

## Update on the Rhode Island Fiscal Year 2009 Budget

On June 11, 2008, the House Finance Committee passed the FY '09 budget. The budget is now being transmitted to the House, for a full House vote within the next week to 10 days. After the House approves the budget, it moves to Senate Finance and then to the full Senate.

*Housing:* As cited in Article 1 SUB A, the Neighborhood Opportunities Program has been appropriated \$2.5M for FY '09.

### *Health Insurance:*

-Parent eligibility for Rite Care will be decreased from 185% FPL to 175% FPL, which will result in an estimated 1,000 parents losing their Rite Care coverage (considerably fewer than the 7,400 parents who would have lost coverage if eligibility had been reduced to 133% FPL as proposed). Please note that this change will NOT be implemented on July 1, 2008 (as had been proposed in FY '08 Supplemental budget). There is no date currently stated for the cut-off, as there are administrative processes at the federal and state levels that must be completed for the change to be implemented. More information to follow on the cut-off date.

-Premium increases for Rite Care members *were* approved in yesterday's budget, as part of Article 10. Premiums will now be implemented for families earning 133% FPL (instead of the current 150% FPL). The RI Department of Human Services (DHS) had recommended that families earning between 133%-150% FPL be charged a \$45 monthly premium. Additionally, it appears that increases in the existing premiums (up to 5% of income) also have been approved. DHS had proposed the following increases (see chart below):

% of FPL	Current monthly family premium	Proposed new monthly family premium
150-185% FPL	\$61	\$85
185%-200% FPL	\$77	\$106
200%-250% FPL	\$92	\$114

Again, although the budget article states a start date of July 1, 2008 for this change, there are administrative processes at the federal and state levels that must be completed for the change to be implemented. More information to follow on the start date for the new premiums and the increased premiums.

-A mandate that generic drugs be dispensed to all individuals receiving Medicaid Assistance (Medicaid, Rite Care, Rite Share, etc. and including adults and children), rather than brand-name medications, whenever possible, was approved. There will be exceptions to that mandate that will be detailed by DHS and the Rite Care health plans when the change is implemented. As with the other Rite Care changes, there are administrative processes at the federal and state levels that must be completed for the change to be implemented. More information to follow on the start date.

Other budget news includes:

Family Independence Program (FIP):

Time limits for receipt of cash assistance: Previously under FIP there was a lifetime limit of cash assistance receipt of 60 months. Under the new Rhode Island Works Program families will not be able to receive assistance for more than 24 consecutive months (unless the adult has a rehabilitation employment plan), but the 60 month lifetime limit did not change.

Legal Permanent Residents: Legal Permanent Residents (LPR) in the country for less than five years will no longer be eligible for cash assistance under Rhode Island Works. After five years of legal residency, LPR families may be eligible for assistance if they meet income and resource eligibility requirements.

Work First Provisions of the Governor's Proposal: As opposed to the Governor's proposed Work First approach, under the RI Works Program if the parent is unemployed or underemployed, the department must conduct an initial assessment of their physical capacity, skills, education, work experience, health, safety, etc. Participants who have limited literacy and work experience shall be referred to a 6 month intensive work readiness program (to be developed through collaboration of DHS, RI Department of Labor and Training, and the Office of Adult Education).

Child Care: House Finance appropriated \$1.1 million to provide a rate increase to the 1,137 child care providers in the state that care for state-subsidized children. Rates will increase to the average of the 2002 and 2004 market rate (this is half the change needed to get to the 2004 rates). The House maintained in law the requirement that a market rate survey be conducted every 2 years and that rates be adjusted accordingly.

Head Start: House Finance appropriated \$1 million to save 142 state-funded Head Start seats. The House Finance Committee used the federal rate of \$7,052 per child in its calculation.

School Breakfast: Half of the school breakfast money was restored (\$300,000).

Child Welfare: A limit of 1,000 out-of-home residential placements (excluding foster homes) at any time during the year was instituted, with the requirement that any savings accrued through this cap be reinvested into community-based services. Additionally, local education authorities will be required to reimburse the RI Department of Children, Youth and Families for court ordered educational services and/or testing for children in their care.

More information will follow as the budget process proceeds.