



State of Rhode Island

Caseload Estimating Conference

Room 305, STATE HOUSE, PROVIDENCE, RI 02903

SHARON REYNOLDS FERLAND
House Fiscal Advisor
November 2022 Conference Chair

JOSEPH M. CODEGA JR.
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MEMORANDUM

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

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

Date: November 16, 2022

Subject: **November 2022 Caseload Estimating Conference**

SUMMARY

The Caseload Estimating Conference convened on November 4, 2022, in an open public meeting to estimate cash assistance caseload, costs for private community providers serving individuals with developmental disabilities, and medical assistance expenditures for FY 2023 and FY 2024.

The adopted estimate for FY 2023 of \$3,647.9 million is \$36.7 million less than enacted for FY 2023 from all funds, including \$88.3 million less from general revenues and \$51.5 million more from federal funds. This estimate assumes the continuation of the Public Health Emergency through January 11, 2023, including general revenue savings from more favorable federal cost sharing through the third quarter of FY 2023 as well as the effects of further delay in redetermination activity which is now assumed to begin in the fourth quarter. The enacted budget assumed an extension only through the first quarter of FY 2023.

FY 2024 program costs are estimated to total \$3,726.5 million, increases of \$78.7 million and \$41.9 million over the revised estimate and enacted budget, respectively and assume the continuation of redetermination activity for individuals enrolled in managed care plans. The general revenue components of those increases

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are \$162.4 million and \$74.1 million, respectively and are largely attributable to the impacts of the assumed expiration of enhanced federal match rate.

The following table summarizes the adopted estimates.

November 2022 Caseload Estimates	FY 2023 Enacted	FY 2023 Nov. CEC	Change to Enacted	FY 2024 Nov. CEC	Change to FY 2023 Nov.
Cash Assistance					
All Funds	\$ 122,420,953	\$ 111,369,450	\$ (11,051,503)	\$ 130,876,000	\$ 19,506,550
General Revenues	27,825,057	27,666,797	(158,260)	29,007,774	1,340,977
Medical Assistance					
All Funds	\$ 3,229,834,502	\$ 3,212,579,879	\$ (17,254,623)	\$ 3,257,038,847	\$ 44,458,968
General Revenues	1,147,404,580	1,073,105,301	(74,299,279)	1,214,315,390	141,210,089
Private Community Developmentally Disabled Services					
All Funds	\$ 332,424,205	\$ 323,933,312	\$ (8,490,893)	\$ 338,631,588	\$ 14,698,276
General Revenues	147,414,194	133,605,041	(13,809,153)	153,464,588	19,859,547
Consensus Caseload Total					
All Funds	\$ 3,684,679,660	\$ 3,647,882,641	\$ (36,797,019)	\$ 3,726,546,435	\$ 78,663,794
General Revenues	1,322,643,831	1,234,377,139	(88,266,692)	1,396,787,752	162,410,613

Cash Assistance

Cash assistance programs for FY 2023 are estimated to total \$111.4 million, a decrease of \$11.1 million from the enacted budget. Activities funded by general revenues are estimated to be \$27.7 million, which is \$0.2 million less than enacted. FY 2024 expenditures are estimated to total \$130.9 million, \$19.5 million more than the FY 2023 revised estimate of which \$1.3 million is from general revenues.

Rhode Island Works

The conferees project a caseload of 8,800 at an average monthly cost per person of \$226.50 for FY 2023, which is 837 more individuals and \$9.50 less than enacted. For FY 2024, the estimated caseload is 9,600 at an average monthly cost of \$240.00 per person. This adds 800 more individuals and \$13.50 to the monthly cost compared to the FY 2023 revised estimate. Expenditures for Rhode Island Works, funded entirely by the federal Temporary Assistance for Needy Families block grant, total \$26.0 million in FY 2023 and \$30.0 million in FY 2024. This total includes \$2.1 million in FY 2023 and \$2.4 million in FY 2024 for monthly bus passes and other supportive services

Child Care Assistance

The FY 2023 caseload estimate for child care assistance includes \$66.9 million to provide 6,300 children with subsidized child care at an average yearly cost of \$10,624 per subsidy. The revised estimate assumes use of \$57.7 million from federal block grant funds and \$9.2 million from general revenues. Total expenses are anticipated to decrease by \$11.5 million from the enacted budget, though general revenue expenses increase by \$0.5 million to reflect an updated minimum state match calculation. Consistent with the enacted budget the estimate assumes an end to the pandemic practice of paying providers based on enrollment instead of attendance. The Department did update its previous allowable absence policy to allow for ten consecutive days under certain circumstances and has been reimbursing based on attendance since September 18, 2022.

The estimate for FY 2024 is \$82.1 million assuming 7,725 subsidies at \$10,624 per subsidy. This represents 1,425 more subsidies than the FY 2023 adopted estimate but the same cost per subsidy. By source the estimate assumes \$71.9 million from federal block grant funds and \$10.2 million from general revenues.

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The total cost for FY 2024 is \$3.6 million more than the FY 2023 enacted budget and \$15.1 million more than the FY 2023 revised estimate.

November 2022 Consensus Caseload Estimates	FY 2023 Enacted	FY 2023 Nov. CEC	Change to Enacted	FY 2024 Nov. CEC	Change to FY 2023 Nov.
Cash Assistance					
TANF/RI Works					
Persons	7,963	8,800	837	9,600	800
Monthly Cost per Person	\$ 236.00	\$ 226.50	\$ (9.50)	\$ 240.00	\$ 13.50
Cash Payments	22,550,458	23,918,400	1,367,942	27,648,000	3,729,600
Monthly Bus Passes	991,100	593,360	(397,740)	808,400	215,040
Supportive Services	800,000	800,000	-	800,000	-
Clothing - Children	500,000	685,000	185,000	750,000	65,000
Catastrophic	2,400	2,400	-	2,400	-
Total /TANF Funds	\$ 24,843,958	\$ 25,999,160	\$ 1,155,202	\$ 30,008,800	\$ 4,009,640
Child Care					
Subsidies	7,302	6,300	(1,002)	7,725	1,425
Annual Cost per Subsidy	\$ 10,741	\$ 10,624	\$ (117)	\$ 10,624	\$ -
Total	\$ 78,433,875	\$ 66,931,200	\$ (11,502,675)	\$ 82,070,400	\$ 15,139,200
Federal Funds	69,751,938	57,703,493	(12,048,445)	71,859,426	14,155,933
General Revenues	8,681,937	9,227,707	545,770	10,210,974	983,267
SSI					
Persons	\$ 33,000	\$ 32,050	\$ (950)	\$ 32,000	\$ (50)
Monthly Cost per Person	45.00	44.25	(0.75)	44.40	0.15
Total/General Revenues	\$ 17,886,000	\$ 17,072,050	\$ (813,950)	\$ 17,108,100	\$ 36,050
GPA Bridge					
Persons	296	340	44	475	135
Monthly Cost per Person	\$ 185.00	\$ 188.00	\$ 3.00	\$ 191.00	\$ 3.00
Total Payments	\$ 657,120	\$ 767,040	\$ 109,920	\$ 1,088,700	\$ 321,660
Burials	600,000	600,000	-	600,000	-
Total/General Revenues	\$ 1,257,120	\$ 1,367,040	\$ 109,920	\$ 1,688,700	\$ 321,660
Total Cash Assistance	\$ 122,420,953	\$ 111,369,450	\$ (11,051,503)	\$ 130,876,000	\$ 19,506,550
General Revenues	27,825,057	27,666,797	(158,260)	29,007,774	1,340,977

Supplemental Security Income

The Supplemental Security Income program is estimated to cover 32,050 persons in FY 2023 and 32,000 in FY 2024 at a monthly cost per person of \$44.25 and \$44.40, respectively. The total cost of \$17.1 million in FY 2023 is \$0.8 million less than enacted. The FY 2024 estimate also equates to \$17.1 million.

General Public Assistance

For FY 2023, the Conference estimates 340 individuals at a monthly cost of \$188.00; this is \$0.1 million more than enacted and assumes 44 more participants and \$3 more per month each. The FY 2024 estimate assumes 475 individuals at \$191.00 per month. The recent increase in participants primarily results from the Department ending the requirement for enhanced review deemed to be redundant. With the \$600,000 for burials adopted for both fiscal years, total expenditures are estimated to be \$1.4 million in FY 2023 and \$1.7 million for FY 2024.

Private Services for Individuals with Developmental Disabilities

The Conference estimates the total cost for private services for individuals with developmental disabilities at \$323.9 million in FY 2023, including \$190.3 million from federal funds and \$133.6 million from general revenues. This is \$8.5 million less than enacted, including \$13.8 million less from general revenues.

For FY 2024 the estimate of \$338.6 million, including \$185.2 million from federal funds and \$153.5 million from general revenues is \$6.2 million more than enacted and \$14.7 million more than the revised estimate. Expenditures from general revenues are \$6.1 million more than enacted and \$19.9 million more than the revised estimate.

November 2022 Consensus Caseload Estimates	FY 2023 Enacted	FY 2023 Nov. CEC	Change to Enacted	FY 2024 Nov. CEC	Change to FY 2023 Nov.
<i>Private Community Developmentally Disabled Services</i>					
Residential Habilitation	\$ 195,802,499	\$ 192,200,000	\$ (3,602,499)	\$ 204,300,000	\$ 12,100,000
Day Program	86,313,888	81,400,000	(4,913,888)	86,100,000	4,700,000
Employment	8,200,000	7,300,000	(900,000)	7,300,000	-
Transportation	12,360,318	7,600,000	(4,760,318)	8,300,000	700,000
Case Management and Other Support	12,400,000	12,300,000	(100,000)	12,300,000	-
L9 Supplemental Funding	17,000,000	22,800,000	5,800,000	20,000,000	(2,800,000)
Non Medicaid Funded	347,500	333,312	(14,188)	331,588	(1,724)
Total - Community DD Services	\$ 332,424,205	\$ 323,933,312	\$ (8,490,893)	\$ 338,631,588	\$ 14,698,276
General Revenues	147,414,194	133,605,041	(13,809,153)	153,464,588	19,859,547

Residential Habilitation

The category for residential habilitation includes the various settings where an individual resides, including but not limited to group homes, shared living arrangements, and individual living. FY 2023 residential habilitation expenditures are estimated to be \$192.2 million, which is \$3.6 million less than the enacted budget. The estimate for FY 2024 is \$204.3 million, which is \$12.1 million more than the revised FY 2023 estimate.

Day Program

Day Program captures services offered at a center-based, community-based or home-based day program, including the provision of education, training, and opportunity to acquire the skills and experience needed to participate in the community. Day Program expenditures are estimated to be \$76.3 million in FY 2023, which \$5.7 million less than enacted. For FY 2024 the estimate of \$81.0 million is \$4.7 million above the FY 2023 revised estimate. Within this category is \$5.1 million in both FY 2023 and FY 2024 to support Shared Living Arrangement contractors who began providing increased support during the pandemic for individuals who remained at home during the day. This brings total expenses to \$81.4 million in FY 2023 and \$86.1 million in FY 2024.

Employment

The category for employment captures services such as job assessment and development, job coaching, job retention, and prevocational training for adults with developmental disabilities. For FY 2023 and FY 2024, the Conference estimates \$7.3 million for employment services, which is \$0.9 million below the FY 2023 enacted budget.

Transportation

Transportation is defined as a program providing transportation for an individual from his/her residence, or the immediate vicinity thereof, to and from the individual’s program in order to participate in employment/day activities. For FY 2023, transportation costs are estimated to be \$7.6 million, which is a decrease of \$4.8 million from the FY 2023 enacted budget. For FY 2024, the estimate is \$8.3 million, which is \$0.7 million more than the FY 2023 revised estimate. This includes \$0.9 million for FY 2023 and \$1.1 million for FY 2024 for payments to the Rhode Island Public Transit Authority.

Case Management and Other Support Services

This category represents the remaining assorted services an individual can receive including attendant care, home modifications, assistive technology, and support facilitation. Case management and other support services are estimated to be \$12.3 million for both FY 2023 and FY 2024. This is \$0.1 million less than the enacted budget.

L9 Supplemental Funding

The Conference estimates \$22.8 million for L9 Supplemental Funding for FY 2023, which is \$5.8 million more than enacted based on projected utilization. For FY 2024, the Conference estimates \$20.0 million,

which is \$2.8 million below the FY 2023 revised estimate. This decline assumes individuals will utilize a greater percentage of their authorized budgets and consequently require less supplemental funding.

Non Medicaid Funded

This category includes expenses not currently eligible to receive Medicaid match including the Developmentally Disabled Persons and Parent Deinstitutionalization Subsidy Aid programs, for which the estimate assumes \$31,724 in FY 2023 and \$30,000 for FY 2024. These programs, which no longer accept new clients, provide monthly stipend payments to certain eligible individuals. Also, there is one out-of-state placement not matched by Medicaid estimated to cost \$301,588 for FY 2023 and FY 2024.

Medical Assistance

The Conference projects total medical assistance spending of \$3,212.6 million in FY 2023, including \$2,130.2 million from federal funds, \$1,073.1 million from general revenues, and \$9.3 million from restricted receipts. This is \$17.3 million less than enacted from all sources including \$74.3 million less from general revenues.

For FY 2024, the Conference projects spending of \$3,257.0 million including \$2,033.4 million from federal funds, \$1,214.3 million from general revenues, and \$9.3 million from restricted receipts. The estimate is \$44.5 million above the FY 2023 revised estimate but includes a \$96.8 million reduction to federal funds and a \$141.2 million more from general revenues, reflecting expiration of the enhanced Medicaid match.

Medical assistance estimates in FY 2023 and FY 2024 assume the continuation of the public health emergency by the U.S. Department of Health and Human Services through January 11, 2023. While this is in effect, states are mandated to have “continuous coverage” which effectively pauses all eligibility redetermination activity such that individuals enrolled in Medicaid cannot be terminated even if they are no longer eligible. There is also a 6.2 percentage point enhanced reimbursement on most Medicaid expenditures through the end of the calendar quarter in which the emergency ends. The current 90 day extension of the emergency declaration ends on January 11, 2023, allowing for enhanced match to be effective through March 2023. The estimate reflects eligibility redetermination activity resuming on April 1, 2023, and accelerating over the 12 months during which the process is required to be completed.

November 2022 Consensus Caseload Estimates	FY 2023 Enacted	FY 2023 Nov. CEC	Change to Enacted	FY 2024 Nov. CEC	Change to FY 2023 Nov.
<i>Medical Assistance</i>					
Hospitals	\$ 69,198,590	\$ 62,300,000	\$ (6,898,590)	\$ 62,700,000	\$ 400,000
Hospitals - DSH	145,079,879	145,079,879	-	136,338,847	(8,741,032)
Hospitals Total	\$ 214,278,469	\$ 207,379,879	\$ (6,898,590)	\$ 199,038,847	\$ (8,341,032)
Nursing Facilities	\$ 311,623,884	\$ 333,100,000	\$ 21,476,116	\$ 358,000,000	\$ 24,900,000
Home & Comm. Care	137,765,970	122,600,000	(15,165,970)	127,500,000	4,900,000
Long Term Care Totals	\$ 449,389,854	\$ 455,700,000	\$ 6,310,146	\$ 485,500,000	\$ 29,800,000
Managed Care/RtE Care	\$ 960,857,772	\$ 969,100,000	\$ 8,242,228	\$ 989,000,000	\$ 19,900,000
Rhody Health Partners	318,336,605	305,600,000	(12,736,605)	321,900,000	16,300,000
Medicaid Expansion	860,432,687	863,200,000	2,767,313	811,300,000	(51,900,000)
Rhody Health Options	178,628,398	167,800,000	(10,828,398)	183,500,000	15,700,000
Other Medical Services	160,510,717	165,200,000	4,689,283	174,900,000	9,700,000
Managed Care & Acute Care Services Total	\$ 2,478,766,179	\$ 2,470,900,000	\$ (7,866,179)	\$ 2,480,600,000	\$ 9,700,000
Pharmacy	\$ 300,000	\$ 500,000	\$ 200,000	\$ 500,000	\$ -
Pharmacy Part D Clawback	87,100,000	78,100,000	(9,000,000)	91,400,000	13,300,000
Pharmacy Total	\$ 87,400,000	\$ 78,600,000	\$ (8,800,000)	\$ 91,900,000	\$ 13,300,000
Total Medical Assistance	\$ 3,229,834,502	\$ 3,212,579,879	\$ (17,254,623)	\$ 3,257,038,847	\$ 44,458,968
Federal Funds	\$ 2,073,119,922	\$ 2,130,164,577	\$ 57,044,655	\$ 2,033,413,457	\$ (96,751,120)
General Revenues	1,147,404,580	1,073,105,301	(74,299,279)	1,214,315,390	141,210,089
Restricted Receipts	9,310,000	9,310,000	-	9,310,000	-

Hospitals

FY 2023 hospital expenditures are estimated to be \$207.4 million which is \$6.9 million less than enacted. This includes a \$6.1 million decrease to the Upper Payment Limit supplemental payments based on updated data. The estimate also includes savings of \$3.1 million related to a policy change made in October 2022 to make Medicare Part A payments on behalf of eligible individuals consistent with federal requirements. The offsetting expenses appear in Other Medical Services program.

FY 2024 hospital expenditures are estimated to be \$199.0 million including disproportionate share hospital payments of \$136.3 million. The estimate is \$8.3 million less than the revised FY 2023 estimate including \$8.7 million less to reflect the federally scheduled reduction to the disproportionate share payment. The estimate also includes \$23.4 million for upper payment limit reimbursements and the enacted level of \$2.5 million for the Graduate Medical Education program. The estimate also assumes a 4.1 percent increase to hospital rates effective July 1, 2023. The FY 2024 estimate also includes savings of \$4.3 million in direct hospital expenses from the Medicare Part A policy change.

Long Term Care

Long term care expenditures are estimated to be \$455.7 million in FY 2023 and \$485.5 million in FY 2024. The FY 2023 increase of \$21.5 million for nursing facilities reflects census trends moving back to pre-pandemic levels faster than assumed in the enacted budget. The FY 2024 estimate for nursing facilities is \$24.9 million more than FY 2023 revised estimate and includes the scheduled October 1, 2023, rate increase of 5.4 percent, the final 1.5 percent increase from the minimum staffing law, and updated utilization trends.

The Conference estimates \$122.6 million for home and community-based services in FY 2023. This is a \$15.2 million reduction to the enacted budget assumption primarily because a portion of the \$34.4 million in new funding authorized for FY 2023 has been shifted to other programs where those costs are incurred. The FY 2024 estimate of \$127.5 million is \$4.9 million above the revised FY 2023 estimate.

Managed Care

FY 2023 expenditures for managed care are estimated to be \$969.1 million, an \$8.2 million increase from the enacted budget. The increase is primarily attributable to the extension of the Public Health Emergency and related delay in eligibility redetermination, consistent with federal guidance.

Costs for FY 2024 are estimated at \$989.0 million, which is \$19.9 million above the revised FY 2023 consensus estimate. This estimate includes a 5.0 percent increase in the monthly cost per person and assumes that enrollment declines will begin in April 2023 and continue over a 12-month period. The monthly cost per person for both FY 2023 and FY 2024 include the increase in rates for home based services originally included in the fee-for-service program.

Rhody Health Partners

Rhody Health Partners program expenses are estimated at \$305.6 million for FY 2023, which is \$12.7 million less than enacted based updated data showing a decrease in the monthly cost per person from the original estimate. FY 2024 expenditures are estimated to be \$321.9 million, which is \$16.3 million more than the FY 2023 adopted estimate and assumes a 5.0 percent increase in the monthly cost per person and slightly declining enrollment.

Medicaid Expansion

The FY 2023 estimate for the Medicaid Expansion population of \$863.2 million is \$2.8 million more than the enacted budget. This increase is primarily attributable to the delay in redeterminations from the extension of the Public Health Emergency. The FY 2024 estimate of \$811.3 million is \$51.9 million less than the FY 2023 revised consensus estimate and includes a 5.0 percent increase in the monthly cost per person. The consensus estimate assumes that individual termination will begin in April 2023 and continue over a 12-month period.

Rhody Health Options

Expenses for Rhody Health Options, the state's integrated care initiative that provides acute and long term care services to individual eligible for both Medicare and Medicaid, are estimated to be \$167.8 million for FY 2023. This represents a decrease of \$10.8 million compared to the enacted budget reflecting fewer enrollees and a lower monthly cost per person. In October 2022, the Executive Office ended the practice of passively enrolling individuals residing in a nursing home in Rhody Health Options. This shifts some costs back to other fee-for-service activity, including nursing homes, hospice, and other services.

The FY 2024 consensus estimate of \$183.5 million is \$15.7 million more than the revised estimate and reflects a 5.2 percent increase in the monthly cost per person. Costs for both FY 2023 and FY 2024 include the increase in rates for home based services originally included in the fee-for-service program.

Other Medical Services

Expenditures for other medical services are estimated to be \$165.2 million for FY 2023 and \$174.9 million for FY 2024. The estimate includes Medicare Part A and B payments for certain individuals, fee-for-service payments for rehabilitation, and other medical services and payments to the Tavares Pediatric Center.

The FY 2023 estimate is \$4.7 million more than the enacted budget. It adds \$12.0 million for the Medicare payments that includes a \$4.0 million correction for the Part B payment and \$7.8 million to expand coverage for the Medicare Part A payment, which provides hospital coverage. As of October 2022, the Executive Office enrolled 1,766 individuals in the Medicare Part A Buy-In program for which, as previously noted, there are savings of \$4.1 million in the Hospital program for a net cost of \$4.7 million. The estimate includes \$5.0 million for federally funded COVID-19 vaccinations which is \$6.7 million less than enacted based on utilization. The estimate includes \$4.2 million more than enacted to reflect the shift from the home and community care program for the rate increases for children's therapeutic services which is offset by a decrease in other physician and medical services.

The FY 2024 estimate is \$9.7 million more than the revised FY 2023 estimate of which \$6.7 million is for the Medicare premium payments. This includes \$2.9 million more for a full years' cost for the Part A payments which totals \$10.7 million. There is savings of \$9.2 million for the cost for the federally funded COVID-19 vaccinations and adjustment to other medical services.

Pharmacy

Pharmacy expenses are estimated to be \$78.6 million for FY 2023 and \$91.9 million for FY 2024. Nearly all of the funding is for the Medicare Part D clawback payment, which is funded solely from general revenues. This payment is the state's portion of the federal Medicare pharmacy costs for its population that are enrolled in both Medicare and Medicaid, commonly referred to as "dual-eligibles." The FY 2023 clawback estimate is \$9.0 million less than enacted which reflects the impact of the extension of the enhanced match. The FY 2024 clawback estimate is \$13.3 million above the FY 2023 consensus estimate and assumes the end of the enhanced match.

The next required meeting of the conference is May 2023.

cc: The Honorable Marvin L. Abney, Chairman
House Finance Committee

The Honorable Ryan W. Pearson, Chairman
Senate Finance Committee

