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November 30, 2017

Martin H. Rice, Director
Division of State Systems
Centers for Medicare and Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, Maryland 21244-1850

SENT VIA EMAIL

Dear Director Rice:

Please accept this letter and the attached documents as Rhode Island's Federal Fiscal Year (FFY) 2018 Implementation Advance Planning Document Update – As Needed (IAPDU).

The state acknowledges that enhanced funding for system development is only authorized through December 31, 2017. Funding for the balance of FFY 2018 remains dependent on meaningful progress toward system stabilization, continued delivery of outstanding functionality, implementation of the target operating/governance model under development and further validation of specific costs/cost allocation methodologies, as requested in our letter of September 29, 2017. This submission responds to these concerns, and questions and conditions from CMS and FNS in conditional approvals of contract amendments and IAPDU.

This submission includes updated cost-allocations, a re-forecasted 2018 budget, and an updated, projected 2019 budget. The total projected IAPD budget through federal fiscal year 2018 increased from \$404 million to \$407.6 million since our August 2017 IAPD submission. This change reflects adjustments made to personnel and vendor forecasts. The new submission also includes federal fiscal year 2019 IAPD budget projections, bringing the total IAPD budget to \$491.7 million.

The State continues to monitor Deloitte's work closely, and will continue to not pay them until the system is stabilized and complete. For federal fiscal year 2018, the projected amount to be paid to Deloitte is zero. State leadership negotiated a total combined credit from Deloitte of \$85.6 million, which will provide for maintenance and operations through June of 2018 and will offset additional, unanticipated costs from personnel and contractors related to supporting implementation of the system.



The State acknowledges that per 45 CFR 95.611(d), CMS has sixty days to provide approval of this submission. As such, the State is requesting expedited review and any consideration you and your team may give to assisting in completing the review and approval process prior to December 31, 2017, after such time Federal Funding Participation is not yet authorized.

Thank you and your team for their ongoing support.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Matt Stark', with a stylized, elongated horizontal stroke at the end.

Matt Stark

Chief Administrative Officer, Executive Office of Health and Human Services

cc: CDR Terry Lew, Centers for Medicare & Medicaid Services
Dawn Bartolomeo, FNS State Systems Office
Eric Beane, Secretary of Rhode Island Executive Office of Health and Human Services
Patrick Tighe, Director of Medicaid
Courtney Hawkins, Director of Human Services
Dacia Read, Chief of Staff, RI Executive Office of Health and Human Services
Zachary Sherman, UHIP Director and Director of Healthsource RI
Maureen Wu, UHIP Chief Financial Officer

Enclosures with this email:

RI Medicaid IAPDU for FFY 2018 November Update
Attachment A - Funding Source by FFY.pdf
Attachment B - Updated RI UHIP Timeline.pdf
Attachment C - Staffing.pdf
Attachment D - FNS UHIP Cost by Quarter.pdf
Attachment E - RIBridges_Project Runway.xlsx