

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



March 30, 2018

Eric Beane
Secretary, Executive Office of Health and Human Services
3 West Road
Virks Building, Fourth Floor
Cranston, RI 02920

RE: RI-2018-03-12-EE-IAPDU

Dear Mr. Beane,

The Centers for Medicare & Medicaid Services (CMS) previously approved Rhode Island's annual Implementation Advance Planning Document (APD) update describing Design, Development and Implementation (DDI) and Maintenance & Operations (M&O) activities for the Unified Health Infrastructure Project (UHIP/RIBridges) in Federal Fiscal Year (FFY) 2018; we also approved Medicaid Federal Financial Participation (FFP) for the first quarter of FFY 2018 and subsequently extended that approval through the second quarter of the year.

This letter is to advise the State that we have completed review of the as-needed APD update submitted on March 12, 2018, along with budget revisions based on our letter of March 22, 2018. We continue to have significant concerns about the State's progress toward system completion/stabilization, governance maturation, durable operational effectiveness and the precision of the described cost allocations, but we are willing to approve additional enhanced Medicaid FFP for DDI and M&O activities in the third quarter of FFY 2018 as a direct result of the State team's hard work and the evolution of the State's "get-to-done" plan since our most recent site visit in December 2017.

CMS therefore approves a total of \$49,870,511 of FFP for UHIP-related work between October 2017 and June 2018, effective the date of this letter, as detailed in Appendix A. This approval supersedes all prior approvals for FFY 2018 and is based on the State's final budget revisions submitted on March 30, 2018.

Senior CMS leadership and staff will continue to closely monitor the State's activities via our regularly scheduled bi-weekly/monthly meetings; funding into the fourth quarter of FFY 2018 remains dependent on adherence to the State's theme-based release plan, demonstrated achievements under that plan, and receipt of the materials/artifacts identified in our March 22 letter. Information provided in those upcoming discussions and via e-mail must be reflected or otherwise memorialized in another formal APD update due no later than April 30, 2018; the update should include any necessary budget changes for the fourth quarter of FFY 2018 (including a revised allocation of costs to the Children's Health Insurance Program/CHIP in accordance with the State's actual CHIP enrollment percentage) along with the State's then-current assessment of progress toward completing the release plan. Separately communicated responses to CMS comments on previous APD updates should be integrated with the update as well.

The State is also reminded that a formal annual APD update outlining budgets and implementation activities for FFY 2019 is due no later than July 31, 2018. CMS has 60 days to review and respond to APD submissions pursuant to Federal regulations at 45 CFR 95.611(d); our ability to expedite reviews cannot always be assured and failure to submit timely annual or as-needed APD updates may further jeopardize the State's access to enhanced FFP.

CMS also approves Amendments 45 and 46 to the State's contract with Deloitte Consulting LLP, which were received on January 30, 2018. Amendment 45 describes DDI services that Deloitte will provide to complete the UHIP system, mitigate defects under applicable warranties and achieve certain Key Performance Indicators, while Amendment 46 provides for continued M&O and related services through March 31, 2019. The State shall not expend any further funds on Deloitte, nor claim FFP for such, until all services to be provided at no cost are completed and the credits previously issued by Deloitte for chargeable services have been exhausted. Our approval is effective as of the date of this letter pursuant to Federal regulations at 45 CFR 95.611(b)(2)(iv).

We look forward to our continued work together on your Medicaid Eligibility and Enrollment (E&E) modernization project. Copies of the above contract amendments once fully executed, along with the requested APD updates and any other E&E requests for proposals or contract actions, should be sent to CMS's dedicated E&E mailbox (MedicaidE&E_APD@cms.hhs.gov) with a cover letter addressed to Martin Rice, Director of the Division of State Systems.

If you have any questions or concerns regarding this letter, please contact CDR Terry Lew, USPHS, at (206) 615-2336 or by e-mail at Terrence.Lew1@cms.hhs.gov.

Sincerely,

Carrie Feher
Deputy Director, Division of State Systems
Data & Systems Group

Cc:

Greg McGuigan, CMS/CMCS
Martin Rice, CMS/CMCS
Eugene Gabriyolev, CMS/CMCS
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Courtney Hawkins, Rhode Island/DHS
Zach Sherman, Rhode Island/HSRI
Dawn Bartolomeo, USDA/FNS
Matt Henschel, USDA/FNS

Appendix A

Rhode Island Medicaid Detailed Budget Table

Covers Federal Fiscal Year (FFY) 2018 through June 30, 2018 (partial-year funding only)

Funding amounts described below are summarized by FFY; however funding is only approved to be used in accordance with the approval dates described in this letter

	Medicaid Share (90% FFP) DDI	State Share (10%)	Medicaid Share (75% FFP) DDI (COTS)	State Share (25%)	Medicaid Share (75% FFP) M&O	State Share (25%)	Medicaid Share (75% FFP) M&O E&E Staff	State Share (25%)	Medicaid ENHANCED FUNDING FFP Total	State Share Total	Medicaid ENHANCED FUNDING (TOTAL COMPUTABLE)
	28A & 28B†	--	28A & 28B†	--	28C & 28D†	--	28E & 28F†	--			
FFY 2018 (partial)	\$36,121,361	\$4,013,484	\$133,127	\$44,376	\$3,423,805	\$1,141,268	\$9,815,534	\$3,271,844	\$49,493,826	\$8,470,973	\$57,964,799

	Medicaid Share (50% FFP) M&O E&E Staff	State Share (50%)	Medicaid NOT ENHANCED FUNDING FFP Total	State Share Total	Medicaid NOT ENHANCED FUNDING (TOTAL COMPUTABLE)
	28G & 28H†	--			
FFY 2018 (partial)	\$376,684	\$376,684	\$376,684	\$376,684	\$753,369

	Medicaid ENHANCED FUNDING FFP Total	Medicaid NOT ENHANCED FUNDING FFP Total	TOTAL FFP	STATE SHARE TOTAL	APD TOTAL (TOTAL COMPUTABLE)
FFY 2018 (partial)	\$49,493,826	\$376,684	\$49,870,511	\$8,847,657	\$58,718,168

†MBES Line Item	
28A	E&E - Title 19 (Medicaid) DDI- In-house Activities
28B	E&E - Title 19 (Medicaid) DDI- Contractors
28C	E&E - Title 19 (Medicaid) Software/Services/Ops- In-house Activities
28D	E&E - Title 19 (Medicaid) Software/Services/Ops- Contractors
28E	E&E – Title 19 (Medicaid) Eligibility Staff- Cost of In-house Activities (staff who makes eligibility determinations)
28F	E&E – Title 19 (Medicaid) Eligibility Staff- Cost of Private Sector (staff who makes eligibility determinations)
28G	E&E – Title 19 (Medicaid) Eligibility Staff- Cost of In-house Activities (staff whose duties are related to eligibility, such as outreach, plan enrollment, etc.)
28H	E&E – Title 19 (Medicaid) Eligibility Staff- Cost of Private Sector (staff whose duties are related to eligibility, such as outreach, plan enrollment, etc.)

FFP rates for specific activities and costs can be found at 76 FR 21949, available at <https://federalregister.gov/a/2011-9340>

Appendix B

CMS approval of this APD is in accordance with Federal regulations at 42 CFR § 433, subpart C, “Mechanized Claims Processing and Information Retrieval Systems,” 45 CFR § 95, subpart F, “Automatic Data Processing Equipment and Services - Conditions for Federal Financial Participation,” and 42 CFR § 457.230, “FFP for State ADP expenditures.”

The amounts allocated per Federal fiscal year in Appendix A cannot be reallocated between Federal fiscal years, even within the period of this letter’s approval, without submission and approval of an APD Update. Only actual costs incurred are reimbursable.

Please refer to Federal regulations at 42 CFR § 433 for specific FFP rates for the variety of activities supporting proper matching rates. Specifically, please note that commercial off the shelf (COTS) licenses are matched at 75 percent FFP and training is matched at 50 percent FFP.

Also, states may claim 75 percent FFP for the costs of certain staff time spent on mechanized eligibility determination systems. Please note that continued access to the enhanced match for the staff positions as outlined in the State Medicaid Director Letter from March 31, 2016 on Medicaid.gov.

CMS will be monitoring progress of the state’s eligibility and enrollment modernization project using the Enterprise Life Cycle (ELC) model. This approach supports the high degree of interaction that will be required between Medicaid, and the Health Insurance Marketplace, and the use of a shared eligibility service among the programs. Based on the state’s project management plan, CMS will be working with the state to schedule the next Medicaid IT review.

As part of the ELC model, the state should submit to CMS monthly status reports as well as participate in regular monitoring calls. Monthly status reports should include, at a minimum, the status of the project as well as risks, issues, and planned mitigations.

As described in regulation at 45 CFR § 95.611, Requests for Proposals (RFPs) or contracts that the state procures with funding from the herein approved APD, must be approved by CMS prior to release of the RFP or prior to execution of the contract.