

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2017

A N A C T

RELATING TO THE MEDICAID REFORM ACT OF 2008

Introduced By: Senators DiPalma, Pearson, Goldin, Miller, and Conley

Date Introduced: March 02, 2017

Referred To: Senate Health & Human Services

It is enacted by the General Assembly as follows:

1 SECTION 1. Rhode Island Medicaid Reform Act of 2008 Findings:

2 (1) The General Assembly enacted Chapter 12.4 of Title 42 entitled "The Rhode Island
3 Medicaid Reform Act of 2008"; and

4 (2) A legislative enactment is required pursuant to §42-12.4-1, et seq.; and

5 (3) Section 42-7.2-5(3)(a) provides that the Secretary of the Executive Office of Health
6 and Human Services ("Executive Office") is responsible for the review and coordination of any
7 Medicaid section 1115 demonstration waiver requests and renewals as well as any initiatives and
8 proposals requiring amendments to the Medicaid State Plan or category II or III changes as
9 described in the demonstration, "with potential to affect the scope, amount, or duration of
10 publicly-funded health care services, provider payments or reimbursements, or access to or the
11 availability of benefits and services provided by Rhode Island general and public laws"; and

12 SECTION 2. Approval:

13 (a) In pursuit of a more cost-effective consumer choice system of care that is fiscally
14 sound and sustainable, the legislature hereby grants approval of the following proposals to amend
15 the demonstration:

16 (1) Provider Rates -- Adjustments. The Executive Office is authorized to:

17 (i) Eliminate hospital payments by the projected increases in hospital rates that would
18 otherwise take effect during the state fiscal year 2018 and reduce the hospital payments by one
19 percent (1%) on January 1, 2018.

1 (ii) Adjust acuity-based payment rates to nursing facilities and eliminate the annual
2 increase in rates that would otherwise take effect on October 1, 2017;

3 (iii) Change the acuity-based policy adjustor for payments to hospitals for behavioral
4 health services;

5 (iv) Reduce rates for Medicaid managed care plan administration; and

6 (v) Modify payment methodology for Developmental Disability Services.

7 Implementation of adjustments may require amendments to the Rhode Island's Medicaid
8 State Plan and/or Section 1115 waiver under the terms and conditions of the demonstration.
9 Further, adoption of new or amended rules, regulations and procedures may also be required.

10 (b) Beneficiary Liability Collection Enhancements – Federal laws and regulations require
11 beneficiaries who are receiving Medicaid-funded long-term services and supports (LTSS) to pay
12 a portion of their income toward the cost of care. The Executive Office is seeking to enhance the
13 agency's capacity to collect these payments in a timely and equitable manner. The Executive
14 Office may require federal State Plan and/or waiver authority to implement these enhancements.
15 Amended rules, regulations and procedures may also be required.

16 (c) Community Health Centers – Alternative payment methodology. To pursue more
17 transparent, better coordinated, and cost-effective care delivery, the Executive Office proposes to
18 revise the Rhode Island's Principles of Reimbursement for Federally Qualified Health Centers, as
19 amended July 2012, to include in its monthly capitation payments to the health plans the total cost
20 of providing care to the Medicaid plan members the Community Health Centers serve. Pursuing
21 such revisions may also require amendments to the Medicaid State Plan and/or other federal
22 authorities.

23 (d) Healthy Aging Initiative and LTSS System Reform. The Executive Office proposes to
24 further the goals of the Healthy Aging Initiative and LTSS system rebalancing by pursuing:

25 (i) Integrated Care Initiative (ICI) – Demonstration amendment. New enrollment patterns
26 in managed care and fee-for-services Medicaid that will promote the Healthy Aging Initiative
27 goals of achieving greater utilization of home and community-based long-term services and
28 supports options.

29 (ii) Process Review and Reform. A review of access to Medicaid-funded LTSS for the
30 purpose of reforming existing processes to streamline eligibility determination procedures,
31 promote options counseling and person-centered planning, and to further the goals of rebalancing
32 the LTSS system while preserving service quality, choice and cost-effectiveness.

33 Implementation of these changes may require Section 1115 waiver authority under the
34 terms and conditions of the demonstration. New and/or amended rules, regulations and

1 procedures may also be necessary to implement this proposal. Accordingly, the Executive Office
2 may require the Medicaid State Plan or the Section 1115 waiver to foster greater access to home
3 and community-based services. Implementation of such changes may also require the adoption of
4 rules, regulations and/or procedures.

5 (e) Adult Dental Services – Delivery system reform. The Executive Office proposes to
6 change the payment and delivery system for adult dental services, including rates for oral surgery.
7 Changes to the Medicaid State Plan and the Section 1115 waiver are required to implement these
8 reforms. New and/or amended rules, regulations and procedures may also be necessary.

9 (f) Estate Recoveries and Liens. Proposed changes in Executive Office policies pertaining
10 to estate recoveries and liens may require new or amended Medicaid State Plan and/or Section
11 1115 waiver authorities. Implementation of these changes may also require new and/or amended
12 rules, regulations and procedures.

13 (g) Asthma Treatment -- Home Asthma Response Program (HARP). HARP is an
14 evidence-based asthma intervention program designed to reduce preventable asthma emergency
15 department visits and hospitalization among high risk pediatric asthma patients. To obtain
16 Medicaid financial participation for implementation of HARP, the Executive Office may be
17 required to adopt the Medicaid State Plan amendments and/or additional authorities under the
18 terms of the Rhode Island Medicaid State Plan and/or Section 1115 demonstration waiver.

19 (h) Centers of Excellence (COEs) – Opioid Treatment. The Executive Office proposes to
20 establish a COE to promote best practices in the prevention and treatment of the Rhode Islanders
21 who are addicted to opioids. Pursuing the establishment of COEs financed in part by federal
22 matching Medicaid funds requires certain amendments to the Medicaid State Plan and may
23 necessitate adoption of new or amended waiver authorities, rules, regulations and procedures.

24 (i) Federal Financing Opportunities. The Executive Office proposes to review Medicaid
25 requirements and opportunities under the U.S. Patient Protection and Affordable Care Act of
26 2010 (PPACA), 42 U.S.C. §§18001 et seq., and various other recently enacted federal laws and
27 pursue any changes in the Rhode Island Medicaid program that promote service quality, access
28 and cost-effectiveness that may warrant a Medicaid State Plan amendment or amendment under
29 the terms and conditions of Rhode Island Medicaid State Plan and/or the Section 1115 Waiver, its
30 successor, or any extension thereof. Any such actions by the Executive Office shall not have an
31 adverse impact on beneficiaries or cause there to be an increase in expenditures beyond the
32 amount appropriated for state fiscal year 2018.

33 The General Assembly hereby approves proposals and it further authorizes:

34 The Secretary of the Executive Office to pursue and implement any waiver amendments,

1 the Medicaid State Plan amendments, and/or changes to the applicable department's rules,
2 regulations and procedures approved herein and as authorized by §42-12.4-7.

3 SECTION 3. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO THE MEDICAID REFORM ACT OF 2008

1 This act would authorize the secretary of the executive office of health and human
2 services to pursue and implement certain waiver amendments, state plan amendments, and/or
3 changes to the applicable department's rules, regulations and procedures approved pursuant to the
4 Rhode Island Medicaid reform act.

5 This act would take effect upon passage.

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