

## Supplemental FY09 Budget Proposal: Implications for Health Insurance Coverage for Children and Families in Rhode Island

Governor Donald Carcieri's proposed Supplemental Budget for State Fiscal Year 2009 (H-5019) is aimed at closing Rhode Island's projected \$357 million gap by the end of the current State Fiscal Year on June 30, 2009.

There were no proposed cuts to RIte Care income eligibility levels or specific changes proposed for the benefits package for children under age 19 in the FY09 Supplemental Budget.

The following changes and/or cuts to health insurance programs that support children and families in Rhode Island are being considered by the General Assembly.

Supplemental FY09 Budget	Proposal	Projected FY 2009 Savings	# of People Affected
Article 30	<p>The Governor's initial budget requested a <b>\$10,000 resource test</b> be implemented for all children and families enrolled in RIte Care. (Children enrolled in the "Katie Beckett" provision and pregnant women would be exempt from the asset test.) No implementation date is proposed.</p> <p>At the House Finance hearing for Article 30, DHS proposed an asset test only for parents (not children), so that it does not compromise Rhode Island's ability to obtain federal CHIP funding (which prohibits an asset test for children).</p> <p>Implementing a resource test for any RIte Care members would make Rhode Island ineligible for any increases in the Medicaid Federal Matching Rate (FMAP) included in the federal economic recovery package. If they want to be eligible for the additional federal funds, states are not allowed to make changes in their eligibility for Medicaid programs. Imposing a resource test is considered an eligibility change.</p>	<p>\$0.1M general revenues  (\$0.2M total funds)</p>	<p>Approximately 5,400 parents are enrolled in RIte Care as of January 2009.</p>
DHS Budget Initiative	<p><b>Eliminate the RIte Care buy-in program for pregnant women</b> with incomes between 250% - 350% FPL (\$44,000 - \$61,600 for a family of three). Under this program, a pregnant woman pays a monthly premium of \$294.80 (which is the full cost of coverage) to one of the RIte Care health plans and receives RIte Care health insurance coverage that allows her to obtain prenatal care throughout her pregnancy. The only state cost is \$8,378 for each delivery, paid to the hospital. This program would be eliminated as of March 1, 2009.</p>	<p>\$16,774 general revenues (equivalent of 2 births that would occur this fiscal year)</p> <p>No federal funds saved; program is entirely state funded</p>	<p>26 women are currently enrolled (program is budgeted for 28 women total annually)</p>
DHS Budget Initiative	<p><b>Institute \$25 co-pay for emergency room use for RIte Care members</b> with family incomes over 150% FPL (\$26,400 for a family of 3). Co-pay would be waived if the ER visit results in a hospital admission. No implementation date is proposed. 14 other states impose ER co-pays for children and 9 other states have ER co-pays for parents at this income level.</p>	<p>\$0.1M general revenues  (\$0.2M total funds)</p>	<p>Approximately 4,900 families (with 8,224 children and 3,029 parents) enrolled in RIte Care as of January 2009 have family incomes above 150% FPL.</p>
DHS Budget Initiative	<p>Under RIte Care managed care, "savings consistent with the global waiver initiatives to provide self directed care, customized benefit packages based on medical need, in addition to the amount, duration, and scope of all covered services" were proposed. No specifics were detailed to accomplish the savings.</p>	<p>\$0.9M general revenues  (\$2.0M total funds)</p>	<p>This proposal has the potential to affect children and parents enrolled in RIte Care.</p>
DHS Budget Initiative	<p>Reduce administrative reimbursement rate paid to the three RIte Care health plans by 5%, in addition to a rate reduction to those plans in the FY09 enacted budget. This rate reduction was implemented by DHS as of February 1, 2009.</p>	<p>\$0.4M general revenues  (\$0.8M total funds)</p>	<p>None</p>