



OFFICE OF MANAGEMENT & BUDGET

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MEMORANDUM

To: The Honorable Marvin L. Abney, Chairman, House Finance Committee
The Honorable Louis P. DiPalma, Chairman, Senate Finance Committee

From: Joseph Codega Jr., Budget Officer *John M. Codega Jr.*

Date: April 8, 2024

Subject: Amendments to FY 2025 Appropriations Act (24-H-7225)

Governor's Budget Amendment #10

The Governor requests that several amendments be made to the FY 2025 Appropriations Act. The amendments include changes to the appropriation amounts in Article 1, Relating to Making Appropriations in Support of FY 2025.

Notable amendments which reflect updated policy recommendations by the Governor include:

- **OHIC Rate Review:** The Governor's Recommended budget included a plan for implementing the Office of Health Insurance Commissioner's comprehensive review of social and human service programs pursuant to statute but made no changes to this rate review legislation going forward. This amendment adjusts recommended expenditures within the Office for the resources necessary to accommodate conducting future rate review activity on a four-year cycle. Please refer to Governor's Budget Amendment #8 for further policy description.
- **Conflict Free Case Management:** This amendment utilizes anticipated savings in the Medical Assistance program within the Executive Office of Health and Human Services due to delays in the implementation of Conflict Free Case Management (CFCM) for the Developmentally Disabled to finance the hiring of independent facilitation case managers within Department of Behavioral Healthcare, Developmental Disabilities and Hospitals. A corresponding increase in the FTE authorization is requested to accommodate the measure.
- **Office of Healthy Aging Budget Adjustment:** This amendment adds \$1.3 million in general revenue to incorporate forecasted growth of the program in FY 2025. The recommended budget inadvertently omitted this adjustment to the various forecasted CNOM Medicaid program budgets administered at the Office of Health Aging (OHA) within the Department of Human Services. Additional amendments are included to align gas tax estimates for the transportation program with estimates adopted at the

November 2023 Caseload Estimating Conference with corresponding general revenue adjustments.

- **Veterans Memorial Cemetery Asset Protection:** This amendment continues funding for planned projects for the cemetery into FY 2025.

In addition to those highlighted above, this amendment seeks to make various other adjustments to requested appropriations. A description of each amendment requested is provided below.

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

Attachments

cc: Sharon Reynolds Ferland, House Fiscal Advisor
Stephen Whitney, Senate Fiscal Advisor
Jonathan Womer, Director of Administration
Brian Daniels, Director, Office of Management and Budget

ARTICLE 1, RELATING TO MAKING APPROPRIATIONS IN SUPPORT OF FY 2025

SECTION 1, APPROPRIATIONS IN SUPPORT OF FY 2025

Department of Business Regulation

Decrease General Revenue in the Office of the Health Insurance Commissioner, Page 6, Line 16 by \$386,136 from \$3,444,417 to \$3,058,281. This amendment reflects the anticipated impact of the proposed forthcoming legislative amendment changing the social and human service program rate review from a biennial to an annual cycle (25-DBR1).

Decrease Federal Funds in the Office of the Health Insurance Commissioner, Page 6, Line 17 by \$221,820 from \$500,000 to \$278,180. This amendment reflects a decrease of \$221,820 to reflect the anticipated Medicaid reimbursement on the proposed legislative amendment changing the social and human service program rate review from a biennial to an annual cycle (25-DBR1).

Office of Health and Human Services

Decrease General Revenue in the Managed Care program within the Medical Assistance program, Page 13, Line 16 by \$959,394 from \$457,974,487 to \$457,015,093. This amendment reflects the general revenue share of the anticipated caseload savings being reallocated to the Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals. The savings are related to an updated implementation timeline of conflict-free case management for individuals with developmental disabilities (25-EOHHS1).

Decrease General Revenue in the Managed Care program within the Medical Assistance program, Page 13, Line 24 by \$1,220,551 from \$612,367,722 to \$611,147,171. This amendment reflects the federal funding share of the anticipated caseload savings being reallocated to the Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals. The savings are related to an updated implementation timeline of conflict-free case management for individuals with developmental disabilities (25-EOHHS1).

Department of Human Services

Increase Other Funds for Veterans Memorial Cemetery Asset Protection, Page 18, Line 5, by \$250,000 from \$250,000 to \$500,000. This amendment reflects anticipated asset protection costs in FY 2025 including the cemetery expansion and crypt pre-placement, expansion of the memorial walkway border panels, and vehicle replacement (25-DHS4).

Increase General Revenue for the Office of Healthy Aging program, Page 18, Line 24, by \$1,266,269 from \$11,811,882 to \$13,078,151. This amendment consists of the following: (1) Decrease general revenue by \$14,530 to recognize the revised gas tax estimate as adopted by the November 2023 Revenue Estimating conference and reduce general revenue needed for the transportation program accordingly (25-DHS1); and (2) Increase general revenue by \$1,280,799 to correct for the various forecasted CNOM Medicaid program

budgets within the Office of Healthy Aging which were inadvertently underfunded in the Governor's Recommended Budget (25-DHS2).

Increase Federal Funds for the Office of Healthy Aging program, Page 18, Line 31, by \$1,299,722 from \$15,592,237 to \$16,891,959. This amendment corrects the various forecasted CNOM Medicaid program budgets within the Office of Healthy Aging (25-DHS2).

Decrease Other Funds, Intermodal Surface Transportation Fund, for the Office of Healthy Aging program, Page 18, Line 34, by \$196,802 from \$1,082,242 to \$885,440. This amendment brings the OHA gas tax amount to the statutorily set level as adopted at the November 2023 Revenue Estimating Conference, recognizing proposed Article 6, Section 10, which creates a direct transfer of seventy-nine percent of one cent per gallon of the gas tax to the Rhode Island Public Transit Authority for the elderly/disabled transportation program with the remaining twenty-one percent remaining within the OHA division for the same program (25-DHS3).

Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals

Increase General Revenue for the Services for the Developmentally Disabled program, Page 19, Line 14 by \$959,394 from \$225,785,600 to \$226,744,994. This amendment reflects the reallocated anticipated general revenue savings from the Medicaid caseload budget related to an updated implementation timeline of the conflict-free case management system for individuals with developmental disabilities. This funding will finance the hiring of 18.0 additional FTE within the program who will provide case management services to individuals within the DD caseload system sufficient to meet the "independent facilitation" case management benchmark within the timeframe prescribed by the federal Consent Decree (25-BHDDH1).

Increase Federal Funds for the Services for the Developmentally Disabled program, Page 19, Line 22 by \$959,394 from \$283,359,342 to \$284,318,736. This amendment reflects a corresponding Medicaid administrative federal funding match of reallocated anticipated savings from the Medicaid caseload budget related to an updated implementation timeline of the conflict-free case management system for individuals with developmental disabilities. This funding will finance the hiring of 18.0 additional FTE within the program who will provide case management services to individuals within the DD caseload system sufficient to meet the "independent facilitation" case management benchmark within the timeframe prescribed by the federal Consent Decree (25-BHDDH1).

SECTION 12, FY 2025 FTE Position Authorization

Increase Full-Time Equivalent Authorization for Behavioral Healthcare, Developmental Disabilities, and Hospitals, Page 38, Line 7 by 18.0 from 1,203.4 to 1,221.4. This change reflects an increased FTE authorization sufficient to allow the Services for the Developmentally Disabled program to, in light of the updated implementation timeline of conflict-free case management system, hire 18.0 additional FTE to provide case management services to individuals within the DD caseload system sufficient to meet the "independent facilitation" case management benchmark within the timeframe prescribed by the federal Consent Decree (25-BHDDH1).

Summary of Governor's Article 1 Amendments to FY 2025 Appropriations Act (24-H-7225)

	General Revenue	Federal Funds	Restricted Receipts	Other Funds	Total	Amendment Code (25-AGENCY#)
FY 2025 Expenditures (Original Governor's Recommend)	5,500,088,983	4,929,239,756	450,860,737	2,795,864,892	13,676,054,368	
March 11, 2024 Amendments	545,020	380,000	(3,107,558)	(4,959,000)	(7,141,538)	
April 2024 Amendments						
Department of Business Regulation						
<i>Office of Health Insurance Commissioner - Rate Review Impact</i>	(386,136)	(221,820)			(607,956)	25-DBR1
Office of Health and Human Services						
<i>DD Independent Facilitators - Transfer to BHDDH</i>	(959,394)	(1,220,551)			(2,179,945)	25-EOHHS1
Department of Human Services						
<i>Update General Revenue for Elderly Transportation Program to Align with Gas Tax Revision</i>	(14,530)				(14,530)	25-DHS1
<i>Corrections to OHA CNOM programs</i>	1,280,799	1,299,722			2,580,521	25-DHS2
<i>Gas Tax Estimate Correction</i>				(196,802)	(196,802)	25-DHS3
<i>Correction to VETS Cemetery Asset Protection - RICAP</i>				250,000	250,000	25-DHS4
Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals						
<i>DD Independent Facilitators</i>	959,394	959,394			1,918,788	25-BHDDH1
Total	880,133	816,745	-	53,198	1,750,076	
Grand Total	5,501,514,136	4,930,436,501	447,753,179	2,790,959,090	13,670,662,906	