

2008 -- S 2223

LC00830

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2008

A N A C T

RELATING TO HUMAN SERVICES - MEDICAL ASSISTANCE - LONG-TERM CARE
SERVICE AND FINANCE REFORM

Introduced By: Senators Perry, Miller, C Levesque, Paiva-Weed, and Gibbs

Date Introduced: February 06, 2008

Referred To: Senate Health & Human Services

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 40-8.9-1, 40-8.9-2, 40-8.9-3, 40-8.9-4, 40-8.9-5 and 40-8.9-6 of
2 the General Laws in Chapter 40-8.9 entitled "Medical Assistance - Long-Term Care Service and
3 Finance Reform" are hereby amended to read as follows:

4 **40-8.9-1. Findings.** -- (a) The number of Rhode Islanders in need of long-term care
5 services continues to rise substantially, and the quality of life of these Rhode Islanders is
6 determined by the capacity of the long-term care system to provide access to the full array of
7 services and supports required to meet their health care needs and maintain their independence.

8 (b) It is in the interest of all Rhode Islanders to endorse and fund statewide efforts to
9 build a fiscally sound, dynamic long-term care system that supports: consumer independence and
10 choice; the delivery of high quality, coordinated services; the financial integrity of all
11 participants-purchasers, payers, providers and consumers; and the responsible and efficient
12 allocation of all available public and private resources.

13 (c) It is in the interest of all Rhode Islanders to assure that rates paid for community-
14 based long-term care services are adequate to assure high quality as well as supportive of
15 workforce recruitment and retention.

16 (d) It is in the interest of all Rhode Islanders to improve consumer's access information
17 regarding community-based alternatives to institutional settings of care.

18 (e) Although slight increases in Medicaid and state spending on home and community

1 based long-term care has occurred, these programs still serve only a portion of the people needing
2 services, often resulting in waiting lists.

3 (f) Most people prefer to receive long-term care services in their homes or at least in a
4 home like setting, such as residential housing, adult day care or an assisted living residence.

5 (g) Despite consumer preferences, the long-term care portion of the Medicaid program
6 has a bias toward nursing home care, which is a mandatory benefit, while home and community
7 based services are optional.

8 (h) New service settings, such as adult day care and assisted living, have developed since
9 the basic Medicaid services and coverage rules were developed.

10 (i) There is an increased legal emphasis, partly in response to the 1999 Supreme Court
11 Olmstead decision, on providing services in the least restrictive setting to persons with
12 disabilities.

13 (j) Currently Rhode Island spends ninety percent (90%) of its Medicaid long-term care
14 dollars on nursing homes and ten percent (10%) on alternatives to nursing homes. Nursing home
15 usage is on the decline and citizens prefer to remain at home.

16 (k) Informal caregivers are the backbone of the long-term care system in the United
17 States today, providing much of the assistance to individuals who want to remain in their homes
18 and need help with daily activities, including eating, bathing, and dressing, or shopping,
19 transportation, and taking medications.

20 **40-8.9-2. System reform goal.** -- On or before July 1, 2007, the department of human
21 services shall begin to implement a model system for integrated long-term care, that expands the
22 capacity of the long-term care system as a whole to support consumer choice and independence;
23 enables consumers to access coordinated services; assures quality outcomes through certification
24 standards, performance measures and incentives and rewards that promote service excellence and
25 generates the information consumers need to make reasoned choices about their health care; and
26 improves the system's overall stability by reinvesting the benefits that accrue from the more
27 efficient utilization of services to enhance the capacity of each of its component parts. Attaining
28 system-wide reform of the magnitude set forth herein will require significant changes in the
29 organization, financing and delivery of services that must be implemented incrementally.

30 On or before July 1, 2012, the executive office of health and human services shall reach
31 the goal of allocating a minimum of fifty percent (50%) of Medicaid long-term care funding be
32 utilized by nursing homes and fifty percent (50%) on home and community based care by the
33 state of Rhode Island.

34 The executive office of health and human services shall prioritize increased investment in

1 [home and community based care. The office will also work to maintain the integrity and funding](#)
2 [or current programs and investments that will help Rhode Island reach this goal.](#)

3 **40-8.9-3. Least restrictive setting requirement.** -- Beginning on July 1, 2007, the
4 department of human services is directed ~~to recommend the allocation~~ [and authorized to allocate](#)
5 ~~of~~ existing Medicaid resources as needed to ensure that those in need of long-term care and
6 support services receive them in the least restrictive setting appropriate to their needs and
7 preferences. The department is hereby authorized to utilize screening criteria, to avoid
8 unnecessary institutionalization of persons during the full eligibility determination process for
9 Medicaid community based care.

10 **40-8.9-4. Unified long-term care budget.** -- Beginning on July 1, 2007, a unified long-
11 term care budget shall combine in a single line-item ~~appropriation~~ within the department of
12 human services budget, annual department of human services Medicaid appropriations for
13 nursing facility and community-based long-term care services ~~for elderly sixty five (65) years and~~
14 ~~older and younger persons at risk of nursing home admissions~~ (including adult day care, home
15 health, and personal care in assisted living settings). Beginning on July 1, 2007, the total system
16 savings attributable to the value of the reduction in nursing home days ~~including hospice nursing~~
17 ~~home days~~ paid for by Medicaid shall be allocated ~~in the budget enacted by the general assembly~~
18 ~~for the ensuing fiscal year~~ for the express purpose of promoting and strengthening community-
19 based alternatives. ~~Beginning on January 1, 2008, the allocation shall include, but not be limited~~
20 ~~to, the establishment of presumptive eligibility criteria for the purposes of accessing home and~~
21 ~~community care. The home and community care service presumptive eligibility criteria shall be~~
22 ~~developed through rule or regulation on or before September 30, 2007.~~

23 ~~The caseload estimating conference pursuant to section 35-17-1 shall determine the~~
24 ~~amount of general revenues to be added to the current service estimate of community based long-~~
25 ~~term care services for elderly sixty five (65) and older and younger persons at risk of nursing~~
26 ~~home admissions for the ensuing budget year by multiplying the combined cost per day of~~
27 ~~nursing home and hospice nursing home days estimated at the caseload conference for that year~~
28 ~~by the reduction in nursing home and hospice nursing home days from those in the second fiscal~~
29 ~~year prior to the current fiscal year to those in the first fiscal year prior to the current fiscal year.~~

30 **40-8.9-5. Administration and regulations.** -- ~~The~~ [As the](#) single state agency designated
31 to administer the Rhode Island Medicaid program, [the department](#) is hereby directed and
32 authorized to develop and submit any requests for waivers, demonstration projects, grants and
33 state plan amendments or regulations that may be considered necessary and appropriate to
34 support the general purposes of this statute. Such requests shall be made in consultation with any

1 affected departments and, to the extent feasible, any consumer group, advisory body, or other
2 entity designated for such purposes.

3 **40-8.9-6. Reporting.** -- Annual reports shall be submitted by the department to the Joint
4 Legislative Committee on Health Care Oversight as well as the finance committees of both the
5 senate and the house of representatives and shall include estimates of the investments necessary
6 to provide stability to the existing system and establish the infrastructure and programs required
7 to achieve system-wide reform [by 2012](#).

8 SECTION 2. Section 40-8.5-1 of the General Laws in Chapter 40-8.5 entitled "Health
9 Care for Elderly and Disabled Residents Act" is hereby amended to read as follows:

10 **40-8.5-1. Categorically needy medical assistance coverage.** -- (a) The department of
11 human services is hereby authorized and directed to amend its Title XIX state plan to provide for
12 categorically needy medical assistance coverage as permitted pursuant to Title XIX of the Social
13 Security Act, 42 U.S.C. section 1396 et seq., as amended, to individuals who are sixty-five (65)
14 years or older or are disabled, as determined under section 1614(a)(3) of the Social Security Act,
15 42 U.S.C. section 1382c(a)(3), as amended, whose income does not exceed one hundred percent
16 (100%) of the federal poverty level (as revised annually) applicable to the individual's family
17 size, and whose resources do not exceed four thousand dollars (\$4,000) per individual, or six
18 thousand dollars (\$6,000) per couple. The department shall provide medical assistance coverage
19 to such elderly or disabled persons in the same amount, duration and scope as provided to other
20 categorically needy persons under the state's Title XIX state plan.

21 (b) In order to ensure that individuals with disabilities have access to quality and
22 affordable health care, the department is authorized to plan and to implement a system of health
23 care delivery through voluntary (opt-out) managed care health systems for such individuals.
24 "Managed care" is defined as systems that: ~~integrate~~ [integrates](#) an efficient financing mechanism
25 with quality service delivery; provides a "medical home" to assure appropriate care and deter
26 unnecessary and inappropriate care; and places emphasis on preventive and primary care.

27 (c) The department is authorized to obtain any approval and/or waivers from the United
28 States Department of Health and Human Services, necessary to implement a voluntary (opt-out)
29 managed health care delivery system to the extent approved by the United States Department of
30 Health and Human Services. ~~; including a primary care case management model in which
31 ancillary services are provided under the direction of a physician in a practice that meets
32 standards established by the department of human services. Nothing in this subsection shall be
33 interpreted to reduce the scope or duration of services or benefits covered for any Medicaid
34 recipient or to restrict or remove any services or benefits from a managed care benefit plan~~

1 ~~provided by the state Medicaid program.~~

2 (d) The department shall submit a report to the ~~permanent joint committee on health care~~
3 ~~oversight~~ permanent joint committee on health care oversight no later than April 1, 2006 that
4 proposes an implementation plan for this voluntary program, based on beginning enrollment not
5 sooner than July 1, 2006. The report will describe projected program costs and savings, the
6 outreach strategy to be employed to educate the potentially eligible populations, the enrollment
7 plan, and an implementation schedule.

8 (e) To ensure the delivery of timely and appropriate services to persons who become
9 automatically eligible for Medicaid by virtue of their eligibility for a Social Security
10 Administration program, data on their special needs may be reported to the department of human
11 services by the ~~Social Security Administration~~ social security administration. The department of
12 human services is authorized to seek any and all data sharing agreements or other agreements
13 with the ~~Social Security Administration~~ social security administration as may be necessary to
14 receive timely and accurate diagnostic data and clinical assessments to be used exclusively for the
15 purpose of service planning, and to be held and exchanged in accordance with all applicable state
16 and federal medical record confidentiality laws and regulations.

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

=====
LC00830
=====

EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO HUMAN SERVICES - MEDICAL ASSISTANCE - LONG-TERM CARE
SERVICE AND FINANCE REFORM

- 1 This act would require the department of human services to implement a model system
- 2 for integrated long-term care that expands the capacity of the long-term care system as a whole to
- 3 support consumer choice and independence.
- 4 This act would take effect upon passage.

=====
LC00830
=====