
Unwinding of the Public Health Emergency	2,052,178	5,848,207	-	-	7,900,385	23-EOHHS3
Department of Children, Youth and Families						
Provider Wage Stabilization Extension	1,943,700				1,943,700	23-DCYF1
Temporary Provider Rate Adjustments	4,497,747	1,551,652			6,049,399	23-DCYF2
Department of Human Services						
Healthcare Recruitment and Incentives	397,240				397,240	23-DHS1
Unwinding of the Public Health Emergency	6,599,951	5,284,680	-	-	11,884,631	23-DHS2
Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals						
Healthcare Recruitment and Incentives	1,465,660				1,465,660	23-BHDDH1
Community College of Rhode Island						
Healthcare Recruitment and Training	547,175				547,175	23-CCR11
Department of Corrections						
Healthcare Recruitment and Incentives	665,340				665,340	23-DOC1
Total	31,882,543	5,284,680	-	-	49,982,496	
Grand Total	4,767,320,110	5,366,040,772	449,688,045	2,353,555,468	12,900,579,301	