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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2026

A N A C T

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

Introduced By: Representatives Serpa, Fellela, and Read

Date Introduced: February 27, 2026

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 40-8.9-9 of the General Laws in Chapter 40-8.9 entitled "Medical
2 Assistance — Long-Term Care Service and Finance Reform" is hereby amended to read as follows:

3 **40-8.9-9. Long-term-care rebalancing system reform goal.**

4 (a) Notwithstanding any other provision of state law, the executive office of health and
5 human services is authorized and directed to apply for, and obtain, any necessary waiver(s), waiver
6 amendment(s), and/or state-plan amendments from the Secretary of the United States Department
7 of Health and Human Services, and to promulgate rules necessary to adopt an affirmative plan of
8 program design and implementation that addresses the goal of allocating a minimum of fifty percent
9 (50%) of Medicaid long-term-care funding for persons aged sixty-five (65) and over and adults
10 with disabilities, in addition to services for persons with developmental disabilities, to home- and
11 community-based care; provided, further, the executive office shall report annually as part of its
12 budget submission, the percentage distribution between institutional care and home- and
13 community-based care by population and shall report current and projected waiting lists for long-
14 term-care and home- and community-based care services. The executive office is further authorized
15 and directed to prioritize investments in home- and community-based care and to maintain the
16 integrity and financial viability of all current long-term-care services while pursuing this goal.

17 (b) The reformed long-term-care system rebalancing goal is person-centered and
18 encourages individual self-determination, family involvement, interagency collaboration, and

1 individual choice through the provision of highly specialized and individually tailored home-based
2 services. Additionally, individuals with severe behavioral, physical, or developmental disabilities
3 must have the opportunity to live safe and healthful lives through access to a wide range of
4 supportive services in an array of community-based settings, regardless of the complexity of their
5 medical condition, the severity of their disability, or the challenges of their behavior. Delivery of
6 services and supports in less-costly and less-restrictive community settings will enable children,
7 adolescents, and adults to be able to curtail, delay, or avoid lengthy stays in long-term-care
8 institutions, such as behavioral health residential-treatment facilities, long-term-care hospitals,
9 intermediate-care facilities, and/or skilled nursing facilities.

10 (c) Pursuant to federal authority procured under § 42-7.2-16, the executive office of health
11 and human services is directed and authorized to adopt a tiered set of criteria to be used to determine
12 eligibility for services. The criteria shall be developed in collaboration with the state's health and
13 human services departments and, to the extent feasible, any consumer group, advisory board, or
14 other entity designated for these purposes, and shall encompass eligibility determinations for long-
15 term-care services in nursing facilities, hospitals, and intermediate-care facilities for persons with
16 intellectual disabilities, as well as home- and community-based alternatives, and shall provide a
17 common standard of income eligibility for both institutional and home- and community-based care.
18 The executive office is authorized to adopt clinical and/or functional criteria for admission to a
19 nursing facility, hospital, or intermediate-care facility for persons with intellectual disabilities that
20 are more stringent than those employed for access to home- and community-based services. The
21 executive office is also authorized to promulgate rules that define the frequency of re-assessments
22 for services provided for under this section. Levels of care may be applied in accordance with the
23 following:

24 (1) The executive office shall continue to apply the level-of-care criteria in effect on April
25 1, 2021, for any recipient determined eligible for and receiving Medicaid-funded long-term services
26 and supports in a nursing facility, hospital, or intermediate-care facility for persons with intellectual
27 disabilities on or before that date, unless:

28 (i) The recipient transitions to home- and community-based services because he or she
29 would no longer meet the level-of-care criteria in effect on April 1, 2021; or

30 (ii) The recipient chooses home- and community-based services over the nursing facility,
31 hospital, or intermediate-care facility for persons with intellectual disabilities. For the purposes of
32 this section, a failed community placement, as defined in regulations promulgated by the executive
33 office, shall be considered a condition of clinical eligibility for the highest level of care. The
34 executive office shall confer with the long-term-care ombudsperson with respect to the

1 determination of a failed placement under the ombudsperson's jurisdiction. Should any Medicaid
2 recipient eligible for a nursing facility, hospital, or intermediate-care facility for persons with
3 intellectual disabilities as of April 1, 2021, receive a determination of a failed community
4 placement, the recipient shall have access to the highest level of care; furthermore, a recipient who
5 has experienced a failed community placement shall be transitioned back into their former nursing
6 home, hospital, or intermediate-care facility for persons with intellectual disabilities whenever
7 possible. Additionally, residents shall only be moved from a nursing home, hospital, or
8 intermediate-care facility for persons with intellectual disabilities in a manner consistent with
9 applicable state and federal laws.

10 (2) Any Medicaid recipient eligible for the highest level of care who voluntarily leaves a
11 nursing home, hospital, or intermediate-care facility for persons with intellectual disabilities shall
12 not be subject to any wait list for home- and community-based services.

13 (3) No nursing home, hospital, or intermediate-care facility for persons with intellectual
14 disabilities shall be denied payment for services rendered to a Medicaid recipient on the grounds
15 that the recipient does not meet level-of-care criteria unless and until the executive office has:

16 (i) Performed an individual assessment of the recipient at issue and provided written notice
17 to the nursing home, hospital, or intermediate-care facility for persons with intellectual disabilities
18 that the recipient does not meet level-of-care criteria; and

19 (ii) The recipient has either appealed that level-of-care determination and been
20 unsuccessful, or any appeal period available to the recipient regarding that level-of-care
21 determination has expired.

22 (d) The executive office is further authorized to consolidate all home- and community-
23 based services currently provided pursuant to 42 U.S.C. § 1396n into a single system of home- and
24 community-based services that include options for consumer direction and shared living. The
25 resulting single home- and community-based services system shall replace and supersede all 42
26 U.S.C. § 1396n programs when fully implemented. Notwithstanding the foregoing, the resulting
27 single program home- and community-based services system shall include the continued funding
28 of assisted-living services at any assisted-living facility financed by the Rhode Island housing and
29 mortgage finance corporation prior to January 1, 2006, and shall be in accordance with chapter 66.8
30 of title 42 as long as assisted-living services are a covered Medicaid benefit.

31 (e) The executive office is authorized to promulgate rules that permit certain optional
32 services including, but not limited to, homemaker services, home modifications, respite, and
33 physical therapy evaluations to be offered to persons at risk for Medicaid-funded long-term care
34 subject to availability of state-appropriated funding for these purposes.

1 (f) To promote the expansion of home- and community-based service capacity, the
2 executive office is authorized to pursue payment methodology reforms that increase access to
3 homemaker, personal care (home health aide), assisted living, adult supportive-care homes, and
4 adult day services, as follows:

5 (1) Development of revised or new Medicaid certification standards that increase access to
6 service specialization and scheduling accommodations by using payment strategies designed to
7 achieve specific quality and health outcomes.

8 (2) Development of Medicaid certification standards for state-authorized providers of adult
9 day services, excluding providers of services authorized under § 40.1-24-1(3), assisted living, and
10 adult supportive care (as defined under chapter 17.24 of title 23) that establish for each, an acuity-
11 based, tiered service and payment methodology tied to: licensure authority; level of beneficiary
12 needs; the scope of services and supports provided; and specific quality and outcome measures.

13 The standards for adult day services for persons eligible for Medicaid-funded long-term
14 services may differ from those who do not meet the clinical/functional criteria set forth in § 40-
15 8.10-3.

16 (3) As the state's Medicaid program seeks to assist more beneficiaries requiring long-term
17 services and supports in home- and community-based settings, the demand for home-care workers
18 has increased, and wages for these workers has not kept pace with neighboring states, leading to
19 high turnover and vacancy rates in the state's home-care industry, the executive office shall institute
20 a one-time increase in the base-payment rates for FY 2019, as described below, for home-care
21 service providers to promote increased access to and an adequate supply of highly trained home-
22 healthcare professionals, in amount to be determined by the appropriations process, for the purpose
23 of raising wages for personal care attendants and home health aides to be implemented by such
24 providers.

25 (i) A prospective base adjustment, effective not later than July 1, 2018, of ten percent (10%)
26 of the current base rate for home-care providers, home nursing care providers, and hospice
27 providers contracted with the executive office of health and human services and its subordinate
28 agencies to deliver Medicaid fee-for-service personal care attendant services.

29 (ii) A prospective base adjustment, effective not later than July 1, 2018, of twenty percent
30 (20%) of the current base rate for home-care providers, home nursing care providers, and hospice
31 providers contracted with the executive office of health and human services and its subordinate
32 agencies to deliver Medicaid fee-for-service skilled nursing and therapeutic services and hospice
33 care.

34 (iii) Effective upon passage of this section, hospice provider reimbursement, exclusively

1 for room and board expenses for individuals residing in a skilled nursing facility, shall revert to the
2 rate methodology in effect on June 30, 2018, and these room and board expenses shall be exempted
3 from any and all annual rate increases to hospice providers as provided for in this section.

4 (iv) On the first of July in each year, beginning on July 1, 2019, the executive office of
5 health and human services will initiate an annual inflation increase to the base rate for home-care
6 providers, home nursing care providers, and hospice providers contracted with the executive office
7 and its subordinate agencies to deliver Medicaid fee-for-service personal care attendant services,
8 skilled nursing and therapeutic services and hospice care. The base rate increase shall be a
9 percentage amount equal to the New England Consumer Price Index card as determined by the
10 United States Department of Labor for medical care and for compliance with all federal and state
11 laws, regulations, and rules, and all national accreditation program requirements, except as of July
12 1, 2025, and thereafter, when no annual inflation increase shall occur for these rates.

13 (v) On the first of July following the release of a rate review report conducted by the office
14 of the health insurance commissioner in accordance with § 42-14.5-3(t), the executive office of
15 health and human services shall adopt the rate percentage increase applicable to the services of this
16 subsection within the health insurance commissioner's report in accordance with § 42-14.5-3(t).
17 All Medicaid programs operated by the executive office of health and human services, its
18 subordinate agencies, contractors and all commercial lines within health insurance companies that
19 are contracted with the Medicaid Program shall not reimburse home care providers, home nursing
20 care providers and hospice providers less than fee-for-service rates.

21 (g) As the state's Medicaid program seeks to assist more beneficiaries requiring long-term
22 services and supports in home- and community-based settings, the demand for home-care workers
23 has increased, and wages for these workers has not kept pace with neighboring states, leading to
24 high turnover and vacancy rates in the state's home-care industry. To promote increased access to
25 and an adequate supply of direct-care workers, the executive office shall institute a payment
26 methodology change, in Medicaid fee-for-service and managed care, for FY 2022, that shall be
27 passed through directly to the direct-care workers' wages who are employed by home nursing care
28 and home-care providers licensed by the Rhode Island department of health, as described below:

29 (1) Effective July 1, ~~2021~~2026, increase the existing shift differential modifier and
30 overtime rate by ~~\$0.19~~ one and one-half (1.5) times the base rate per fifteen (15) minutes ~~for~~
31 ~~personal care and combined personal care/homemaker~~ and two (2) times the base rate per fifteen
32 (15) minutes for personal care, combined personal care/homemaker and private duty nursing for
33 overnight, weekends and shifts during federal and state recognized holidays. The shift differential
34 modifier, overtime rate, overnight rate, weekend rates and holiday rates will be reviewed within

1 [the rate review report in accordance with § 42-14.5-3\(t\) in order to be competitive with rates set in](#)
2 [Massachusetts and Connecticut.](#)

3 ~~(i) Employers must pass on one hundred percent (100%) of the shift differential modifier~~
4 ~~increase per fifteen minute (15) unit of service to the CNAs who rendered such services. This~~
5 ~~compensation shall be provided in addition to the rate of compensation that the employee was~~
6 ~~receiving as of June 30, 2021. For an employee hired after June 30, 2021, the agency shall use not~~
7 ~~less than the lowest compensation paid to an employee of similar functions and duties as of June~~
8 ~~30, 2021, as the base compensation to which the increase is applied.~~

9 ~~(ii) Employers must provide to EOHHS an annual compliance statement showing wages~~
10 ~~as of June 30, 2021, amounts received from the increases outlined herein, and compliance with this~~
11 ~~section by July 1, 2022. EOHHS may adopt any additional necessary regulations and processes to~~
12 ~~oversee this subsection.~~

13 (2) Effective January 1, 2022, establish a new behavioral healthcare enhancement of \$0.39
14 per fifteen (15) minutes for personal care, combined personal care/homemaker, and homemaker
15 only for providers who ~~have at least thirty percent (30%) of~~ [are actively participating at least once](#)
16 [annually in behavioral health training by](#) their direct-care workers (which includes [licensed](#)
17 [certified nursing assistants \(CNA\) and homemakers](#)) ~~certified~~ [becoming and maintaining](#)
18 [certification](#) in behavioral healthcare training. [This rate enhancement is subject to the annual cost](#)
19 [inflation factor increase in accordance with § 40-8.9-9\(f\)\(3\)\(iv\).](#)

20 (i) Employers must pass on one hundred percent (100%) of the behavioral healthcare
21 enhancement per fifteen (15) minute unit of service rendered by only those CNAs and homemakers
22 who have completed the thirty (30) hour behavioral health certificate training program offered by
23 Rhode Island College, or a training program that is prospectively determined to be compliant per
24 EOHHS, to those CNAs and homemakers. This compensation shall be provided in addition to the
25 rate of compensation that the employee was receiving as of December 31, 2021. For an employee
26 hired after December 31, 2021, the agency shall use not less than the lowest compensation paid to
27 an employee of similar functions and duties as of December 31, 2021, as the base compensation to
28 which the increase is applied. [Rate funding for compensation for the employee will continue should](#)
29 [the program expire.](#)

30 (ii) By January 1, 2023, employers must provide to EOHHS an annual compliance
31 statement showing wages as of December 31, 2021, amounts received from the increases outlined
32 herein, and compliance with this section, including which behavioral healthcare training programs
33 were utilized. EOHHS may adopt any additional necessary regulations and processes to oversee
34 this subsection.

1 (3) By July 1, 2026, comply with 29 C.F.R. § 785 by reimbursing providers for all time
2 and travel costs attributed to a direct care employee providing care to and from a Medicaid
3 beneficiary.

4 (4) By July 1, 2026, establish a ten percent (10%) enhancement rate for providers to send
5 a direct care employee to a Medicaid beneficiary that resides in a community that has a population
6 density of under one thousand (1,000) and a population size of under twenty-five thousand (25,000)
7 in accordance with federal Rural Health Transformation ("RHT"), Pub. L. 119-21, § 71401(2025)
8 funding and the Rhode Island department of health's office of rural health.

9 (h) The executive office shall implement a long-term-care-options counseling program to
10 provide individuals, or their representatives, or both, with long-term-care consultations that shall
11 include, at a minimum, information about: long-term-care options, sources, and methods of both
12 public and private payment for long-term-care services and an assessment of an individual's
13 functional capabilities and opportunities for maximizing independence. Each individual admitted
14 to, or seeking admission to, a long-term-care facility, regardless of the payment source, shall be
15 informed by the facility of the availability of the long-term-care-options counseling program and
16 shall be provided with long-term-care-options consultation if they so request. Each individual who
17 applies for Medicaid long-term-care services shall be provided with a long-term-care consultation.

18 (i) The executive office shall implement, no later than January 1, 2024, a statewide network
19 and rate methodology for conflict-free case management for individuals receiving Medicaid-funded
20 home and community-based services. The executive office shall coordinate implementation with
21 the state's health and human services departments and divisions authorized to deliver Medicaid-
22 funded home and community-based service programs, including the department of behavioral
23 healthcare, developmental disabilities and hospitals; the department of human services; and the
24 office of healthy aging. It is in the best interest of the Rhode Islanders eligible to receive Medicaid
25 home and community-based services under this chapter, title 40.1, title 42, or any other general
26 laws to provide equitable access to conflict-free case management that shall include person-
27 centered planning, service arranging, and quality monitoring in the amount, duration, and scope
28 required by federal law and regulations. It is necessary to ensure that there is a robust network of
29 qualified conflict-free case management entities with the capacity to serve all participants on a
30 statewide basis and in a manner that promotes choice, self-reliance, and community integration.
31 The executive office, as the designated single state Medicaid authority and agency responsible for
32 coordinating policy and planning for health and human services under § 42-7.2-1 et seq., is directed
33 to establish a statewide conflict-free case management network under the management of the
34 executive office and to seek any Medicaid waivers, state plan amendments, and changes in rules,

1 regulations, and procedures that may be necessary to ensure that recipients of Medicaid home and
2 community-based services have access to conflict-free case management in a timely manner and in
3 accordance with the federal requirements that must be met to preserve financial participation.

4 (j) The executive office is also authorized, subject to availability of appropriation of
5 funding, and federal, Medicaid-matching funds, to pay for certain services and supports necessary
6 to transition or divert beneficiaries from institutional or restrictive settings and optimize their health
7 and safety when receiving care in a home or the community. The secretary is authorized to obtain
8 any state plan or waiver authorities required to maximize the federal funds available to support
9 expanded access to home- and community-transition and stabilization services; provided, however,
10 payments shall not exceed an annual or per-person amount.

11 (k) To ensure persons with long-term-care needs who remain living at home have adequate
12 resources to deal with housing maintenance and unanticipated housing-related costs, the secretary
13 is authorized to develop higher resource eligibility limits for persons or obtain any state plan or
14 waiver authorities necessary to change the financial eligibility criteria for long-term services and
15 supports to enable beneficiaries receiving home and community waiver services to have the
16 resources to continue living in their own homes or rental units or other home-based settings.

17 (l) The executive office shall implement, no later than January 1, 2016, the following home-
18 and community-based service and payment reforms:

19 (1) [Deleted by P.L. 2021, ch. 162, art. 12, § 6.]

20 (2) Adult day services level of need criteria and acuity-based, tiered-payment
21 methodology; and

22 (3) Payment reforms that encourage home- and community-based providers to provide the
23 specialized services and accommodations beneficiaries need to avoid or delay institutional care.

24 (m) The secretary is authorized to seek any Medicaid section 1115 waiver or state-plan
25 amendments and take any administrative actions necessary to ensure timely adoption of any new
26 or amended rules, regulations, policies, or procedures and any system enhancements or changes,
27 for which appropriations have been authorized, that are necessary to facilitate implementation of
28 the requirements of this section by the dates established. The secretary shall reserve the discretion
29 to exercise the authority established under §§ 42-7.2-5(6)(v) and 42-7.2-6.1, in consultation with
30 the governor, to meet the legislative directives established herein.

31 SECTION 2. This act shall take effect upon passage.

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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 establish Medicaid fee-for-service reimbursement rates set by the general
2 assembly as the rate floor for Medicaid managed care by home care, home nursing care and hospice
3 providers licensed by the department of health, establish rate modifiers to incentivize direct care
4 workers to provide care during evenings, nights, Sundays and holidays as well as hard-to-serve
5 Medicaid beneficiaries that reside in department of health defined low density population
6 communities, comply with federal department of labor rules on time and travel for direct care
7 workers, and adopt the rate review recommendations from the office of the health insurance
8 commissioner for home care, home nursing care and hospice providers.

9 This act reduces administrative burden on Medicaid-contracted home care providers and
10 the Executive Office of Health and Human Services by eliminating a statutory reporting
11 requirement that is no longer relevant to current and future Medicaid home care reimbursement
12 rates.

13 This act would also permit the Rhode Island Partnership for Home Care, with oversight by
14 the Executive Office of Health and Human Services, to coordinate behavioral health training to
15 licensed nurse assistants and homemakers delivering paraprofessional care services to Medicaid
16 home care beneficiaries

17 This act would take effect upon passage.

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