

Executive Office of Health and Human Services SFY2012 Budget Proposals

Department	Initiative	GR Savings
BHDDH	1. Health Homes – Behavioral Health <ul style="list-style-type: none"> • Takes advantage of new federal health care reform providing enhanced FMAP (90%) for certain support services to high need beneficiaries. • Advances new system of care providing comprehensive case management; care coordination and health promotion; transitional support services; and more 	<i>\$12.7 million</i>
	2. DD Project Sustainability – Effective July 2011 <ul style="list-style-type: none"> • Transforms system of services available to persons with Developmental Disabilities through adoption of new assessment tool, changing menu of and pricing for services, ties pricing and services to outcomes. • Makes payment system more cost effective and transparent. 	<i>\$2.2 million</i>
	3. Transition Six RICLAS Residences <ul style="list-style-type: none"> • Savings derived from ceasing state operations of six RICLAS residences. • RICLAS has capacity to absorb beneficiaries from three closed residences. • Options for remaining three RICLAS residences include turn-key sale to private provider or transitioning beneficiaries to non-RICLAS residences or alternative settings. 	<i>\$0.8 million</i>
	4. Restrict CMAP Eligibility and Formulary <ul style="list-style-type: none"> • Limit new CMAP eligibility to clients who have either had a psychiatric hospitalization immediately prior to their enrollment (versus at some point during their lives) • Require (October) that existing clients qualify for CSP (SPMI) • Institute prior authorization for a number of drugs 	<i>\$.6 million</i>
	5. Require Providers of Residential Substance Treatment for Adolescents to seek Third Party payment	<i>\$.9 million</i>
	6. Reduce Funding for De-tox Contract - Effective January 2012	<i>\$1 million</i>
DCYF	1. System of Care – Implementation of Phase II – Effective NLT January 2012 <ul style="list-style-type: none"> • Savings derived from changing payment and service delivery system to streamline number of contract providers, better coordination of all providers (residential & community based), standardization of rates, and establishing infrastructure that supports delivery of family centered & community based services. • Achieved by issuing RFP and establishing risk based contract to promote innovative provider solutions – e.g., restructure 	<i>\$4.9 million</i>
	3. Training School Consolidation – utilizes existing pod to establish wing in RITS for girls	<i>\$1.6 million</i>
	4. Reimbursement for Training School Education from LEAS <ul style="list-style-type: none"> • DCYF will begin seeking reimbursement for ITS education provided to cities and towns through federal IDEA. 	<i>\$2.1 million</i>
	5. Practice Improvement – Adjustment in Caseload <ul style="list-style-type: none"> • Savings result from reductions in number of children in DCYF custody, requiring costly out-of-home placement and interventions due to implementation of system of care phases I and II. • Adopts national standards on child welfare investigations. 	<i>\$7.0 million</i>
	6. Increase Social Security Claiming for Children in Child Protective Services	<i>\$.6 million</i>

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DEA	RIPAE – Reform due to implementation of Health Reform <ul style="list-style-type: none"> • Current law requires seniors eligible for Medicare Part D to take it up in order to receive RIPAE subsidy • Steeper consumer discounts for drugs have already lowered reliance on the RIPAE subsidy, and federal Health Reform will further reduce RIPAE utilization • DEA is working to design a new program for those who continue to need RIPAE 	\$1.4 million
DOH	1. Elimination of the Certificate of Need <ul style="list-style-type: none"> • Proposal repeals certificate of need process. • No concrete evidence that process controls costs; limits market innovations and forces; may impede full market response to health care reform initiatives related to access, quality and performance • <u>Only</u> CON affected: Initial Licensure and Change in Effective Control remain 	\$0.25 million
DOH	2. Review Scope of Medical Examiner's Office <ul style="list-style-type: none"> • Reduces costs by limiting scope of Medical Officer's purview. • Required autopsies to reflect national standards recommending limited resources be allocated to suspicious, rather than unexplained or unmonitored deaths. 	\$0.5 million
DHS-Medicaid	1. Hospital Outpatient Rates in Managed Care -- Effective 1/1/2012 <ul style="list-style-type: none"> • Limits amount Medicaid MCOs pay for outpatient hospital reimbursements beginning January 1, 2012. • These outpatient now capped at the rates paid on June 30, 2010; ends on January 1, 2012. Proposal limits amount rates can increase to CMS market basket index (app. 2%) • Savings implemented by cutting MCO capitation rates; savings will be retained by the State. 	\$2.7 million
	2. Nursing Home Rate Reform -- Effective 10/1/2011 <ul style="list-style-type: none"> • Changes way State pays for nursing home stays from provider-specific cost-based system to one based on relative needs of individuals dictate – regardless of where they reside. (Majority of states moving this direction.) • Rates adjusted to reflect program priorities –e.g. quality care, residents with higher acuity, and higher Medicaid participation 	\$6.1 million
	3. Non-Emergency Medical Transportation --Effective 2/1/2011 <ul style="list-style-type: none"> • Reduces rates State pays for non-emergency medical transportation for persons not using wheel-chairs. • Also reduces the amount the State pays for mileage 	\$ 2.2 million
	4. Children's Health Account Enhancements -- Effective July 1, 2011 <ul style="list-style-type: none"> • Decreases Medicaid spending by increasing the maximum limit assessed on health insurance companies to \$7,500 • Imposes limit on certain categories e.g., CEDARR Services; CAITS 	\$ 4.2 million
	5. Health Homes Phase I – CEDARR -- Effective September 1, 2011 <ul style="list-style-type: none"> • Takes advantage of new federal health care reform providing enhanced FMAP (90%) for certain support services to high need beneficiaries. • Comprehensive Evaluation Diagnosis Assessment Referral Re-evaluation (CEDARR) Program currently provides qualifying services and a SPA will be submitted to secure the enhanced FMAP. 	\$1.3 million

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DHS - Medicaid Cont'd	<p>6. Money Follows the Person Rebalancing Demonstration --Effective July 1, 2011</p> <ul style="list-style-type: none"> Savings achieved through enhanced federal funding for existing State expenditures & new investments in community-based care (e.g., respite, security deposits) 	\$2.5 million
DHS – Non_Medicaid	<p>1. Shifting Federal TANF Money to RIWorks to replace General Revenue Dollars</p> <ul style="list-style-type: none"> Savings achieved by taking advantage of Federal TANF rules on allowable costs chargeable to TANF block grant. Shifting these costs to TANF from General Revenue stays within the 15% level allowed by the federal government. 	\$1.6 million
	<p>2. Lowering Costs at Veterans Home and Improving Facility <i>This proposal has two parts.</i></p> <ul style="list-style-type: none"> <i>Increases the veteran maintenance fee from 80% of countable income to 100% of countable income starting in FY12. Additional funds will be use to improve and full staff the Home.</i> <i>With additional staffing, Home will increase # of residents to full census thereby diminishing waiting list and maximizing federal funding..</i> 	\$1.7 million (and \$0.8 million in additional department al revenue)