



State of Rhode Island
Caseload Estimating Conference

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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 Officer
Stephen H. Whitney, Senate Fiscal Advisor

Date: May 15, 2024

Subject: **May 2024 Caseload Estimating Conference**

SUMMARY

The Caseload Estimating Conference convened on May 6, 2024 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 2024 and FY 2025.

The Conference heard an update on the returning to normal Medicaid eligibility and enrollment operations. The twelve-month resumption of normal eligibility and enrollment operations began in April 2023, with the first effects of that process showing up in June enrollments. The process, which also includes two additional months to address remaining issues, is expected to wrap up in June.

Compared to the November 2023 Caseload Estimating Conference, the adopted estimate for FY 2024 decreases funding by \$110.5 million to \$3,823.4 million. This primarily results from lower caseloads in managed care based on updated redetermination activity, as well as a further delay in the establishment of

the Certified Community Behavioral Health Clinics. Lower expenditures are anticipated for child care assistance and services for developmentally disabled adults based on current utilization.

For FY 2025, the conferees adopted total expenses of \$4,047.5 million, which is \$187.6 million less than the November consensus. This includes \$145.7 million less for medical assistance, \$3.6 million less for cash assistance, and \$38.3 million less for community-based services for adults with developmental disabilities. Revisions to the November medical assistance estimates reflect updated enrollment and cost trends and delayed initiatives. Expenditures for child care assistance and services for developmentally disabled adults are revised downward consistent with FY 2024 experience. General revenue expenditures are expected to total \$1,517.2 million, a decrease of \$71.9 million compared to the November estimate.

The following table summarizes the adopted estimates.

May 2024 Caseload Estimates	FY 2024 May CEC	Change to Nov. CEC	FY 2025 May CEC	Change to Nov. CEC
Cash Assistance				
All Funds	\$ 105,649,985	\$ (3,709,099)	\$ 111,909,429	\$ (3,586,515)
General Revenues	28,616,277	37,412	28,831,122	(184,204)
Medical Assistance				
All Funds	\$3,314,538,872	\$ (67,200,000)	\$3,511,738,872	\$(145,700,000)
General Revenues	1,226,923,274	(10,564,473)	1,300,771,332	(55,547,574)
Private Community Developmentally Disabled Services				
All Funds	\$ 403,206,413	\$ (39,634,587)	\$ 423,878,208	\$ (38,272,792)
General Revenues	179,513,627	(16,754,373)	187,566,058	(16,155,892)
Consensus Caseload Total				
All Funds	\$3,823,395,270	\$(110,543,686)	\$4,047,526,509	\$(187,559,307)
General Revenues	1,435,053,178	(27,281,434)	1,517,168,512	(71,887,670)

Cash Assistance

Expenses for cash assistance programs for FY 2024 are estimated to total \$105.6 million, a decrease of \$3.7 million from the November consensus. Activities funded by general revenues are estimated to be \$28.6 million essentially the same as the November consensus. FY 2025 expenditures are estimated to total \$111.9 million, \$3.6 million less than the November consensus. Those funded from general revenues total \$28.8 million, or \$0.2 million less than the prior estimate.

Rhode Island Works

The conferees project a caseload of 8,314 at an average monthly cost of \$236.00 in FY 2024, which is 206 individuals fewer than the November consensus estimate and a \$3.00 increase in monthly cost per person. For FY 2025, the conferees adopt a caseload of 8,728 at an average monthly cost of \$240.72, which is 247 fewer individuals than adopted in November and a \$6.72 higher monthly cost. Expenditures for Rhode Island Works, including monthly bus passes and other supportive services, total \$25.5 million for FY 2024 and \$27.3 million for FY 2025. Program expenses are funded entirely by the federal Temporary Assistance for Needy Families (TANF) block grant.

Child Care Assistance

The FY 2024 caseload estimate for child care assistance includes \$61.7 million to provide 6,219 children with subsidized care at an average yearly cost of \$9,918 per subsidy. The revised estimate assumes use of

\$51.5 million from federal block grant funds and \$10.2 million from general revenues. Expenses are anticipated to decrease by \$3.4 million from the November consensus based on updated enrollment data.

For FY 2025, program costs are estimated to be \$66.0 million, for 6,174 subsidies at an average yearly cost of \$10,682 per subsidy. This represents 226 fewer subsidies and \$118 less per subsidy than adopted in November based on projected enrollment. The estimates for family child care providers rates are consistent with the most recent agreement between the state and SEIU District 1199 New England.

The estimate also includes \$2.8 million in FY 2024 and \$2.4 million in FY 2025 for the pilot program to extend child care benefits to eligible childcare educators and staff approved as part of the FY 2024 budget. Compared to November, this is \$1.2 million more over the two-year period.

May 2024 Consensus Caseload Estimates	FY 2024 May CEC	Change to Nov. CEC	FY 2025 May CEC	Change to Nov CEC
Cash Assistance				
TANF/RI Works				
Persons	8,314	(206)	8,728	(247)
Monthly Cost per Person	\$ 236.00	\$ 3.00	\$ 240.72	\$ 6.72
Cash Payments	\$ 23,545,248	\$ (276,672)	\$ 25,212,050	\$ 10,250
Monthly Bus Passes	490,863	(83,681)	441,891	(163,229)
Supportive Services	846,000	(24,000)	920,000	(80,000)
Clothing - Children	655,800	(4,200)	690,000	-
Catastrophic	2,500	(500)	3,600	-
RI Works	\$ 25,540,411	\$ (389,053)	\$ 27,267,541	\$ (232,979)
Child Care				
Subsidies	6,219	169	6,174	(226)
Annual Cost per Subsidy	\$ 9,918	\$ (832)	\$ 10,682	\$ (118)
Child Care	\$ 61,680,042	(3,357,458)	65,950,668	(3,169,332)
Federal Funds	51,493,297	(3,357,458)	55,810,766	(3,169,332)
General Revenues	10,186,745	-	10,139,902	-
SSI				
Persons	30,916	(84)	30,608	(392)
Monthly Cost per Person	\$ 45.00	\$ 0.50	\$ 45.00	\$ 0.75
SSI	\$ 16,753,640	\$ 140,640	16,588,320	67,320
GPA Bridge				
Persons	531	(47)	725	(101)
Monthly Cost per Person	\$ 161.00	\$ (9.00)	\$ 167.00	\$ (10.00)
Total Payments	\$ 1,025,892	\$ (153,228)	\$ 1,452,900	\$ (301,524)
Burials	650,000	50,000	650,000	50,000
GPA/Bridge	\$ 1,675,892	\$ (103,228)	\$ 2,102,900	\$ (251,524)
Total Cash Assistance	\$ 105,649,985	\$ (3,709,099)	\$ 111,909,429	\$ (3,586,515)
General Revenues	28,616,277	37,412	28,831,122	(184,204)

Supplemental Security Income

The caseload for the Supplemental Security Income program is estimated to be 30,916 persons in FY 2024 and 30,608 in FY 2025. The estimated monthly cost per person is \$45.00 in each year for total funding of \$16.8 million from general revenues in FY 2024 and \$16.6 million from general revenues in FY 2025, inclusive of transaction costs.

General Public Assistance

Total expenditures for general public assistance are estimated to be \$1.7 million for FY 2024 and \$2.1 million for FY 2025, with \$650,000 for burials adopted for both fiscal years. For FY 2024, the Conference

estimates 531 individuals at a monthly cost of \$161.00; this is \$103,288 less than enacted and assumes 47 fewer participants and \$9.00 less per month. The FY 2025 estimate assumes 725 individuals at \$167.00 per month.

Private Services for Individuals with Developmental Disabilities

The Conference projects total costs for private services for individuals with developmental disabilities of \$403.2 million in FY 2024, including \$223.7 million from federal funds and \$179.5 million from general revenues. This is \$39.6 million less than the November consensus, including \$16.8 million less from general revenues, and reflects current utilization trends.

For FY 2025, the Conference projects spending of \$423.9 million including \$236.3 million from federal funds and \$187.6 million from general revenues. This is \$38.3 million less than the November consensus, including \$16.2 million less from general revenues and is adjusted for FY 2024 utilization. Based on the Department's comprehensive restructuring and revisions to expense categories, the estimates are shown differently than the November presentation. The table shows this as a shift between residential services and day programs, which has been renamed day and community programs.

May 2024 Consensus Caseload Estimates	FY 2024 May CEC	Change to Nov. CEC	FY 2025 May CEC	Change to Nov CEC
<i>Private Community Developmentally Disabled Services</i>				
Residential Habilitation	\$ 208,000,000	\$ (76,700,000)	\$ 217,000,000	\$ (79,000,000)
Day/Community Programs	139,000,000	40,900,000	146,000,000	44,000,000
Employment	7,900,000	(600,000)	9,900,000	900,000
Transportation	13,700,000	1,700,000	14,000,000	1,500,000
RIPTA Contract	1,979,802	(120,198)	2,120,000	(190,000)
Case Mgmt. & Other Support Services	7,000,000	(3,000,000)	7,400,000	(3,100,000)
Support Services Expansion	333,000	(1,667,000)	4,140,000	140,000
L9 Supplemental Funding	24,100,000	(1,000,000)	22,000,000	(3,500,000)
Subsidies/State Only Placements	1,193,611	852,611	1,318,208	977,208
Total - Community DD Services	\$ 403,206,413	\$ (39,634,587)	\$ 423,878,208	\$ (38,272,792)
General Revenues	179,513,627	(16,754,373)	187,566,058	(16,155,892)

Residential Habilitation

Residential habilitation includes congregate and non-congregate living supports. These expenditures are estimated to be \$208.0 million in FY 2024 and \$217.0 million in FY 2025. They are \$76.7 million and \$79.0 million less than the November consensus for FY 2024 and FY 2025, respectively and represent the shift of expenses to the day and community program category.

Day/Community Programs

Programs are offered at a center-based day program, a community-based day program or home-based day program, including the provision of education, and training. Expenditures are estimated to be \$139.0 million in FY 2024 and \$146.0 million in FY 2025. These are \$40.9 million and \$44.0 million more than the November estimate, respectively and represent the inclusion of items formerly shown with residential expenses, as noted previously. Combined with residential, projected expenses are \$35.8 million less for FY 2024 and \$35.8 million less for FY 2025. The revisions reflect a slower increase in service utilization than projected in November.

Employment

Employment captures services such as job assessment and development, job coaching, job retention, and prevocational training for adults with developmental disabilities. For FY 2024, the Conference estimates \$7.9 million for employment services, which is \$0.6 million less than the November consensus. FY 2025 expenditures are estimated to be \$9.9 million, or \$0.9 million more than November.

Transportation/RIPTA Contract

The transportation service category provides funding for round-trip transportation from an individual's residence to employment and day program activities. These costs are estimated to be \$15.7 million in FY 2024, or \$1.6 million more than the November consensus based on utilization. Of this, \$2.0 million is for transportation services provided by the Rhode Island Public Transit Authority (RIPTA). For FY 2025, the Conference estimates \$16.1 million or \$1.3 million more than November. This includes a similar adjustment to utilization and \$2.1 million for RIPTA expenses.

Case Management and Other Support Services

This category represents a variety of additional services an individual can receive, including, but not limited to, attendant care, home modifications, assistive technology, and support facilitation. These services are estimated to total \$7.0 million for FY 2024, a decrease of \$3.0 million from the November consensus. For FY 2025, the Conference estimates \$7.4 million, which is \$3.1 million less than projected in November.

Support Services Expansion

The support services expansion category represents new services, including remote supports, intended to begin in FY 2024. The FY 2024 estimate is revised downward from November by \$1.7 million to \$0.3 million based on a delay in implementation. For FY 2025, the Conference estimates \$4.1 million which represents a full year and \$0.1 million more than the November estimate.

L9 Supplemental Funding

The Conference estimates \$24.1 million for L9 Supplemental Funding in FY 2024, which is \$1.0 million less than the November consensus. For FY 2025, expenses are estimated to further decline to \$22.0 million, which is \$3.5 million less than the November consensus.

Subsidies/State Only Placements

This category includes items that are not currently eligible to receive Medicaid match. The Conference estimates \$1.2 million for FY 2024 and \$1.3 million for FY 2025. These increase compared to November by \$0.9 million in FY 2024 and \$1.0 million in FY 2025. The estimate includes \$26,430 in both years for monthly stipend payments to family caregivers of individuals who formerly resided at the Ladd Center. Most of the state-only expenses are for a few out-of-state placements and individuals residing in state whose placements have not yet been approved for the Medicaid match.

Medical Assistance

The Conference projects total medical assistance spending of \$3,314.5 million in FY 2024, including \$2,079.1 million from federal funds, \$1,226.9 million from general revenues, and \$8.5 million from restricted receipts. This is \$67.2 million less than the November consensus, including \$10.6 million less from general revenues.

For FY 2025, the Conference projects spending of \$3,511.7 million including \$2,202.7 million from federal funds, \$1,300.8 million from general revenues, and \$8.3 million from restricted receipts. This estimate is \$145.7 million less than November with decreases of \$90.0 million from federal funds, \$55.5 million from general revenues and \$0.2 million from restricted receipts.

Estimate for both fiscal years reflect the delay in implementing the Certified Community Behavioral Health Clinics (CCBHC) initiative from February 1, 2024 to October 1, 2024. The May estimate excludes the \$11.4 million expense for FY 2024 contained in the November consensus. It also reduces the November estimate for FY 2025 of \$122.6 million to \$77.8 million, or \$44.8 million less.

The conflict free case management initiative is also delayed from a January 1, 2024 start date for most eligible participants to one that is phased-in, with final coverage for all participants sometime during FY

2026. For FY 2024, the November estimate has been lowered to \$0.8 million from \$1.6 million; the FY 2024 enacted budget assumed \$14.4 million. The FY 2025 estimate of \$7.7 million is \$11.1 million less than estimated in November.

May 2024 Consensus Caseload Estimates	FY 2024 May CEC	Change to Nov. CEC	FY 2025 May CEC	Change to Nov CEC
<i>Medical Assistance</i>				
Hospitals	\$ 352,000,000	\$ 4,900,000	\$ 347,900,000	\$ 2,400,000
Hospitals - DSH	14,738,872	-	14,738,872	-
<i>Hospitals</i>	<i>\$ 366,738,872</i>	<i>\$ 4,900,000</i>	<i>\$ 362,638,872</i>	<i>\$ 2,400,000</i>
Nursing Facilities	334,700,000	5,900,000	393,800,000	(2,500,000)
Home & Comm. Care	157,500,000	5,300,000	168,400,000	(5,100,000)
<i>Long Term Care</i>	<i>\$ 492,200,000</i>	<i>\$ 11,200,000</i>	<i>\$ 562,200,000</i>	<i>\$ (7,600,000)</i>
Managed Care/RIte Care	1,040,500,000	19,700,000	1,038,400,000	(34,400,000)
Rhody Health Partners	292,200,000	(10,900,000)	330,200,000	(16,900,000)
Medicaid Expansion	688,600,000	(67,100,000)	722,200,000	(43,300,000)
Rhody Health Options	176,200,000	(3,700,000)	195,400,000	1,400,000
Other Medical Services	166,300,000	(15,400,000)	204,200,000	(36,700,000)
Pharmacy	(500,000)	(200,000)	(300,000)	400,000
Pharmacy Part D Clawback	92,300,000	(5,700,000)	96,800,000	(11,000,000)
Total Medical Assistance	\$ 3,314,538,872	\$ (67,200,000)	\$ 3,511,738,872	\$ (145,700,000)
Federal Funds	\$ 2,079,100,598	\$ (56,635,527)	\$ 2,202,652,541	\$ (89,952,425)
General Revenues	1,226,923,274	(10,564,473)	1,300,771,331	(55,547,574)
Restricted Receipts	8,515,000	-	8,315,000	(200,000)

Hospitals

Hospital expenditures are estimated to be \$366.7 million for FY 2024 and \$362.6 million for FY 2025. This is \$4.9 million and \$2.4 million higher than estimated in November. The largest piece of the estimate is for the state directed payments made through the managed care plans. These total \$293.8 million for FY 2024 and \$286.8 million for FY 2025. They are \$5.9 million and \$5.7 million higher than estimated in November for FY 2024 and FY 2025, respectively to account for the impact of the applicable 2.0 percent state premium tax.

Disproportionate Share Hospital payments in both years total \$14.7 million, consistent with November. Other changes include updated assumptions regarding inpatient and outpatient fee-for-service activity in both years.

Long Term Care

Long term care expenditures are estimated to be \$492.2 million in FY 2024 and \$562.2 million in FY 2025. Nursing facility expenses represent \$334.7 million of the FY 2024 amount and are \$5.9 million higher than the November consensus based on more recent trends. The FY 2025 estimate of \$393.8 million is \$59.1 million more than the FY 2024 revised estimate primarily reflecting the statutory rate review for nursing facilities. The value of that adjustment in the fee-for-service program is \$48.8 million. The rate review also affects some managed care programs, including Rhody Health Options, and the combined value of the adjustment in the FY 2025 estimate is \$66.2 million.

The estimates include \$157.5 million for FY 2024 and \$168.4 million for FY 2025 for home and community-based services. This is \$5.3 million more for FY 2024 based on current utilization and \$5.1 million less for FY 2025 than the November estimate. The change to estimated FY 2025 expenses relates to the delayed implementation of conflict free case management services, noted previously, offset by adjustments consistent with FY 2024 utilization.

Managed Care

FY 2024 expenditures for managed care are estimated to be \$1,040.5 million, which is \$19.7 million more than November. This estimate reflects an increase of \$39.2 million from increased risk share payments offset by lower than projected enrollment and exclusion of \$2.1 million for the delayed CCBHC initiative. The Cover All Kids estimate is \$1.2 million more than November for a total of \$13.7 million for updated enrollment. This program gives medical benefit coverage to children otherwise eligible for Medicaid but for their immigration status.

Costs for FY 2025 are estimated to total \$1,038.4 million, which is \$34.4 million less than the November estimate. This includes reductions of \$8.7 million for RItE Care and \$9.3 million for children with special health care needs to reflect updated enrollment projections as well as \$1.8 million less for neo-natal intensive care unit expenses and \$13.1 million less for CCBHC expenses. Cover All Kids expenses are \$13.6 million, which is \$0.9 million less than the November estimate. The Executive Office provided additional testimony that some participants were eligible to have their benefits matched by Medicaid and steps have been taken to correct prior errors in eligibility classification.

Rhody Health Partners

Rhody Health Partners program expenses are estimated at \$292.2 million for FY 2024, which is \$10.9 million less than November reflecting lower than projected enrollment and the CCBHC initiative delay offset by \$1.7 million for risk share payments and \$1.4 million from reduced rebates. FY 2025 expenditures are estimated to be \$330.2 million, which is \$16.9 million less than the November estimate and account for the FY 2024 revisions to enrollment and rebate collections.

Medicaid Expansion

The FY 2024 estimate for the Medicaid Expansion population is \$688.6 million, which is \$67.1 million less than estimated in November and includes \$27.5 million from gain-share recoupments with the balance of the reduction attributable to lower enrollment and the CCBHC delay. The FY 2025 estimate of \$722.2 million is \$43.3 million less than November and incorporates the updated enrollment trends, the CCBHC delay, and lower pharmacy rebates offset by increased fee-for-service spending.

Rhody Health Options

Expenses for Rhody Health Options, the state's integrated care initiative that provides acute and long-term care services to individuals eligible for both Medicare and Medicaid, are estimated to be \$176.2 million for FY 2024. This represents a decrease of \$3.7 million compared to the November consensus reflecting fewer enrollees at a lower monthly cost per person. FY 2025 expenses are estimated to total \$195.4 million, or \$1.4 million more than the November consensus, which incorporates the updated enrollment trends, the CCBHC delay and impact of the nursing home rate review.

Other Medical Services

Expenditures for other medical services are estimated to be \$166.3 million for FY 2024 and \$204.2 million for FY 2025. 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. These represent reductions to the November estimate of \$15.4 million for FY 2024 and \$36.7 million for FY 2025.

The largest component of the CCBHC initiative delay appears in this category and accounts for \$5.2 million of the FY 2024 reduction and \$28.2 million for FY 2025. The estimate also increases recoveries from \$15.0 million to \$17.5 million in both years, for savings of \$2.5 million.

Pharmacy

Pharmacy expenses are estimated to be \$91.8 million for FY 2024 and \$96.5 million for FY 2025. These are \$5.9 million and \$10.6 million lower than the respective November estimates. Nearly all of the funding

is for the Medicare Part D clawback payment, 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." There are reductions to this payment from the November estimates of \$5.7 million for FY 2024 and \$11.0 million for FY 2025 related to updated enrollment.

The next required meeting of the Conference is November 2024.

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

The Honorable Louis P. DiPalma, Chairman
Senate Finance Committee