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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2009

A N A C T

STATE AFFAIRS AND GOVERNMENT -- THE RHODE ISLAND MEDICAID REFORM
ACT

Introduced By: Senators DaPonte, Pichardo, DiPalma, Felag, and Sosnowski

Date Introduced: January 14, 2009

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 42-12.4 of the General Laws entitled "The Rhode Island Medicaid
2 Reform Act of 2008" is hereby repealed in its entirety.

3 ~~CHAPTER 42-12.4~~

4 ~~The Rhode Island Medicaid Reform Act of 2008~~

5 ~~42-12.4-1. Short title. --- This chapter shall be known and may be cited as "The Rhode
6 Island Medicaid Reform Act of 2008".~~

7 ~~42-12.4-2. Legislative intent. --- (a) It is the intent of the general assembly that Medicaid
8 shall be a sustainable, cost effective, person centered and opportunity driven program utilizing
9 competitive and value based purchasing to maximize available service options; and~~

10 ~~---(b) It is the intent of the general assembly to fundamentally redesign the Medicaid
11 Program in order to achieve a person centered and opportunity driven program; and~~

12 ~~---(c) It is the intent of the general assembly that the Medical Assistance Program be a
13 results oriented system of coordinated care that focuses on independence and choice that
14 maximizes the available service options, promotes accountability and transparency; encourages
15 and rewards healthy outcomes and responsible choices; and promotes efficiencies through
16 interdepartmental cooperation.~~

17 ~~---(d) The executive office of health and human services and the department of human
18 services are authorized and shall apply for and obtain a global waiver and/or any necessary~~

1 ~~waivers and/or state plan amendments from the secretary of the United States Department of~~
2 ~~Health and Human Services, including, but not limited to, a waiver of the appropriate sections of~~
3 ~~Title XIX, 42 U.S.C. section 1396 et. seq. The application for and the provisions of such~~
4 ~~waiver(s) and/or state plan amendments shall be implemented as follows:~~

5 ~~(1) The federal waiver application process shall be overseen by the respective finance~~
6 ~~committees of both chambers of the general assembly. Ten (10) days prior to submission to the~~
7 ~~federal government, the executive office of health and human services and the department of~~
8 ~~human services will provide the general assembly with the proposed submission data related to~~
9 ~~the federal global waiver application required by the federal Center for Medicare and Medicaid~~
10 ~~services;~~

11 ~~(2) Prior to the final acceptance of the federal global waiver by the state, the executive~~
12 ~~office of health and human services and the department of human services shall allow the~~
13 ~~respective finance committees of both chambers of the general assembly to review all materials~~
14 ~~related to the federal global waiver, including the materials submitted by the state and the~~
15 ~~tentative approval letter; moreover, the executive office of health and human services and the~~
16 ~~department of human services may accept the federal global waiver if the general assembly does~~
17 ~~not repeal the authority to pursue the global waiver within thirty (30) days of the receipt of the~~
18 ~~proposed federal waiver;~~

19 ~~(3) Upon the enactment of legislation related to the federal waiver(s), the executive~~
20 ~~office of health and human services and the health and human services agencies, as defined in~~
21 ~~section 42-7.2-2, are authorized and directed to adopt rules and regulations in order to implement~~
22 ~~the provisions of the federal waiver(s) and/or state plan amendments.~~

23 ~~**42-12.4-3. Legislative enactments.** -- Until statutory changes are enacted through the~~
24 ~~legislative process, all applicable laws remain in effect. It may be necessary to propose legislative~~
25 ~~changes in order to comply with the federal waiver(s). In order to effectuate additional~~
26 ~~programmatic changes to the Medicaid program beyond those authorized in the 2008 legislative~~
27 ~~session, and as authorized by the federal waiver, the executive office of health and human~~
28 ~~services and the department of human services shall propose the additional appropriate legislative~~
29 ~~amendments. Such additional legislative changes cannot be effectuated until the necessary~~
30 ~~statutory enactments have been passed.~~

31 ~~**42-12.4-4. Public hearings and recommendations.** -- The chairpersons of the house~~
32 ~~finance committee and senate finance committee shall hold public hearings on such additional~~
33 ~~proposed legislation, if proposed, to determine whether or not such legislation satisfies the goals~~
34 ~~enumerated herein and would result in substantial new opportunities for the medical assistance~~

1 ~~program on a cost neutral basis over a period not to exceed five (5) years.~~

2 ~~**42-12.4-5. Permanent joint committee of the Global Waiver Compact**~~

3 ~~**Composition.** After the approval of the global waiver by the federal center for Medicare and~~
4 ~~Medicaid services, there shall be created a permanent joint committee on the global waiver~~
5 ~~compact to consist of the following twelve (12) members: the chair of the house finance~~
6 ~~committee; the chair of the senate finance committee; the chair of the house health, education and~~
7 ~~welfare committee; the chair of the senate health and human services committee; two (2)~~
8 ~~members of the house finance committee appointed by the speaker of the house; two (2) members~~
9 ~~of the senate finance committee appointed by the senate president; two (2) members of the house~~
10 ~~of representatives appointed by the speaker of the house, one of whom shall be from the minority~~
11 ~~party; and two (2) members of the senate appointed by the senate president, one of whom shall be~~
12 ~~a member of the minority party.~~

13 ~~The speaker of the house and the senate president shall consult with the house and senate~~
14 ~~minority leaders on the appointments of the minority members.~~

15 ~~**42-12.4-6. Powers and duties of the permanent joint committee on the Global**~~

16 ~~**Waiver Compact.** The permanent joint committee on the state Global Waiver Compact shall~~
17 ~~have the authority to:~~

18 ~~(a) Provide oversight on the Global Waiver Compact;~~

19 ~~(b) Confer as the committee deems desirable with the directors of all departments within~~
20 ~~the executive office of health and human services;~~

21 ~~(c) Recommend the type of services for the Medicaid program to be offered by the state;~~

22 ~~(d) Issue subpoenas, subpoenas duces tecum and orders for the production of books,~~
23 ~~accounts, papers, records and documents; and~~

24 ~~(e) Make recommendations to the general assembly and propose legislation regarding the~~
25 ~~state Medicaid Program.~~

26 SECTION 2. Title 42 of the General Laws entitled "STATE AFFAIRS AND
27 GOVERNMENT" is hereby amended by adding thereto the following chapter:

28 CHAPTER 12.5

29 THE RHODE ISLAND MEDICAID REFORM ACT OF 2009

30 ~~**42-12.5-1. Short title.** – This chapter shall be known and may be cited as “The Rhode~~
31 ~~Island Medicaid Reform Act of 2009”.~~

32 ~~**42-12.5-2. Legislative intent.** – (a) It is the intent of the general assembly that Medicaid~~
33 ~~shall be a sustainable, cost-effective, person-centered and opportunity-driven program utilizing~~
34 ~~competitive and value-based purchasing to maximize available service options; and~~

1 (b) It is the intent of the general assembly to fundamentally redesign the Medicaid
2 program in order to achieve a person-centered and opportunity-driven program; and

3 (c) It is the intent of the general assembly that the medical assistance program be a results
4 oriented system of coordinated care that focuses on independence and choice that maximizes the
5 available service options, promotes accountability and transparency; encourages and rewards
6 healthy outcomes and responsible choices; and promotes efficiencies through interdepartmental
7 cooperation.

8 (d) The executive office of health and human service and the department of human
9 service are authorized and shall apply for and obtain a global waiver and/or any necessary
10 waivers and/or state plan amendments, consistent with the terms of this act, from the secretary of
11 the United States department of health and human services, including, but not limited to, a waiver
12 of the appropriate sections of Title XIX, 42 U.S.C. section 1396 et. seq. The application for and
13 the provisions of such waiver(s) and/or state plan amendments shall be implemented as follows:

14 (1) The federal waiver application process shall be overseen by the general assembly.

15 (2) Prior to the final acceptance of the federal global waiver by the state, the executive
16 office of health and human services and the department of human services shall provide to the
17 general assembly all materials related to the federal global waiver, including the materials
18 submitted by the state and the tentative approval letter; moreover, the executive office of health
19 and human services and the department of human services may accept the federal global waiver,
20 as modified if necessary in a manner consistent with the terms of this act, if the general assembly
21 does not repeal the authority to pursue the global waiver within thirty (30) days of the receipt of
22 the proposed federal waiver;

23 (3) Upon the enactment of legislation related to the federal waiver(s), the executive office
24 of health and human services and the health and human services agencies, as defined in section
25 42-7.2-2, are authorized and directed to adopt rules and regulations in order to implement the
26 provisions of the federal waiver(s) and/or state plan amendments.

27 **42-12.5-3. Legislative enactments.** – Until statutory changes are enacted through the
28 legislative process, all applicable laws remain in effect. In order to effectuate additional
29 programmatic changes to the Medicaid program beyond those authorized in the 2008 legislative
30 session, and as authorized by the federal waiver, the executive office of health and human
31 services and the department of human services shall propose the additional appropriate legislative
32 amendments. Such additional legislative changes cannot be effectuated until the necessary
33 statutory enactments have been passed.

34 **42-12.5-4 Permanent joint committee of the Global Waiver Compact –**

1 **Composition.** – After the approval of the global waiver by the federal center for Medicare and
2 Medicaid services, there shall be created a permanent joint committee on the global waiver
3 compact to consist of the following twelve (12) members: the chair of the house finance
4 committee; the chair of the senate finance committee; the chair of the house health, education and
5 welfare committee; the chair of the senate health and human services committee; two (2)
6 members of the house finance committee appointed by the speaker of the house; two (2) members
7 of the senate finance committee appointed by the senate president; two (2) members of the house
8 of representatives appointed by the speaker of the house, one of whom shall be from the minority
9 party; and two (2) members of the senate appointed by the senate president, one of whom shall be
10 a member of the minority party.

11 The speaker of the house and the senate president shall consult with the house and senate
12 minority leaders on the appointments of the minority members.

13 **42-12.5-5. Powers and duties of the permanent joint committee on the Global**

14 **Waiver Compact.** – The permanent joint committee on the state Global Waiver Compact shall
15 have the authority to: (1) Provide oversight on the Global Waiver Compact;

16 (2) Confer as the committee deems desirable with the directors of all departments within
17 the executive office of health and human services;

18 (3) Recommend the type of services for the Medicaid program to be offered by the state;

19 (4) Issue subpoenas, subpoenas duces tecum and orders for the production of books,
20 accounts, papers, records and documents;

21 (5) Make recommendations to the general assembly and propose legislation regarding the
22 state Medicaid Program; and

23 (6) Approve or disapprove any Category I changes in the current structure and authority
24 of the state Medicaid program. Category I changes are defined in section 42-12.4-7; and

25 (7) Receive all reports and notifications required to be made to the CMS under the terms
26 of the global Waiver Compact.

27 **42-12-4.7. Global Waiver Compact Implementation Requirements. --**

28 (a) On or before April 1, 2011, the department of human services shall renegotiate all
29 financial and programmatic terms and conditions of the global compact waiver with the federal
30 Center for Medicare and Medicaid Services (CMS) or its successor agency. At that time, the
31 department of human services may opt out of the waiver and reinstate the terms and conditions of
32 any and all waivers in existence on November 1, 2008.

33 (b) The department of human services shall ensure the availability of adequate resources
34 for implementation and monitoring of the global waiver demonstration, including the

1 appointment of a state Medicaid director, with the advice and consent of the senate, on or before
2 April 1, 2009.

3 (c) Program Flexibility: No changes in the state Medicaid program shall be made without
4 the express approval by a legislative body as delineated below. In accordance with the Categories
5 of Changes and General Requirements for Each Category of the Global Compact Demonstration
6 Agreement with CMS, when making changes, the department of human services must
7 characterize the change in one of the three (3) following categories:

8 (1) Category I Change: This is a change which is administrative in nature for which the
9 department has current authority under the State plan or demonstration, and which does not affect
10 beneficiary eligibility, benefits, overall healthcare delivery systems, payment methodologies or
11 cost sharing. Changes characterized as Category I, shall be presented to the permanent joint
12 committee on the state Global Waiver Compact for approval. Only after affirmative approval by
13 the permanent joint committee shall Category I changes be implemented by the state.

14 (2) Category II Change: This is a change that may affect benefit packages, overall
15 healthcare delivery systems, cost sharing levels, post-eligibility contributions to the cost of care,
16 levels of care, and the imposition of wait lists for services. Changes characterized as Category II
17 shall be affirmatively approved by the General Assembly prior to implementation by the state.
18 The department of human services must also comply with its existing public notification and
19 hearing process prior to implementation of any Category II changes.

20 (3) Category III Change: This is a change requiring modifications to the current waiver
21 or expenditure authorities including descriptive language within those authorities and the special
22 terms and conditions and any other change that is not clearly described within Categories I and II.
23 Changes characterized as Category III shall be affirmatively approved by the General Assembly
24 prior to implementation by the state. The department of human services shall also comply with its
25 existing public notification and hearing process prior to implementation of any Category III
26 changes. The following are examples of change that shall be characterized as a Category III
27 change:

28 (i) All eligibility changes

29 (ii) Changes in mandatory benefit package or EPSDT

30 (iii) Spend down level changes

31 (iv) Aggregate cost-sharing changes that would exceed five percent (5%) of family
32 income

33 (v) Benefit changes that exceed US Deficit Reduction Act benchmark flexibility;

34 (vi) Post-eligibility treatment of income; and

1 (vii) Amendments requesting changes to the budget neutrality cap.

2 SECTION 3. Section 40-8-29 of the General Laws in Chapter 40-8 entitled “Human
3 Services” is hereby amended to read as follows:

4 **40-8-2. Selective contracting.** – (a) Notwithstanding any other provision of state law,
5 the department of human services is authorized to present a plan or plans to the legislature for
6 prior approval to utilize selective contracting to assure that all service expenditures under this
7 chapter have the maximum benefit of competition, and afford Rhode Islanders the overall best
8 value, optimal quality, and the most cost-effective care possible.

9 (b) Any approved medical assistance provider who declines to participate in contracting
10 for benefits in any one of the department's medical assistance programs, including, but not limited
11 to any and all managed care programs, may be suspended as a participating provider and denied
12 participation in all state operated medical assistance programs at the discretion of the department.
13 Prior to suspension, a participating provider has the right to appeal such suspension to a state
14 administrative hearing officer, in accordance with the rules of the department of human services.

15 SECTION 4. Section 40-8.4-19 of the General Laws in Chapter 40-8.4 entitled “Health
16 Care For Families” is hereby amended to read as follows:

17 **40-8.4-19. Managed health care delivery systems for families.** – (a) Notwithstanding
18 any other provision of state law, the delivery and financing of the health care services provided
19 under this chapter shall be provided through a system of managed care. "Managed care" is
20 defined as systems that: integrate an efficient financing mechanism with quality service delivery;
21 provide a "medical home" to assure appropriate care and deter unnecessary services; and place
22 emphasis on preventive and primary care. For the purposes of Medical Assistance, managed care
23 systems ~~are~~ for adults may be defined to include a primary care case management model in which
24 ancillary services are provided under the direction of a physician in a practice that meets
25 standards established by the department of human services, including standards pertaining to
26 certification as an "advanced medical home".

27 (b) Enrollment in managed care health delivery systems is mandatory for individuals
28 eligible for medical assistance under this chapter. This includes children in substitute care,
29 children receiving Medical Assistance through an adoption subsidy, and children eligible for
30 medical assistance based on their disability. Beneficiaries with third-party medical coverage or
31 insurance may be exempt from mandatory managed care in accordance with rules and regulations
32 promulgated by the department of human services for such purposes.

33 (c) Individuals who can afford to contribute shall share in the cost. The department of
34 human services is authorized and directed to apply for and obtain any necessary waivers and/or

1 state plan amendments from the secretary of the U.S. department of health and human services,
2 including, but not limited to, a waiver of the appropriate sections of Title XIX, 42 U.S.C. § 1396
3 et seq., to require that beneficiaries eligible under this chapter or chapter 12.3 of title 42, with
4 incomes equal to or greater than one hundred thirty-three percent (133%) of the federal poverty
5 level, pay a share of the costs of health coverage [provided through enrollment in either the RIte](#)
6 [Care Program or the Premium Assistance Program under section 40-8.4-12](#), based on the ability
7 to pay [provided that such cost-sharing shall not exceed three percent \(3%\) of annual income for](#)
8 [families between one hundred thirty three percent \(133%\) and one hundred fifty percent \(150%\)](#)
9 [of the federal poverty level and five percent \(5%\) of annual income for those at or above one](#)
10 [hundred fifty percent \(150%\) of the federal poverty level](#). The department of human services shall
11 implement this cost-sharing obligation by regulation, and shall consider co-payments, premium
12 shares, or other reasonable means to do so in accordance with approved provisions of appropriate
13 waivers and/or state plan amendments approved by the secretary of the United States department
14 of health and human services.

15 (d) All children and families receiving Medical Assistance under title 40 of the Rhode
16 Island general laws shall also be subject to co-payments for certain medical services only as
17 approved [by the legislature](#), in the waiver and/or the applicable state plan amendment, and in
18 accordance with rules and regulations promulgated by the department.

19 (e) The department of human services may provide health benefits, similar to those
20 available through commercial health plans, to parents or relative caretakers with an income above
21 one hundred percent (100%) of the federal poverty level who are not receiving cash assistance
22 under the Rhode Island Temporary Assistance to Needy Families (TANF program), [subject to](#)
23 [prior legislative approval of the proposed benefit package and eligibility criteria](#).

24 (f) The department of human services is authorized to create consumer directed health
25 care accounts, including but not limited to health opportunity accounts or health savings accounts,
26 in order to increase and encourage personal responsibility, wellness and healthy decision-making,
27 disease management, and to provide tangible incentives for beneficiaries who meet designated
28 wellness initiatives, [subject to the prior legislative approval of the proposed plan and applicable](#)
29 [criteria for these accounts](#).

30 SECTION 5. Section 40-8.5-1.1 of the General Laws in Chapter 40- 8.5 entitled “Health
31 Care for Elderly and Disabled Residents Act” is hereby amended to read as follows:

32 **40-8.5-1.1. Managed health care delivery systems.** – (a) To ensure that all medical
33 assistance beneficiaries, including the elderly and all individuals with disabilities, have access to
34 quality and affordable health care, the department of human services is authorized to implement

1 mandatory managed care health systems.

2 (b) "Managed care" is defined as systems that: integrate an efficient financing
3 mechanism with quality service delivery; provides a "medical home" to assure appropriate care
4 and deter unnecessary services; and place emphasis on preventive and primary care. For purposes
5 of Medical Assistance, managed care systems are also defined to include a primary care case
6 management model in which ancillary services are provided under the direction of a physician in
7 a practice that meets standards established by the department of human services. Those medical
8 assistance recipients who have third-party medical coverage or insurance may be exempt from
9 mandatory managed care in accordance with rules and regulations promulgated by the department
10 of human services. The department is further authorized to redesign benefit packages for medical
11 assistance beneficiaries subject to [prior approval of the redesigned benefit package by the](#)
12 [legislature and](#) appropriate federal approval.

13 (c) The department is authorized to obtain any approval through waiver(s) and/or state
14 plan amendments, from the secretary of the United States department of health and human
15 services, that are necessary to implement mandatory managed health care delivery systems for all
16 medical assistance recipients, including the primary case management model in which ancillary
17 services are provided under the direction of a physician in a practice that meets standards
18 established by the department of human services. The waiver(s) and/or state plan amendments
19 shall include the authorization to exempt beneficiaries with third-party medical coverage or
20 insurance from mandatory managed care in accordance with rules and regulations promulgated by
21 the department of human services. The department may also redesign benefit packages for
22 medical assistance beneficiaries [with the prior approval of the redesigned benefit package by the](#)
23 [legislature and](#) in accordance with rules and regulations promulgated by the department.

24 (d) To ensure the delivery of timely and appropriate services to persons who become
25 eligible for Medicaid by virtue of their eligibility for a U.S. social security administration
26 program, the department of human services is authorized to seek any and all data sharing
27 agreements or other agreements with the social security administration as may be necessary to
28 receive timely and accurate diagnostic data and clinical assessments. Such information shall be
29 used exclusively for the purpose of service planning, and shall be held and exchanged in
30 accordance with all applicable state and federal medical record confidentiality laws and
31 regulations.

32 (e) The department of human services and/or the executive office of health and human
33 services is authorized and directed to apply for and obtain any necessary waiver(s) and/or state
34 plan amendments from the secretary of the United States department of health and human

1 services, including, but not limited to, a waiver of the appropriate sections of law for the purpose
2 of administering and implementing the goals of the Medicaid Reform Act 2008 as described in §
3 42-7.2-16 of the Rhode Island general laws, specifically using competitive value-based
4 purchasing to maximize the available service options and to promote accountability and
5 transparency in the delivery of services for all Medical Assistance beneficiaries. [The scope,](#)
6 [methodology, and application of value-based purchasing shall be subject to prior legislative](#)
7 [approval.](#)

8 SECTION 6. Section 40-8.9-9 of the General Laws in Chapter 40-8.9 entitled “Medical
9 Assistance – Long-Term Care Service and Finance Reform” is hereby amended to read as
10 follows:

11 **40-8.9-9. Long-term care re-balancing system reform goal.** – (a) Notwithstanding any
12 other provision of state law, the department of human services is authorized and directed to apply
13 for and obtain any necessary waiver(s), waiver amendment(s) and/or state plan amendments from
14 the secretary of the United States department of health and human services, and to promulgate
15 rules necessary to adopt an affirmative plan of program design and implementation that addresses
16 the goal of allocating a minimum of fifty percent (50%) of Medicaid long-term care funding to
17 home and community-based care on or before December 31, 2012. The department is further
18 authorized and directed to prioritize investments in home and community-based care and to
19 maintain the integrity and financial viability of all current long-term care services while pursuing
20 this goal.

21 (b) The long-term care re-balancing goal is person-centered and encourages individual
22 self-determination, family involvement, interagency collaboration, and individual choice through
23 the provision of highly specialized and individually tailored home-based services. Additionally,
24 individuals with severe behavioral, physical, or developmental disabilities must have the
25 opportunity to live safe and healthful lives through access to a wide range of supportive services
26 in an array of community-based settings, regardless of the complexity of their medical condition,
27 the severity of their disability, or the challenges of their behavior. Delivery of services and
28 supports in less costly and less restrictive community settings, will enable children, adolescents
29 and adults to be able to curtail, delay or avoid lengthy stays in residential treatment facilities,
30 juvenile detention centers, psychiatric facilities, and/or intermediate care or skilled nursing
31 facilities.

32 (c) Pursuant to federal authority procured under section 42-7.2-16 of the general laws,
33 the department of human services is directed and authorized to adopt a tiered set of criteria to be
34 used to determine eligibility for services. Such criteria shall be developed in collaboration with

1 the state's health and human services departments and shall encompass eligibility determinations
2 for services in nursing facilities, hospitals, and intermediate care facilities for the mentally
3 retarded as well as home and community-based alternatives, and shall provide a common
4 standard of income eligibility for both institutional and home and community-based care. The
5 department is authorized to propose for prior approval by the legislature and, in subject to that
6 approval, adopt criteria for admission to a nursing facility, hospital, or intermediate care facility
7 for the mentally retarded that are more stringent than those employed for access to home and
8 community-based services. Any application of waiting lists for long-term care services shall be
9 subject to prior legislative approval. The department is also authorized to promulgate rules that
10 define the frequency of re-assessments for services provided for under this section. Legislatively
11 approved levels of care may be applied in accordance with the following:

12 (1) Any Medicaid recipient deemed eligible for nursing facility, hospital, or intermediate
13 care facility for the mentally retarded as of December 31, 2008, shall continue, throughout that
14 individual's life, to be assessed utilizing the level of care criteria in place for that care as of
15 December 31, 2008;

16 (2) Any Medicaid recipient deemed eligible for home and community services prior to
17 December 31, 2008, shall continue to be assessed for that care utilizing the level of care criteria in
18 place as of December 31, 2008;

19 (3) Persons meeting or who would have met the level of care criteria for nursing facility
20 care as of December 31, 2008, shall continue to be eligible for nursing home care and shall only
21 be transitioned to home and community services on a voluntary basis, and shall not be subject to
22 any wait list for home and community services; and

23 (4) No individual who is in an institution shall be involuntarily removed from
24 institutional care.

25 (d) The department of human services is further authorized and directed to consolidate
26 all home and community-based services currently provided pursuant to subsection 1915(c) of title
27 XIX of the United States Code into a single program of home and community-based services that
28 include options for consumer direction and shared living. The resulting single home and
29 community-based services program shall replace and supersede all subsection 1915(c) programs
30 when fully implemented. Notwithstanding the foregoing, the resulting single program home and
31 community-based services program shall include the continued funding of assisted living services
32 at any assisted living facility financed by the Rhode Island housing and mortgage finance
33 corporation prior to January 1, 2006, and shall be in accordance with chapter 66.8 of title 42 of
34 the general laws as long as assisted living services are a covered Medicaid benefit.

1 (e) The department of human services is authorized to promulgate rules that permit
2 certain optional services including, but not limited to, homemaker services, home modifications,
3 respite, and physical therapy evaluations to be offered subject to availability of state-appropriated
4 funding for these purposes.

5 (f) To promote the expansion of home and community-based service capacity, the
6 department of human services is authorized and directed to pursue rate reform for homemaker,
7 personal care (home health aide) and adult day care services, as follows:

8 (1) A prospective base adjustment effective, not later than July 1, 2008, across all
9 departments and programs, of ten percent (10%) of the existing standard or average rate,
10 contingent upon a demonstrated increase in the state-funded or Medicaid caseload by June 30,
11 2009;

12 (2) Development, not later than September 30, 2008, of certification standards
13 supporting and defining targeted rate increments to encourage service specialization and
14 scheduling accommodations including, but not limited to, medication and pain management,
15 wound management, certified Alzheimer's Syndrome treatment and support programs, and shift
16 differentials for night and week-end services; and

17 (3) Development and submission to the governor and the general assembly, not later
18 than December 31, 2008, of a proposed rate-setting methodology for home and community-based
19 services to assure coverage of the base cost of service delivery as well as reasonable coverage of
20 changes in cost caused by wage inflation.

21 (h) The department of human services is also authorized, subject to availability of
22 appropriation of funding, to pay for certain non-Medicaid reimbursable expenses necessary to
23 transition residents back to the community; provided, however, payments shall not exceed an
24 annual or per person amount.

25 (i) To assure the continued financial viability of nursing facilities, the department of
26 human services is authorized and directed to develop a proposal for revisions to § 40-8-19 that
27 reflect the changes in cost and resident acuity that result from implementation of this re-balancing
28 goal. Said proposal shall be submitted to the governor and the general assembly on or before
29 January 1, 2010.

30 SECTION 7. This act shall take effect upon passage.

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LC00562
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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
STATE AFFAIRS AND GOVERNMENT -- THE RHODE ISLAND MEDICAID REFORM
ACT

1 This act would effectively repeal the Medicaid Reform Act of 2008 and create the
2 Medicaid Reform Act of 2009, the intent of which would be to fundamentally redesign the
3 Medicaid Program in order to achieve a person-centered and opportunity-driven program; be,
4 cost-effective and results oriented and promote efficiency through interdepartmental cooperation.
5 This act would take effect upon passage.

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