Federal Compliance Advisory Group

Third Meeting

DOA Building

September 9, 2025

Welcome and Introductions

Secretary Richard Charest

Today's Agenda

- **Welcome and Introductions**
  - Housekeeping and Reminders
- **Medicaid Analysis Briefing**
  - Initial Impact Overview
- **Gallery Walk Facilitation**
  - In-Person/Online Activity
- **Key Updates and Public Comment**
  - Announcements

Welcome and Introductions

Medicaid Analysis Briefing

Gallery Walk Facilitation

Key Updates and Public Comment

Housekeeping Reminders

- Restrooms, Water Fountain, and Exits
- Space Accessibility and Overflow Space
- Interpretation Services and Assistive Technologies
- Support Staff Availability
- Timekeeping

MS Teams Reminders:

Online participants can view the captions by clicking on the **"Live Transcript" button** and selecting **"Show Subtitle"** to display the captions on their screen.

Wi-Fi Access Information:

Username: guest user
Password: OdHr0826

Reminder: Advisory Group Agreements

- **Communicate Respectfully:** Actively listen and speak respectfully, allowing everyone the opportunity to share without interruption.
- **Value Every Voice:** Recognize that every member's perspective is important and deserves to be heard by encouraging members to share their unique insights and experiences with the goal of enriching discussions.
- **Embrace Diverse Perspectives:** Honor the uniqueness of all perspectives in the room and online to foster an environment where differing opinions are valued.
- **Stay Focused on the Agenda:** Keep discussions relevant to the agenda items to keep on track and use limited time effectively.
- **Be Mindful of Accessibility:** Ensure that all materials, discussions, and spaces are accessible to everyone, and reiterate questions and answers so all can participate inclusively—particularly those listening in online.
- **Be Solution-Oriented:** Encourage a mindset that focuses on proposing feasible solutions rather than dwelling on just problems.
- **Maintain Open Meetings:** Faithfully comply with RI Open Meetings Act (OMA) rules as required for an Advisory Board.

General Framework for Analysis and Review

EXECUTIVE OFFICE OF HEALTH & HUMAN SERVICES STATE OF RHODE ISLAND

Here is a reminder of the information we aim to address as we prepare the final report:

SPECIFIC REQUIREMENTS

- Summary and List of Federal Changes
- Timelines
- Level of Effort Required
- Repercussions of Non-Compliance

INITIAL IMPACT ANALYSIS

(A) Monetary
(B) Population
(C) Systems Technology
(D) Processes
(E) Authority
(F) Safety Net Issue
(G) Resource Constraints
(H) Contingencies

POTENTIAL CONSIDERATIONS

(1) Minimum Compliance
(2) Policy Alternatives to Consider
(3) Creative Proposals or Ideas to Explore
(4) Other State Approaches
(5) Engagement Needs

FEEDBACK

- Advisory Group
- Community Survey
- Facilitated Activity
- Public Comment
- Submitted Testimony

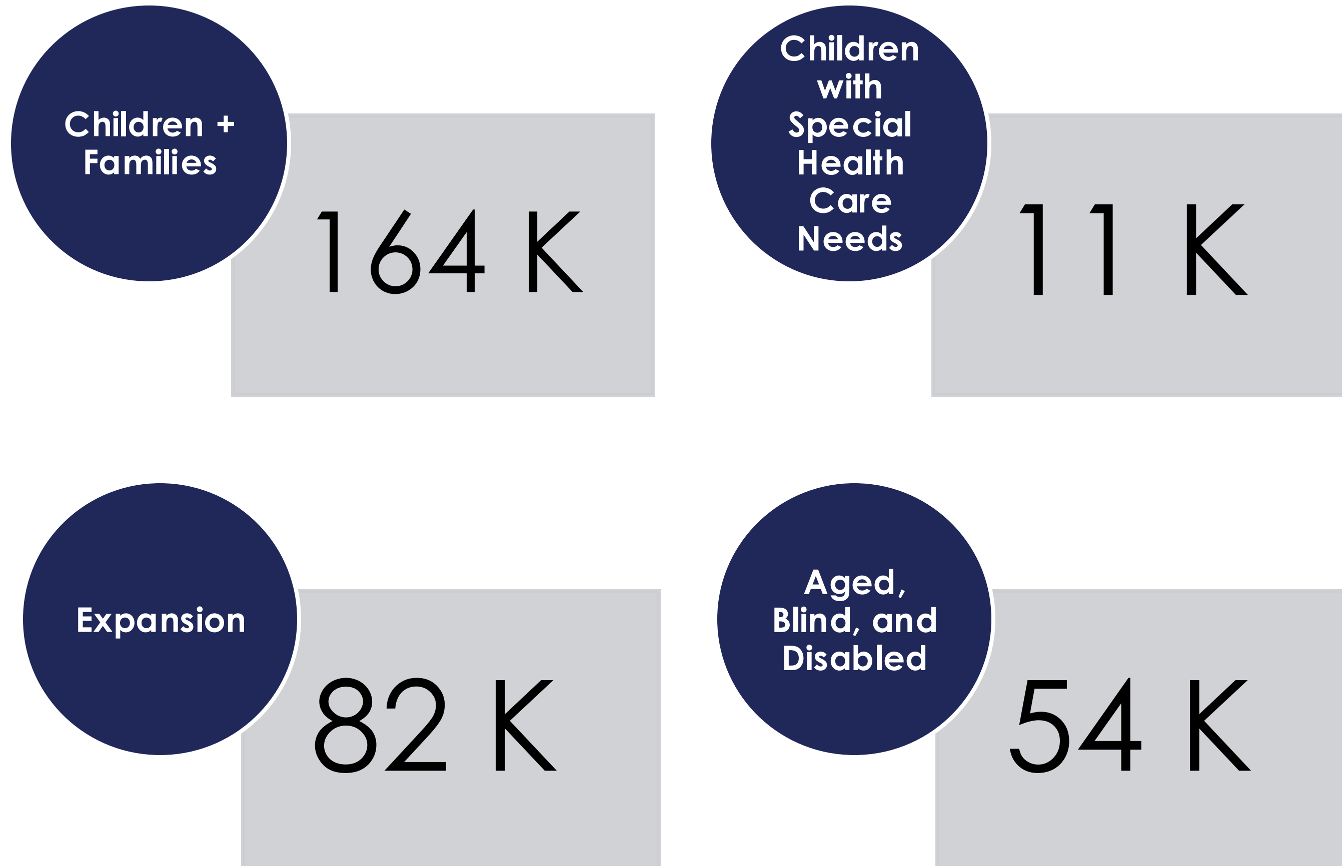
Medicaid Analysis Briefing

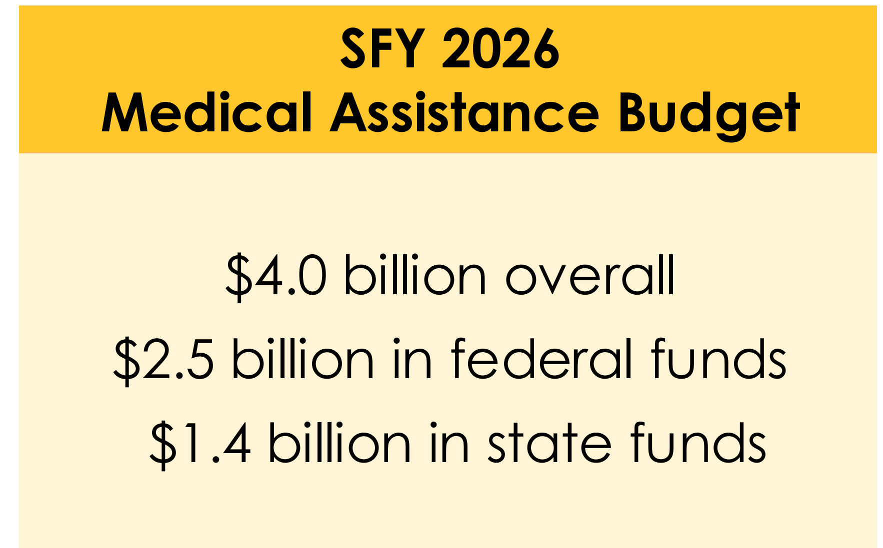
Director Kristin Sousa

CONFIDENTIAL WORKING DOCUMENT PURSUANT TO R.I. GEN. LAWS § 38-2-2 (4)(K)

Medicaid Caseload—SFY 2026 Projections

Medicaid's May caseload testimony forecasted total enrollment of 311,000 for SFY 2026:





Expansion Population

Expansion includes adults without children (ages 19-64) who are eligible under the income-based eligibility standards implemented when the state expanded Medicaid under the Affordable Care Act in 2014.

- This population also includes beneficiaries who are classified as previously eligible under criteria for "Adults with Disabilities."
- **This is the primary population impacted by community engagement requirements, more frequent redeterminations, and cost-sharing requirements.**

Expansion Facts

- $810.7 million in total spend in SFY 2024
- 96% enrolled in managed care
- 55.7% male, 44.3% female
- 64% of expenditures are from inpatient, outpatient and pharmacy services
- 23.7% of total costs in SFY 2024 were for claims where "mental or behavioral health" was the primary diagnosis

Medicaid Requirements (1/4)

TOPIC (SECTION)	BRIEF SUMMARY	LEVEL OF IMPACT
MSP Streamlining Rule (71101)	Delays implementation, administration and enforcement of CMS's September 21, 2023, rule designed to simplify Medicare Savings Program eligibility and enrollment processes until September 30, 2034.	Low
Medicaid/CHIP/BHP Streamlining Rule (71102)	Delays implementation, administration and enforcement of CMS's April 2, 2024, rule that streamlines renewals and enrollment for Medicaid, CHIP, and Basic Health Programs until September 30, 2034.	Low
Duplicate Enrollment Reduction (71103)	Requires states to integrate with an HHS-maintained data hub for monthly address matching starting January 1, 2027, and to submit full enrollment files by October 1, 2029, to avoid duplicate beneficiary records.	Low
Deceased Beneficiary Removal (71104)	Mandates that states establish procedures—using death records and data matches—to promptly identify and terminate eligibility for beneficiaries who have died.	Medium
Deceased and Expelled Provider (71105)	Requires states to terminate enrollment of providers who are deceased or have lost licensure/been expelled, stopping all payment to such providers immediately.	Medium
Erroneous Payment Recovery (71106)	Expands the definition of "erroneous excess payment," gives the HHS Secretary the option to allow state-conducted audit findings to be considered in determining a state's error rate and puts new limits on the amounts of penalties the HHS Secretary may waive through good faith effort.	Medium
Eligibility Redeterminations (71107)	Semiannual Reviews: Requires states to redetermine eligibility every 6 months (instead of once per year) for adults covered under the ACA Medicaid expansion. Sets uniform timelines and documentation standards for periodic Medicaid renewals to reduce churn—requiring states to complete renewals within 30 days of receiving info.	Medium
Home Equity Limits (71108)	Caps the permissible home equity value at $1M for individuals seeking eligibility for long-term care services; prohibits the use of asset disregards being applied to waive home equity limits.	Low

Medicaid Requirements (2/4)

TOPIC (SECTION)	BRIEF SUMMARY	LEVEL OF IMPACT
Alien Medicaid Eligibility (71109)	Aligns Medicaid eligibility rules for qualified aliens with those in other federal health programs, standardizing documentation and residency requirements.	High
Emergency Medicaid FMAP Cap (71110)	Caps the Federal Medical Assistance Percentage (FMAP) for emergency services provided to aliens at the standard Medicaid match rate rather than the higher state match.	Low
LTC Staffing Standards (71111)	Delays implementation of CMS's May 10, 2024, rule imposing minimum staffing ratios in nursing homes—pausing enforcement until September 30, 2034.	Low
Retroactive Eligibility (71112)	Retroactive coverage for traditional Medicaid and CHIP is two months and expansion is one month.	High
Disqualified Entity Payment Ban (71113)	Prohibits Medicaid payments for services provided by tax-exempt essential community providers that deliver family planning and abortion services, other than those allowable under the Hyde Amendment, and that received federal and state Medicaid reimbursements exceeding $800,000 in 2023. *Note: TRO and appeal playing out in Federal Court.	Medium
Expansion FMAP Incentive Sunset (71114)	Eliminates the 5-percentage-point FMAP "bump" for ACA expansion populations unless the state has already begun spending the enhanced match on those enrollees. States must begin expending the enhanced FMAP by January 1, 2026, or forfeit it entirely. This change sunsets any remaining incentive for expansions enacted after that date.	Low
Provider Tax Uniformity and Caps (71115)	Revises the "hold-harmless" provider-tax threshold under § 1903(w)(4) by (1) for FY 2027+, replacing the flat 6% cap with a dynamic "applicable percent" based on whether a state expanded in 2014: Expansion states: the lower of their existing hold-harmless rate or a sliding scale (5.5% in FY 2028; 5.0% in FY 2029; 4.5% in FY 2030; 4.0% in FY 2031; 3.5% in FY 2032+). Non-expansion states: their hold-harmless percent if within threshold, otherwise 0%. This ensures provider taxes remain budget-neutral and phase down over time.	High

Medicaid Requirements (3/4)

TOPIC (SECTION)	BRIEF SUMMARY	LEVEL OF IMPACT
State-Directed Payment Standards (71116)	Caps state-directed managed-care payments (SDPs) at a percent of Medicare rates: Expansion states: SDP ≤100% of the Medicare published total payment rate. Non-expansion states: SDP ≤110% of that rate. Grandfathers any SDP with written prior approval by May 1, 2025 (or rural hospital SDPs approved by enactment) through a phase-down: reduce those existing rates by 10 percentage points each year starting January 1, 2028 until they meet the new 100%/110% cap.	High
Provider Tax Waivers (71117)	Requirements regarding waiver of uniform tax requirements for Medicaid provider taxes. Modifies the criteria HHS must use when determining whether certain health-related taxes are generally redistributive.	Low
Demonstration Budget Neutrality (71118 | §1115)	Requires states to obtain HHS actuarial sign-off confirming that § 1115 waiver demonstrations will not raise federal outlays, effective January 1, 2027.	Low
Community Engagement Requirements (71119)	Directs HHS and the states to impose "community engagement" (a.k.a. work) requirements on non-elderly, non-pregnant, non-Medicare, non-medically-frail Medicaid enrollees in the ACA expansion population. Under the rule: At least 80 hours per month of one or more qualifying activities: (1) Employment (part- or full-time); (2) Unpaid community service or volunteering; (3) Participation in job skills training, education programs, or workfare; (4) Meeting a monthly earnings threshold (monthly income that is at least 80 times the federal hourly minimum wage; seasonal workers with average monthly income over previous 6 months that is at least 80 times the federal hourly minimum wage). Some exemptions. Interim final rule due by June 1, 2026.	High
Expansion Population Cost-Sharing (71120)	Exempts Medicaid expansion enrollees from premiums/lock-out periods after October 1, 2028, but authorizes sliding-scale cost-sharing based on income to encourage personal responsibility. Applies to adults who gained coverage under the ACA expansion with incomes over 100% of the federal poverty level (generally 100–138% FPL). Includes (1) per-service copays; (2) annual out-of-pocket cap; (3) limited state flexibilities.	High

Medicaid Requirements (4/4)

TOPIC (SECTION)	BRIEF SUMMARY	LEVEL OF IMPACT
HCBS Coverage and Eligibility (71121)	Effective July 1, 2028, the HHS Secretary may approve a new standalone waiver that does not require participants to require a nursing home or ICF/IDD level of care to receive HCBS services	Low
Access to Care (71203)	This section makes technical corrections to current law by permitting product sponsors to have one or more orphan drug indication to be exempt from the Drug Price Negotiation Program in statute. Current law limits exemptions from the Drug Price Negotiation Program to one rare disease indication. This section also revises the start of the timeline in which a manufacturer would be eligible for negotiation until an orphan drug receives its first non-orphan indication.	N/A
Rural Access to Care (71401)	Appropriates $50 billion to states to support rural providers. As such, requires applicants establish a rural health transformation plan and is subject to approval of awards.	N/A

Overview of Program Changes

EXECUTIVE OFFICE OF HEALTH & HUMAN SERVICES STATE OF RHODE ISLAND

At a high level, here are some of the major program changes to Medicaid:

Existing Program		Required Changes	
3	Three months retroactive coverage for certain populations	1-2	One month (expansion), two months (non-expansion), and up to two months (CHIP) in retroactive coverage
1x	Medicaid expansion renewals conducted annually	2x	Medicaid expansion renewals conducted every six months
$0	No co-pays for any Medicaid populations	$0-35	Cost-sharing for some services for the expansion population
No	No work requirements for any Medicaid populations	Yes	Work and community engagement requirements for expansion Medicaid

Anticipated Implementation Timeline

HEALTH & HUMAN SERVICES
EXECUTIVE OFFICE OF
STATE OF RHODE ISLAND

Based on the current CMS guidance, here are some of the anticipated timelines for changes:

SFY 2026

- Prohibition on implementing new rules
- Prohibition on Medicaid funds to certain abortion providers
- **State Directed Payment limits for new items**
- **Health care related tax changes for new items**

SFY 2027

- **Amended definitions of "qualified aliens"**
- **Community engagement requirements**
- **Redeterminations of eligibility every six months for expansion adults**
- **Retroactive coverage changes**
- Obtain address information

SFY 2028

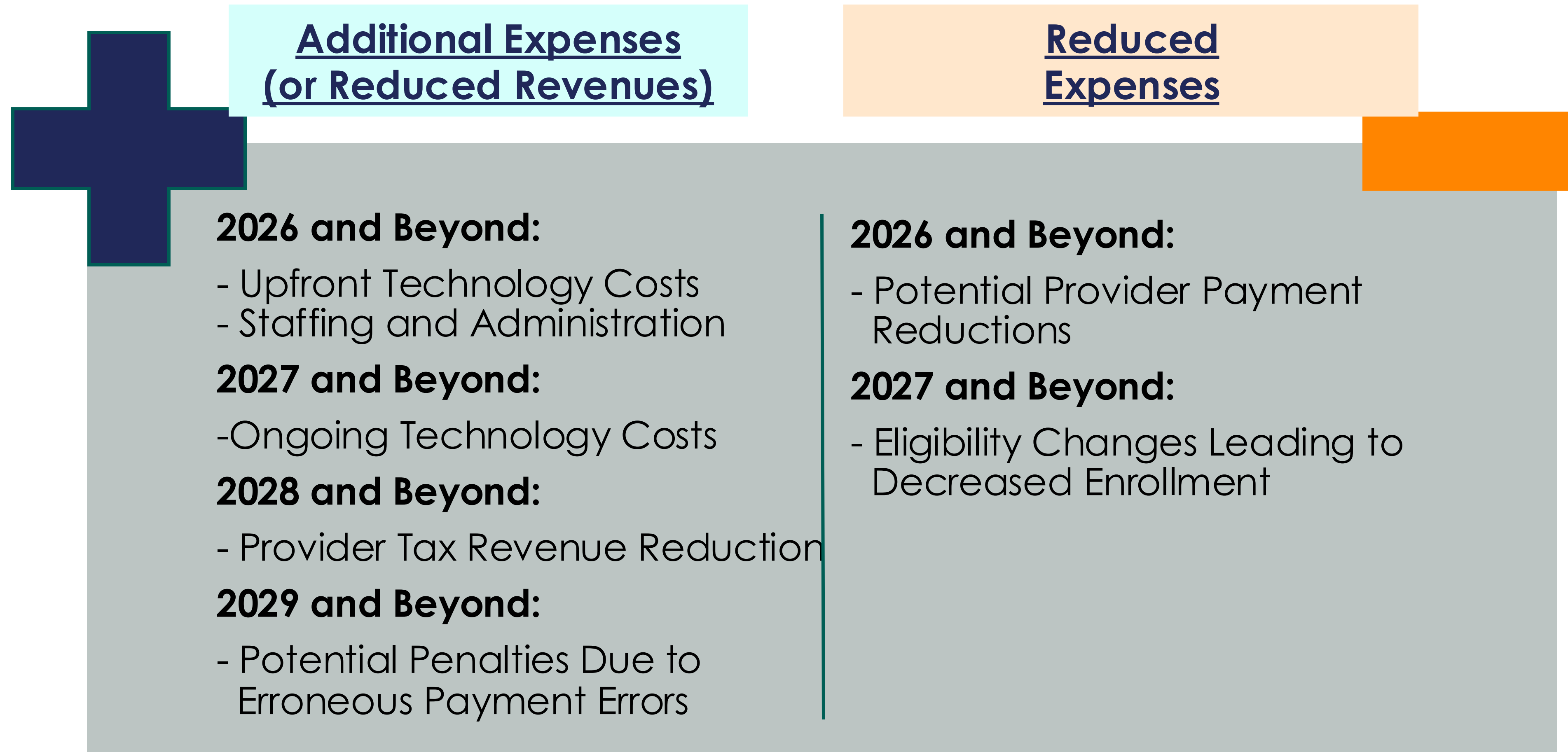
- Death master file checks
- Home equity limit changes for LTSS eligibility
- **Provider tax hold harmless threshold in expansion states phased down to 5.5%**
- **State Directed Payment limits for grandfathered items (10%)**

SFY 2029 +

- **Cost-sharing requirements**
- Duplicate enrollment requirements
- Changes to payment reductions related to federal audits
- **Provider tax hold harmless threshold in expansion states phased down to 5% in FY2029 (3.5% by 2032)**
- **State Directed Payment limits for grandfathered items (10%)**

Funding and Revenue Impacts by Year

The following summarizes the timing of funding impacts for these policy changes:



Provider Taxes

Effective Date: 7/4/2025

HEALTH & HUMAN SERVICES

Sections 71115 and 71117 impact provider taxes.

- New taxes, enacted on or after July 4, 2025, have a hold harmless threshold of 0% beginning 10/1/2026, down from 6%.
- For existing taxes, non-expansion states may continue using the applicable percent of net patient revenue for the provider class, while expansion states must use the lower of that percentage or gradually reduced thresholds starting in FY 2028 (5.5% in 2028 and down to 3.5% in 2032).
- Modifies the methodology for determining whether taxes are redistributive; specifically, taxes that are not uniform or broad based must meet new guidance set by CMS.

Rhode Island Health Care Related Taxes

- These taxes are used as a significant source of state revenue; Rhode Island has existing taxes or assessments on three federally defined provider classes.

Federal Provider Classes	Rate	Subject to 71115	Subject to 71117	Collections
Nursing facility services	5.5%	Excluded	No	NA
Inpatient hospital services; outpatient hospital services	5.81%*	Yes	Yes	>$225M
Services of managed care organizations (includes HMOs, PPOs)	Varies	Yes	Yes	>$170M

Potential Impacts

Provider Tax Payment Reduction

Est. >$100 M Reduced State Revenues by 2032*

CONFIDENTIAL WORKING DOCUMENT PURSUANT TO R.I. GEN. LAWS § 38-2-2 (4)(K)

**compared to state fiscal year 2026*

State Directed Payments

Effective Date: 7/4/2025

EXECUTIVE OFFICE OF HEALTH & HUMAN SERVICES STATE OF RHODE ISLAND

Section 71116 changes regulations for state-directed payments (SDPs).

- SDPs are payments that the state directs managed care organizations to make to health care providers.
- This section caps the total payment rate at 100% of the Medicare payment rate for expansion states and at 110% of the Medicare payment rate for non-expansion states.
- Previously approved payments are grandfathered in and subject to a phasedown of 10% per year starting in SFY 2028/29.
- The section prevents payments, approved after May 1, 2025, in excess of the new limits from taking effect.

Current State and Considerations

- Rhode Island Medicaid has over 20 SDPs, valued at over $470 M (non-fee schedule SDPs).
- Currently, SDPs cannot exceed 100% of the average commercial rate.
- Medicaid is awaiting guidance from CMS on acceptable methods to calculate the percentage of Medicare.
- One of the state's largest SDPs is a hospital payment ($325 M in SFY 2026); Rhode Island is awaiting a decision on its 'grandfathered in' status for SFY 2026.
- Most SDPs are set at Medicare levels or below; however, there are rates resulting from the OHIC rate review process that now exceed Medicare. Medicaid's current understanding is these will be subject to the changes.

Potential Impacts

Limits Rates to Medicare Levels

Hospitals, OHIC Rate Review

Alien Medicaid Eligibility

Effective Date: 10/1/2026

EXECUTIVE OFFICE OF HEALTH & HUMAN SERVICES STATE OF RHODE ISLAND

Section 71109 changes the requirements for "qualified aliens" to be eligible for Medicaid.

- This section narrows the definition of "qualified alien" from current law.
  - Includes only "aliens lawfully admitted for permanent residence as an immigrant as defined by sections 101(a)(15) and 101(a)(20) of the Immigration and Nationality Act (excluding, among others, alien visitors, tourists, diplomats, and students who enter the United States temporarily with no intention of abandoning their residence in a foreign country)", certain Cuban and Haitian immigrants, and Compact of Free Association (COFA) migrants.
- Refugees, humanitarian parolees, asylum grantees, certain abused spouses and children, trafficking victims, and certain other aliens would no longer be considered "qualified aliens" for purposes of Medicaid and CHIP eligibility.

Current State and Considerations

- Rhode Island follows the current definition of "qualified aliens" for eligibility for full Medicaid benefits, along with providing emergency Medicaid for anyone regardless of immigration status.
- The Federal Verification Hub is used to verify citizenship and immigration status for Medicaid applicants. It utilizes the Systematic Alien Verification of Entitlements (SAVE) program to check naturalized and derived U.S. citizenship.
- Rhode Island also has a non-Medicaid program, funded with state-only dollars, for children regardless of citizenship status (not impacted by 71109).

Potential Impacts

Est. 12,000 or Less of Adult Beneficiaries (Expansion, Aged, Blind, Disabled, Parents)*

State Expenditure Reduction

CONFIDENTIAL WORKING DOCUMENT PURSUANT TO R.I. GEN. LAWS § 38-2-2 (4)(K)

based on limited data from the Federal Verification Hub

Community Engagement

Effective Date: 12/31/2026

EXECUTIVE OFFICE OF HEALTH & HUMAN SERVICES STATE OF RHODE ISLAND

Section 71119 requires states to establish community engagement requirements for certain individuals for Medicaid eligibility.

- Applies to adults 19–64 eligible for/enrolled in the expansion group and adults 19–64 eligible for/enrolled in waivers that provide minimum essential coverage. There are exemptions, such as: individuals considered medically frail, participating in a substance use disorder program, or parents/caregivers of a child under 13 or with a disability.
- Individuals meet the requirement by working at least 80 hours per month or completing other qualifying activities (community service or work program, enrollment in an educational program, or a combination of these activities for 80 hours; monthly income that is at least 80 times the federal hourly minimum wage; seasonal workers with average monthly income over previous six months that is at least 80 times the federal hourly minimum wage).
- The HHS Secretary can exempt a state from compliance through December 2028 if the state demonstrates a good faith effort (GFE); it is Medicaid's current understanding from CMS that GFE exemptions will be limited.
- HHS must issue an interim final rule by June 1, 2026.

Current State and Considerations

- Rhode Island Medicaid does not currently have work or community engagement requirements; SNAP has requirements, which are more restrictive than what is known about the Medicaid requirements.
- Medicaid implementation will require authority changes, systems changes, and community outreach activities; teams are working closely with other states to discuss strategies for implementation ahead of federal guidance.

Potential Impacts

Est. 70,000 Expansion Beneficiaries*

Significant Administrative Expenses

**based on FPL data currently available in eligibility system*

Eligibility Redeterminations and Retroactivity

Section 71107 requires states to conduct eligibility redeterminations for adult expansion enrollees once every six months instead of once every 12 months. **Effective Date: December 31, 2026**

- Guidance from HHS on this provision must be issued within 180 days of enactment (December 31, 2025).

Section 71112 sets new retroactive coverage periods for certain Medicaid and CHIP eligibility applications. **Effective Date: January 1, 2027**

- Traditional Medicaid population to the two months preceding enrollment.
- Expansion population to the month preceding enrollment.
- CHIP to the two months preceding enrollment.

Current State and Considerations

- **Section 77107**: Rhode Island currently conducts eligibility redeterminations for expansion every 12 months.
  - Change will increase administrative burden for expansion beneficiaries and state; major impact not expected on enrollment status given current quarterly income verification (except for failure to complete the additional renewal requirements).
- **Section 71112**: Rhode Island has retroactive coverage for disabled, over 65, those applying for LTSS, pregnant individuals, and infants under age 1.
  - Will require state to ensure timely applications, requiring proactive community and provider engagement.

Potential Impacts

Expansion Beneficiaries (Administrative Burden)

Nursing Homes (Application Timeliness)

Administrative Expenses

Cost-Sharing Requirements

Effective Date: 10/1/2028

Section 71120 requires states to implement cost-sharing for expansion adults with incomes greater than 100% of the FPL.

- Amount of cost-sharing must be more than $0 and can not exceed $35 per item or service and total aggregate cost-sharing may not exceed 5 percent of the individual's or family's income.
- Current cost-sharing limits on prescription drugs would remain in place (for people at or below 150% FPL, maximum $4 for preferred drugs and $8 for non-preferred drugs).
- Certain services are excluded, including primary care, prenatal care, pediatric care, emergency room care (except for non-emergency care provided in emergency rooms), or services provided in an FQHC, CCBHC, or rural health clinic.
- States may permit providers to require payment of cost-sharing obligations as a condition for provision of care. A provider may reduce or waive cost-sharing on a case-by-case basis.

Current State and Considerations

- Rhode Island does not currently impose cost-sharing on Medicaid beneficiaries.
- Copays are generally collected at point of service by the provider; Medicaid payments would be reduced by the copay amounts.
- Medicaid implementation will require authority updates, system changes, and community outreach activities.

Potential Impacts

Est. 12,000 Expansion Beneficiaries*

Hospital, Specialist, and Pharmacies

Reduced Provider Revenues

based on FPL data currently available in eligibility system

Gallery Walk Facilitation

James Rajotte, EOHHS

Reminder: Guiding Principles

Gallery Walk Overview and Instructions

Here are brief instructions for today's facilitated activity for those in-person and online:

Prompts

Applies to Both Virtual and In-Person Gallery Walks
❑ What should we consider for a potential safety net when this change takes effect?
❑ How could we leverage community assets or build capacity to navigate the change?
❑ What other creative budget savings or revenue generating ideas should we consider together?
❑ Which populations or communities must we prioritize for potential supports and outreach?
❑ What other system, technology, people, or process changes should we consider?

Secretary Richard Charest

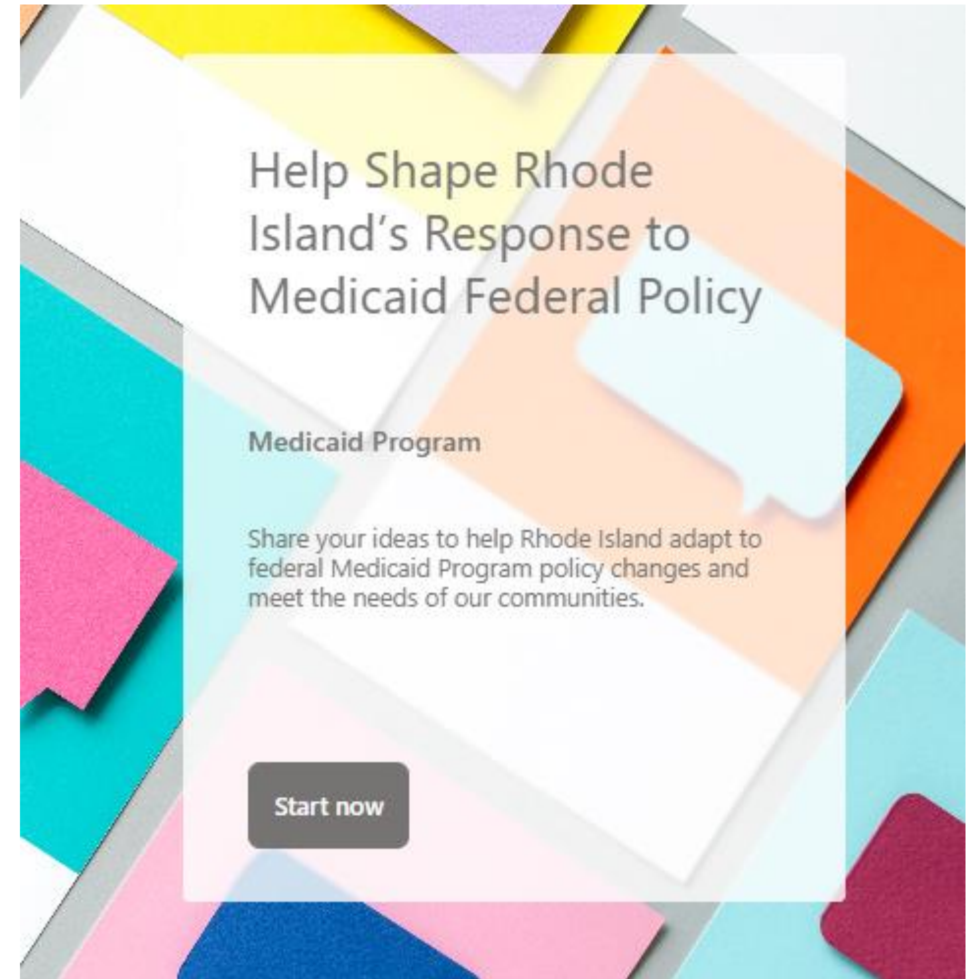
Summary of SNAP Gallery Walk Feedback

POLICY ITEM	STAKEHOLDER IMPACT ANALYSIS THEMES	STAKEHOLDER POTENTIAL CONSIDERATIONS
Thrifty Food Plan (10101)	• Concerns about food pantry capacity, funding gaps, and rising demand • Suggestions to leverage business discounts, TANF, WIC, and community outreach	• Increase emergency food hub funding, partner with businesses for discounts, and raise revenue via new policy initiatives • Expand outreach through pediatricians and childcare centers • Expand community gardens and food access points
Work Requirement Modifications (10102)	• Concerns about impacts on disabled individuals, caregivers, immigrants, and homeless • Suggestions for volunteer programs, training expansion, and simplified reporting	• Coordinate across State agencies • Expand employment training and invest in childcare subsidies • Engage CBOs for outreach and support for non-English speakers
Standard Utility Allowances Rules (10103)	• Concerns about winter impacts and verification processes • Suggestions for energy efficiency support and data sharing with utility companies	• Prioritize implementation before winter, • Provide home efficiency kits and resources • Establish data matches with utility providers
Matching Funds Requirements (10105)	• Suggestions to use community partners to reduce error rates, peer support, and workforce readiness training	• Engage community groups for education and application support to reduce customer-originated errors
Administrative Cost Sharing (10106)	• Concerns about funding gaps and impact on community partners • Suggestions for system efficiency, navigator expansion, and tax increases	• Raise taxes, streamline benefit systems, expand navigator programs, and analyze vendor performance
Nutrition Education (10107)	• Emphasis on preserving legacy programs and embedding education in other services • Suggestions for partnerships with United Way and local farms	• Incentivize retail-based education and support local farms • Coordinate with RIDOH (WIC, FHV) and RIDE (schools) • Train 211 staff and support expanded outreach programs
Eligibility Restrictions (10108)	• Concerns about mixed-status households, DCYF families, and asylum seekers • Suggestions for state funding and advocacy for safety nets	• Use state funds to support affected populations • Advocate for tax reforms to support safety net costs • Engage community groups for targeted safety net education

Announcements

Since our last meeting, here are some key updates from EOHHS, DHS, and HSRI:

- Community Proposals Survey: https://forms.office.com/g/X8Ec5gzcRd
  - *Available in English, Spanish, and Portuguese*
  - *SNAP Survey also remains available*
  - *Please submit your ideas following today's meeting*



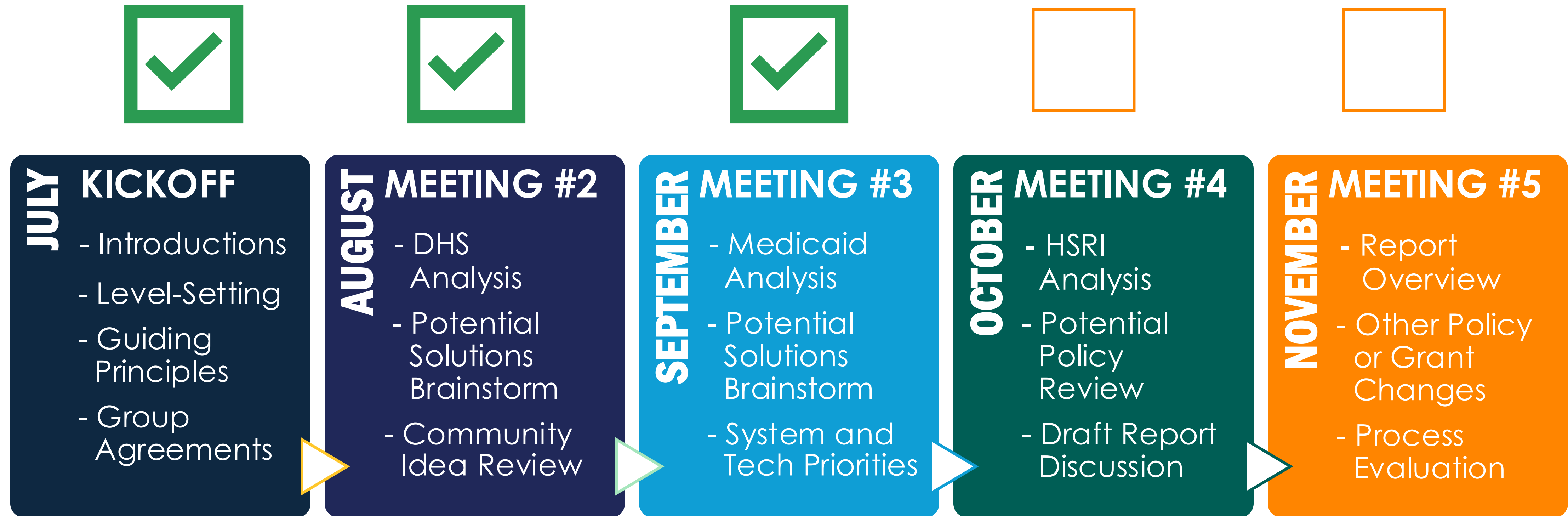
Federal Policy Change Open Letter

EXECUTIVE OFFICE OF HEALTH & HUMAN SERVICES STATE OF RHODE ISLAND

Soon, partners will receive an open letter explaining Federal policy changes are coming, what to expect next, and simple actions that clients can take now.

- Reiterates these changes are due to the Federal government
- Explains some change may start sometime after October 1, 2025
- Asks members to look for and open mail and pay attention to announcements
- Reminds members how to access accounts and update contact information
- Shares available technical supports
- Informs about fraud prevention and reporting
- **More information coming soon!**

Planned Timeline and Proposed Next Steps



Next Meeting Reminder

- **October 07, 2025**
  1:00-2:30 PM
  EOHHS – Virks Building

- Hybrid Option Available for Members of the Public

- Secretary of State Posting:
  https://bit.ly/FederalComplianceAdvisoryGroup

REMAINING DATES:

October:	10/7 (1-2:30 PM) Virks Building
November:	11/5 (11:30-1 PM) Virks Building

Additional Public Comment

- Open Discussion
  - ✓ In-Person
  - ✓ Online

THANK YOU FOR YOUR PARTICIPATION TODAY!

> **Teamwork is the ability to work together toward a common vision… It is the fuel that allows common people to attain uncommon results.**
>
> *- Andrew Carnegie*

APPENDIX SLIDES

Medicaid Requirements from HR-1

Effective Dates of Health Provisions in OBBBA of 2025

2025: Q1 Q2 Q3 Q4 | 2026: Q1 Q2 Q3 Q4 | 2027: Q1 Q2 Q3 Q4 | 2028: Q1 Q2 Q3 Q4 | 2029: Q1 Q2 Q3 Q4

Medicaid provisions / Other health provisions

- **Sec. 71101. Moratorium on Implementation of Rule Relating to Eligibility and Enrollment in Medicare Savings Programs** — Date of enactment
- **Sec. 71102. Moratorium on implementation of rule relating to eligibility and enrollment for Medicaid, CHIP, and the Basic Health Program** — Date of enactment
- **Sec. 71111. Moratorium on implementation of rule relating to staffing standards for long-term care facilities under the Medicare and Medicaid programs** — Date of enactment
- **Sec. 71113. Federal Payments to Prohibited Entities** — Date of enactment for a one-year period
- **Sec. 71115. Provider Taxes** — Date of enactment for freeze on provider taxes; October 1, 2027, phase down begins for provider tax safe harbor from 6% for Expansion states
- **Sec. 71116. State Directed Payments** — Date of enactment for freeze on total SDPs; January 1, 2028, phase down begins of state
- **Sec. 71117. Requirements Regarding Waiver of Uniform Tax Requirement for Medicaid Provider Tax** — Date of enactment

1

Medicaid Requirements from HR-1

Effective Dates of Health Provisions in OBBBA of 2025

Provision	2025	2026	2027	2028	2029
Sec. 71114. Sunsetting Increased FMAP Incentive		January 1, 2026			
Sec. 71119. Requirement for States to Establish Medicaid Community Engagement Requirements for Certain Individuals		June 1, 2026, CMS interim final rule on work requirements due	January 1, 2027 States must implement work requirements or seek one or two-year good faith effort delay		Jan 1, 2029, all states must implement work requirements
Sec. 71109. Alien Medicaid Eligibility		October 1, 2026			
Sec. 71110. Expansion FMAP for Emergency Medicaid		October 1, 2026			
Sec. 71112. Reducing State Medicaid Costs			Jan 1, 2027		
Sec. 71107. Eligibility Redeterminations			Jan 1, 2027		
Sec. 71104. Ensuring Deceased Individuals Do Not Remain Enrolled			Jan 1, 2027		
Sec. 71118. Requiring Budget Neutrality for Medicaid Demonstration Projects Under Section 1115			Jan 1, 2027		

2

Medicaid Requirements from HR-1

Effective Dates of Health Provisions in OBBBA of 2025

2025 | 2026 | 2027 | 2028 | 2029 (Q1 Q2 Q3 Q4 for each year)

Provision	Effective dates
Sec. 71103. Reducing Duplicate Enrollment Under the Medicaid and CHIP Programs	Jan 1, 2027 States must establish a process to regularly obtain enrollment and address information; October 1, 2029 States must submit monthly enrollee data to HHS
Sec. 71105. Ensuring Deceased Providers Do Not Remain Enrolled	Jan 1, 2028
Sec. 71108. Revising Home Equity Limit for Determining Eligibility for Long-Term Care Services Under the Medicaid Program	Jan 1, 2028
Sec. 71121. Making Certain Adjustments to Coverage of Home or Community-Based Services Under Medicaid	Jul 1, 2028
Sec. 71120. Modifying Cost Sharing Requirements for Certain Expansion Individuals Under the Medicaid Program	Oct 1, 2028
Sec. 71106. Payment Reduction Related to Certain Erroneous Excess Payments Under Medicaid	Oct 1, 2029
Sec. 71401. Rural Health Transformation Program	Oct 1, 2025 $10 B available to CMS to allocate to states; Dec 31, 2025 Deadline for CMS approval of one-time state applications for grants; Oct 1, 2026 $10 B available; Oct 1, 2027 $10 B available; Oct 1, 2028 $10 B available; Oct 1, 2029 $10 B available

3

Gallery Walk Posters

TO BE PRINTED AND ONLINE ONLY

1: Provider Taxes

EXECUTIVE OFFICE OF HEALTH & HUMAN SERVICES STATE OF RHODE ISLAND

FEDERAL POLICY CHANGE
(Sec. 71115)

LEVEL OF EFFORT
High

Revises the "hold-harmless" provider-tax threshold under § 1903(w)(4) by (1) for FY 2027+, replacing the flat 6% cap with a dynamic "applicable percent" based on whether a state expanded in 2014: Expansion states: the lower of their existing hold-harmless rate or a sliding scale (5.5% in FY 2028; 5.0% in FY 2029; 4.5% in FY 2030; 4.0% in FY 2031; 3.5% in FY 2032+). Non-expansion states: their hold-harmless percent if within threshold, otherwise 0%. This ensures provider taxes remain budget-neutral and phase down over time.

Deadline:
7/4/2025
(SFY 2026)

KEY CONSIDERATIONS

Provider Tax Payment Reduction

Est. >$100 M Reduced State Revenues by 2032*

**Compared to state fiscal year 2026*

Additional Feedback

POTENTIAL SOLUTIONS

Other Notes: These taxes are used as a significant source of state revenue; Rhode Island has existing taxes or assessments on three federally defined provider classes.

Key Question Prompts:

- What should we consider for a potential safety net when this change takes effect?
- How could we leverage community assets or build capacity to navigate the change?
- What other creative budget savings or revenue generating ideas should we consider together?
- Which populations or communities must we prioritize for potential supports and outreach?
- What other system, technology, people, or process changes should we consider?

Considerations

2: State Directed Payments

FEDERAL POLICY CHANGE (Sec. 71116)	LEVEL OF EFFORT High

Caps state-directed managed-care payments (SDPs) at a percent of Medicare rates for expansion states (SDP ≤100% of the Medicare published total payment rate) and non-expansion states (SDP ≤110% of that rate). Grandfathers any SDP with written prior approval by May 1, 2025 (or rural hospital SDPs approved by enactment) through a phase-down: reduce those existing rates by 10 percentage points each year starting January 1, 2028, until they meet the new 100%/110% cap.

Deadline: 7/4/2025 (SFY 2026)

KEY CONSIDERATIONS

- Limits Rates to Medicare Levels
- Hospitals, OHIC Rate Review

Additional Feedback

POTENTIAL SOLUTIONS

Other Notes: RI Medicaid's 20+ SDPs total $470M, including a $325M hospital payment in SFY26; rates are capped at 100% of average commercial. Awaiting CMS guidance, OHIC rate changes, and hospital grandfathering decisions will shape future compliance.

Key Question Prompts:

- What should we consider for a potential safety net when this change takes effect?
- How could we leverage community assets or build capacity to navigate the change?
- What other creative budget savings or revenue generating ideas should we consider together?
- Which populations or communities must we prioritize for potential supports and outreach?
- What other system, technology, people, or process changes should we consider?

Considerations

3: Alien Medicaid Eligibility

FEDERAL POLICY CHANGE	LEVEL OF EFFORT
(Sec. 71109)	High

Aligns Medicaid eligibility rules for qualified aliens with those in other federal health programs, standardizing documentation and residency requirements.

Deadline:
10/01/2026
(SFY 2027)

KEY CONSIDERATIONS

Est. 12,000 or Less of Adult Beneficiaries (Expansion, Aged, Blind, Disabled, Parents)

State Expenditure Reduction

Additional Feedback

POTENTIAL SOLUTIONS

Other Notes: RI follows federal rules for Medicaid eligibility, using the SAVE system to verify immigration status, and offers emergency coverage regardless of status. RI also has a non-Medicaid program funded with State only dollars, for children, regardless of citizenship.

Key Question Prompts:

- What should we consider for a potential safety net when this change takes effect?
- How could we leverage community assets or build capacity to navigate the change?
- What other creative budget savings or revenue generating ideas should we consider together?
- Which populations or communities must we prioritize for potential supports and outreach?
- What other system, technology, people, or process changes should we consider?

Considerations

4: Community Engagement Requirements

FEDERAL POLICY CHANGE (Sec. 71119)	LEVEL OF EFFORT High
Directs HHS and the states to impose "community engagement" (a.k.a. work) requirements on non-elderly, non-pregnant, non-Medicare, non-medically-frail Medicaid enrollees in the ACA expansion population. Under the rule: At least 80 hours per month of one or more qualifying activities: (1) Employment (part- or full-time); (2) Unpaid community service or volunteering; (3) Participation in job skills training, education programs, or workfare; (4) Meeting a monthly earnings threshold (monthly income that is at least 80 times the federal hourly minimum wage; seasonal workers with average monthly income over previous 6 months that is at least 80 times the federal hourly minimum wage). Some exemptions. Interim final rule due by June 1, 2026.	**Deadline:** 12/31/26 (SFY 2027)

KEY CONSIDERATIONS

Est. 70,000 Expansion Beneficiaries*

Significant Administrative Expenses

**based on FPL data currently available in eligibility system*

Additional Feedback

POTENTIAL SOLUTIONS

Other Notes: Medicaid currently has no work requirements. Future implementation would require authority and system changes plus community outreach. Teams working with other states on startegies.

Key Question Prompts:

- What should we consider for a potential safety net when this change takes effect?
- How could we leverage community assets or build capacity to navigate the change?
- What other creative budget savings or revenue generating ideas should we consider together?
- Which populations or communities must we prioritize for potential supports and outreach?
- What other system, technology, people, or process changes should we consider?

Considerations

5: Eligibility Redeterminations and Retroactivity

FEDERAL POLICY CHANGES
(Sec. 71107 and 71112)

LEVEL OF EFFORT
Medium / High

Sec. 71107: Requires states to redetermine eligibility every 6 months (instead of once per year) for adults covered under the ACA Medicaid expansion. Sets uniform timelines and documentation standards for periodic Medicaid renewals to reduce churn—requiring states to complete renewals within 30 days of receiving information.
Sec. 71112: Retroactive coverage for traditional Medicaid and CHIP is two months and expansion is one month.

Deadline:
Sec. 71107: 12/31/26 (SFY 2027)
Sec. 71112: 1/1/27(SFY 2028)

KEY CONSIDERATIONS

- Expansion Beneficiaries (Administrative Burden)
- Nursing Homes (Application Timeliness)
- Administrative Expenses

Additional Feedback

POTENTIAL SOLUTIONS

Other Notes: Medicaid expansion redeterminations annually; upcoming changes may raise admin. burden; little impact expected on enrollment due to existing quarterly checks. RI also offers retroactive coverage for certain groups. Changes will require timely applications and proactive community and provider engagement.

Key Question Prompts:

- What should we consider for a potential safety net when this change takes effect?
- How could we leverage community assets or build capacity to navigate the change?
- What other creative budget savings or revenue generating ideas should we consider together?
- Which populations or communities must we prioritize for potential supports and outreach?
- What other system, technology, people, or process changes should we consider?

Considerations

6: Cost-Sharing Requirements

EXECUTIVE OFFICE OF HEALTH & HUMAN SERVICES STATE OF RHODE ISLAND

FEDERAL POLICY CHANGE (Sec. 71120)	LEVEL OF EFFORT High

Exempts Medicaid expansion enrollees from premiums/lock-out periods after October 1, 2028, but authorizes sliding-scale cost-sharing based on income to encourage personal responsibility. Applies to adults who gained coverage under the ACA expansion with incomes over 100% of the federal poverty level (generally 100–138% FPL). Includes (1) per-service copays; (2) annual out-of-pocket cap; (3) limited state flexibilities.

Deadline:
10/01/2028
(SFY 2029)

KEY CONSIDERATIONS

- Est. 12,000 Expansion Beneficiaries*
- Hospital, Specialist, and Pharmacies
- Reduced Provider Revenues

**based on FPL data currently available in eligibility system*

Additional Feedback

POTENTIAL SOLUTIONS

Other Notes: Rhode Island does not currently impose cost-sharing on beneficiaries. Copays are generally collected at point of service by providers; Medicaid payments would be reduced by copay amounts. Authority updates, system changes, and outreach needed.

Key Question Prompts:

- What should we consider for a potential safety net when this change takes effect?
- How could we leverage community assets or build capacity to navigate the change?
- What other creative budget savings or revenue generating ideas should we consider together?
- Which populations or communities must we prioritize for potential supports and outreach?
- What other system, technology, people, or process changes should we consider?

Considerations