

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, Maryland 21244-1850



December 3, 2024

Kristin Sousa
Assistant Secretary and State Medicaid Director
Rhode Island Executive Office of Health and Human Services
3 West Rd, Virks Building
Cranston, RI 02920

Dear Director Sousa:

The Centers for Medicare & Medicaid Services (CMS) is approving the state's August 16, 2024, request to amend certain home and community-based services (HCBS) payment rate methodologies under the section 1115(a) demonstration titled, "Rhode Island Comprehensive Demonstration" (Project Number 11-W-00242/1) (the "demonstration"). CMS is approving the payment rate methodology documentation that supports changes to HCBS payment rates for the services represented in the state's request, including assisted living, residential habilitation, day habilitation, home care, self-directed supports, private duty nursing, shared living, respite, and case management. The effective date of these rate increases is October 1, 2024.

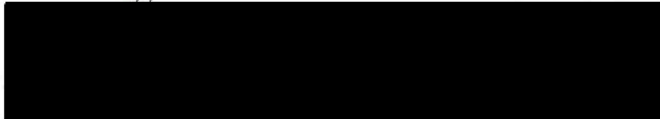
It is important to note that CMS acceptance of these payment methodology updates only addresses the state's compliance with the applicable Medicaid authorities. CMS approval does not address the state's independent and separate obligations under federal laws including, but not limited to, the Americans with Disabilities Act, Section 504 of the Rehabilitation Act, or the Supreme Court's Olmstead decision. Guidance from the Department of Justice concerning compliance with the Americans with Disabilities Act and the Olmstead decision is available at http://www.ada.gov/olmstead/q&a_olmstead.html.

CMS reminds the state that the state must have an approved spending plan in order to use the money realized from section 9817 of the American Rescue Plan (ARP). Approval of this action does not constitute approval of the state's spending plan.

If you have questions regarding this approval, please contact George P. Failla, Jr., Director, Division of HCBS Operations and Oversight at (410) 786-7561, or Angela Garner, Director, Division of System Reform Demonstrations, Center for Medicaid and CHIP Services, at (410) 786-1074.

You may also contact your project officer for this demonstration, Alex Desatoff, at Alexei.Desatoff@cms.hhs.gov. He is available to answer any questions concerning your demonstration.

Sincerely,



George P. Failla, Jr.
Director
Division of HCBS Operations and Oversight

Angela D.
Garner -S

Digitally signed by Angela D.
Garner -S
Date: 2024.11.21 11:32:17
-05'00'

Angela D. Garner
Director
Division of System Reform Demonstrations

Enclosure

cc: Joyce Butterworth, State Monitoring Lead, CMS Medicaid and CHIP Operations Group

Rhode Island Executive Office of Health and Human Services
Comparison of Proposed Rates to Current Published Rates for Select Waiver Services

Pursuant to Article 12 of the FY2023 Budget as Enacted, the Rhode Island Office of the Health Insurance Commissioner (OHIC) was directed to complete a comprehensive social and human services payment rate review, including Medicaid. The final OHIC rate review report, published September 1, 2023, included various recommended Medicaid rate increases for behavioral health services, services for children, and home and community-based services (HCBS). OHIC's recommended rates were derived using one of three methodologies—an independent rate model (IRM), benchmarks based on comparable rates by other payors (other states, Medicare, etc.), or an inflation index using the Personal Consumption Expenditures (PCE) Price Index based on the date of the last rate adjustment. The final recommendations, including a discussion of rate methodologies, are posted publicly on <https://ohic.ri.gov/regulatory-review/social-and-human-service-programs-review>.

The Rhode Island Executive Office of Health and Human Services (EOHHS) revised the OHIC recommendations as necessary to account for duplicative recommendations, omissions, and/or errors and presented a final, revised recommendation to the legislature for consideration. Pursuant to Article 9 of the FY2025 Budget as Enacted, the legislature directed EOHHS to increase Medicaid rates according to the final OHIC recommendation (including any EOHHS revisions) effective October 1, 2024.

Accordingly, EOHHS is submitting this request to increase the following 1915(c)-like HCBS rates, effective October 1, 2024.

Note that this request excludes:

- Most services for individuals with I/DD, except for home care, as the remaining I/DD rates were recently increased as part of a separate rate review process; and
- Home-delivered meals, as the State already applies an annual inflation index to these rates on July 1 each year, under the previously CMS-approved methodology.

Service Name	Procedure Code	Methodology	Current Rate	Unit	New Rate (10/1/2024)	Unit
Assisted Living	T2031 (Tier A)	Inflation index, +10.8% based on last rate adjustment 11/1/2021 using PCE, All Expenditures Excluding Food & Energy.	\$78.00	Per diem	\$86.45	Per diem
	T2031 UB (Tier B)		\$113.00	Per diem	\$125.24	Per diem
	T2031 UC (Tier C)		\$136.00	Per diem	\$150.73	Per diem
Residential Habilitation (non-I/DD)	H2001	Inflation index, +46.6% based on last rate adjustment 5/1/2006 using PCE, All Expenditures Excluding Food & Energy.	\$223.50	Per half day	\$327.57	Per half day
Day Habilitation (non-I/DD)	T2021	Inflation index, +39.1% based on last rate adjustment 7/1/2009 using PCE, All Expenditures Excluding Food & Energy.	\$5.32	Per 15 minutes	\$7.40	Per 15 minutes
	S5125 (Personal Care)	Independent Rate Model	\$6.80	Per 15 minutes	\$10.40	Per 15 minutes

Rhode Island Executive Office of Health and Human Services
Comparison of Proposed Rates to Current Published Rates for Select Waiver Services

Service Name	Procedure Code	Methodology	Current Rate	Unit	New Rate (10/1/2024)	Unit
Home Care (Personal Care and/or Homemaker)	S5125 U1 (Combined Personal Care/Homemaker)		\$6.57	Per 15 minutes	\$10.40	Per 15 minutes
	S5130 (Homemaker)		\$6.36	Per 15 minutes	\$10.07	Per 15 minutes
	S5130 TE (Homemaker LPN)		\$14.70	Per 15 minutes	\$16.99	Per 15 minutes
	T1001 (Nursing Assessment)		\$106.34	Per assessment	\$185.33	Per assessment
	T1028 (Home Assessment)	Inflation index, +39.1% based on last rate adjustment 7/1/2009 using PCE, All Expenditures Excluding Food & Energy.	\$60.00	Per assessment	\$83.47	Per assessment
Self-Directed Supports (non-I/DD)	T2025 (Fiscal Intermediary)	Inflation index, +15.2% based on last rate adjustment 1/12/2021 using PCE, All Expenditures Excluding Food & Energy.	\$125.00	Per month	\$144.04	Per month
	T1001 (Nursing Assessment)	Independent Rate Model	\$106.34	Per assessment	\$185.33	Per assessment
	T1028 (Home Assessment)	Inflation index, +39.1% based on last rate adjustment 7/1/2009 using PCE, All Expenditures Excluding Food & Energy.	\$60.00	Per assessment	\$83.47	Per assessment
Private Duty Nursing	T1000	Independent Rate Model	\$14.70	Per 15 minutes	\$21.75	Per 15 minutes
	T1000 TE (LPN)		\$11.89	Per 15 minutes	\$15.92	Per 15 minutes
Shared Living (non-I/DD)	S5136 (stipend, high LOC, adult day)	Inflation index, +12.5% based on last rate adjustment 7/1/2021 using PCE, All Expenditures Excluding Food & Energy.	\$35.53	Per diem	\$39.96	Per diem
	S5136 TG (stipend, highest LOC, adult day)		\$44.98	Per diem	\$50.58	Per diem
	S5136 U1 (stipend, high LOC, no adult day)		\$41.80	Per diem	\$47.01	Per diem
	S5136 TG U1 (stipend, highest LOC, no adult day)		\$52.92	Per diem	\$59.51	Per diem
	S5136 U1 UN (stipend, second participant, high LOC, no adult day)		\$31.35	Per diem	\$35.26	Per diem

Rhode Island Executive Office of Health and Human Services
Comparison of Proposed Rates to Current Published Rates for Select Waiver Services

Service Name	Procedure Code	Methodology	Current Rate	Unit	New Rate (10/1/2024)	Unit
	S5136 UN (stipend, second participant, high LOC, adult day)		\$26.65	Per diem	\$29.98	Per diem
	S5136 TG UN (stipend, second participant, highest LOC, adult day)		\$33.74	Per diem	\$37.94	Per diem
	S5136 TG U1 UN (stipend, second participant, highest LOC, no adult day)		\$39.70	Per diem	\$44.65	Per diem
	T2025 (Shared Living administration, high LOC)	Inflation index, +37.4% based on last rate adjustment 3/1/2010 using PCE, All Expenditures Excluding Food & Energy.	\$26.03	Per month	\$35.76	Per month
	T2025 U1 (Shared Living administration, highest LOC)		\$26.99	Per month	\$37.08	Per month
	T1028 (home assessment and development of service and safety plan)	Inflation index, +37.4% based on last rate adjustment 3/1/2010 using PCE, All Expenditures Excluding Food & Energy.	\$300.00	Per assessment	\$412.18	Per assessment
Respite (non-I/DD)	T1005	Inflation index, +7.4% based on last rate adjustment 7/1/2022 using PCE, All Expenditures Excluding Food & Energy.	\$9.00	Per 15 minutes	\$9.67	Per 15 minutes
	T1005 UN (second participant) T1005 UP (third participant)		\$2.30	Per 15 minutes	\$2.47	Per 15 minutes
Case Management (non-I/DD)*	T1016	Inflation index, +46.5% based on last rate adjustment 5/1/2006 using PCE, All Expenditures Excluding Food & Energy.	\$15.00	Per 15 minutes	\$21.98	Per 15 minutes
	T1017		\$15.00	Per 15 minutes	\$21.98	Per 15 minutes
	T2022 (Self-Direction)	Inflation index, +17.8% based on last rate adjustment 10/1/2019 using PCE, All Expenditures Excluding Food & Energy.	\$125.00	Per month	\$147.21	Per month
	T2022 U2 (Self-Direction)	Inflation index, +15.2% based on last rate adjustment 1/12/2021	\$175.00	Per month	\$201.65	Per month

Rhode Island Executive Office of Health and Human Services
Comparison of Proposed Rates to Current Published Rates for Select Waiver Services

Service Name	Procedure Code	Methodology	Current Rate	Unit	New Rate (10/1/2024)	Unit
		using PCE, All Expenditures Excluding Food & Energy.				

*Although the State recently received approval for a single, monthly rate of \$170.87 for 1915(c)-like case management services under the conflict-free case management (CFCM) initiative, the State has not fully transitioned all HCBS participants to CFCM at this time. The State requests to utilize the increased case management rates as recommended by OHIC until these codes are fully phased out under the State's Corrective Action Plan with CMS.