

2024 -- S 2387

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2024

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A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- OFFICE OF HEALTH AND  
HUMAN SERVICES

Introduced By: Senators Ujifusa, Miller, Valverde, Lauria, DiMario, Murray, Mack,  
Lawson, DiPalma, and Zurier

Date Introduced: February 12, 2024

Referred To: Senate Health & Human Services

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 42-7.2-5 of the General Laws in Chapter 42-7.2 entitled "Office of  
2 Health and Human Services" is hereby amended to read as follows:

3 **42-7.2-5. Duties of the secretary.**

4 The secretary shall be subject to the direction and supervision of the governor for the  
5 oversight, coordination, and cohesive direction of state-administered health and human services  
6 and in ensuring the laws are faithfully executed, notwithstanding any law to the contrary. In this  
7 capacity, the secretary of the executive office of health and human services (EOHHS) shall be  
8 authorized to:

9 (1) Coordinate the administration and financing of healthcare benefits, human services, and  
10 programs including those authorized by the state's Medicaid section 1115 demonstration waiver  
11 and, as applicable, the Medicaid state plan under Title XIX of the U.S. Social Security Act.  
12 However, nothing in this section shall be construed as transferring to the secretary the powers,  
13 duties, or functions conferred upon the departments by Rhode Island public and general laws for  
14 the administration of federal/state programs financed in whole or in part with Medicaid funds or  
15 the administrative responsibility for the preparation and submission of any state plans, state plan  
16 amendments, or authorized federal waiver applications, once approved by the secretary.

17 (2) Serve as the governor's chief advisor and liaison to federal policymakers on Medicaid  
18 reform issues as well as the principal point of contact in the state on any such related matters.

1           (3)(i) Review and ensure the coordination of the state’s Medicaid section 1115  
2 demonstration waiver requests and renewals as well as any initiatives and proposals requiring  
3 amendments to the Medicaid state plan or formal amendment changes, as described in the special  
4 terms and conditions of the state’s Medicaid section 1115 demonstration waiver with the potential  
5 to affect the scope, amount, or duration of publicly funded healthcare services, provider payments  
6 or reimbursements, or access to or the availability of benefits and services as provided by Rhode  
7 Island general and public laws. The secretary shall consider whether any such changes are legally  
8 and fiscally sound and consistent with the state’s policy and budget priorities. The secretary shall  
9 also assess whether a proposed change is capable of obtaining the necessary approvals from federal  
10 officials and achieving the expected positive consumer outcomes. Department directors shall,  
11 within the timelines specified, provide any information and resources the secretary deems necessary  
12 in order to perform the reviews authorized in this section.

13           (ii) Direct the development and implementation of any Medicaid policies, procedures, or  
14 systems that may be required to assure successful operation of the state’s health and human services  
15 integrated eligibility system and coordination with HealthSource RI, the state’s health insurance  
16 marketplace.

17           (iii) Beginning in 2015, conduct on a biennial basis a comprehensive review of the  
18 Medicaid eligibility criteria for one or more of the populations covered under the state plan or a  
19 waiver to ensure consistency with federal and state laws and policies, coordinate and align systems,  
20 and identify areas for improving quality assurance, fair and equitable access to services, and  
21 opportunities for additional financial participation.

22           (iv) Implement service organization and delivery reforms that facilitate service integration,  
23 increase value, and improve quality and health outcomes.

24           (4) Beginning in 2020, prepare and submit to the governor, the chairpersons of the house  
25 and senate finance committees, the caseload estimating conference, and to the joint legislative  
26 committee for health-care oversight, by no later than September 15 of each year, a comprehensive  
27 overview of all Medicaid expenditures outcomes, administrative costs, and utilization rates. The  
28 overview shall include, but not be limited to, the following information:

29           (i) Expenditures under Titles XIX and XXI of the Social Security Act, as amended;

30           (ii) Expenditures, outcomes, and utilization rates by population and sub-population served  
31 (e.g., families with children, persons with disabilities, children in foster care, children receiving  
32 adoption assistance, adults ages nineteen (19) to sixty-four (64), and elders);

33           (iii) Expenditures, outcomes, and utilization rates by each state department or other  
34 municipal or public entity receiving federal reimbursement under Titles XIX and XXI of the Social

1 Security Act, as amended;

2 (iv) Expenditures, outcomes, and utilization rates by type of service and/or service  
3 provider;

4 (v) Expenditures by mandatory population receiving mandatory services and, reported  
5 separately, optional services, as well as optional populations receiving mandatory services and,  
6 reported separately, optional services for each state agency receiving Title XIX and XXI funds; and

7 (vi) Information submitted to the Centers for Medicare & Medicaid Services for the  
8 mandatory annual state reporting of the Core Set of Children's Health Care Quality Measures for  
9 Medicaid and Children's Health Insurance Program, behavioral health measures on the Core Set of  
10 Adult Health Care Quality Measures for Medicaid and the Core Sets of Health Home Quality  
11 Measures for Medicaid to ensure compliance with the Bipartisan Budget Act of 2018, Pub. L. No.  
12 115-123.

13 The directors of the departments, as well as local governments and school departments,  
14 shall assist and cooperate with the secretary in fulfilling this responsibility by providing whatever  
15 resources, information and support shall be necessary.

16 (5) Resolve administrative, jurisdictional, operational, program, or policy conflicts among  
17 departments and their executive staffs and make necessary recommendations to the governor.

18 (6) Ensure continued progress toward improving the quality, the economy, the  
19 accountability, and the efficiency of state-administered health and human services. In this capacity,  
20 the secretary shall:

21 (i) Direct implementation of reforms in the human resources practices of the executive  
22 office and the departments that streamline and upgrade services, achieve greater economies of scale  
23 and establish the coordinated system of the staff education, cross-training, and career development  
24 services necessary to recruit and retain a highly-skilled, responsive, and engaged health and human  
25 services workforce;

26 (ii) Encourage EOHHS-wide consumer-centered approaches to service design and delivery  
27 that expand their capacity to respond efficiently and responsibly to the diverse and changing needs  
28 of the people and communities they serve;

29 (iii) Develop all opportunities to maximize resources by leveraging the state's purchasing  
30 power, centralizing fiscal service functions related to budget, finance, and procurement,  
31 centralizing communication, policy analysis and planning, and information systems and data  
32 management, pursuing alternative funding sources through grants, awards, and partnerships and  
33 securing all available federal financial participation for programs and services provided EOHHS-  
34 wide;

1 (iv) Improve the coordination and efficiency of health and human services legal functions  
2 by centralizing adjudicative and legal services and overseeing their timely and judicious  
3 administration;

4 (v) Facilitate the rebalancing of the long-term system by creating an assessment and  
5 coordination organization or unit for the expressed purpose of developing and implementing  
6 procedures EOHHS-wide that ensure that the appropriate publicly funded health services are  
7 provided at the right time and in the most appropriate and least restrictive setting;

8 (vi) Strengthen health and human services program integrity, quality control and  
9 collections, and recovery activities by consolidating functions within the office in a single unit that  
10 ensures all affected parties pay their fair share of the cost of services and are aware of alternative  
11 financing;

12 (vii) Assure protective services are available to vulnerable elders and adults with  
13 developmental and other disabilities by reorganizing existing services, establishing new services  
14 where gaps exist, and centralizing administrative responsibility for oversight of all related  
15 initiatives and programs.

16 (7) Prepare and integrate comprehensive budgets for the health and human services  
17 departments and any other functions and duties assigned to the office. The budgets shall be  
18 submitted to the state budget office by the secretary, for consideration by the governor, on behalf  
19 of the state's health and human services agencies in accordance with the provisions set forth in §  
20 35-3-4.

21 (8) Utilize objective data to evaluate health and human services policy goals, resource use  
22 and outcome evaluation and to perform short and long-term policy planning and development.

23 (9) Establishment of an integrated approach to interdepartmental information and data  
24 management that complements and furthers the goals of the unified health infrastructure project  
25 initiative and that will facilitate the transition to a consumer-centered integrated system of state-  
26 administered health and human services.

27 (10) At the direction of the governor or the general assembly, conduct independent reviews  
28 of state-administered health and human services programs, policies and related agency actions and  
29 activities and assist the department directors in identifying strategies to address any issues or areas  
30 of concern that may emerge thereof. The department directors shall provide any information and  
31 assistance deemed necessary by the secretary when undertaking such independent reviews.

32 (11) Provide regular and timely reports to the governor and make recommendations with  
33 respect to the state's health and human services agenda.

34 (12) Employ such personnel and contract for such consulting services as may be required

1 to perform the powers and duties lawfully conferred upon the secretary.

2 (13) Assume responsibility for complying with the provisions of any general or public law  
3 or regulation related to the disclosure, confidentiality, and privacy of any information or records,  
4 in the possession or under the control of the executive office or the departments assigned to the  
5 executive office, that may be developed or acquired or transferred at the direction of the governor  
6 or the secretary for purposes directly connected with the secretary’s duties set forth herein.

7 (14) Hold the director of each health and human services department accountable for their  
8 administrative, fiscal, and program actions in the conduct of the respective powers and duties of  
9 their agencies.

10 (15) Identify opportunities for inclusion with the EOHHS’ October 1, 2023 budget  
11 submission, to remove fixed eligibility thresholds for programs under its purview by establishing  
12 sliding scale decreases in benefits commensurate with income increases up to four hundred fifty  
13 percent (450%) of the federal poverty level. These shall include but not be limited to, medical  
14 assistance, childcare assistance, and food assistance.

15 (16) Ensure managed care organizations (MCOs) and pharmacy benefit managers (PBMs)  
16 working for the Rhode Island Medicaid program are transparent, do not increase unnecessary costs  
17 for the Rhode Island Medicaid program and patients, and demonstrate that they improve patient  
18 health outcomes, by taking actions and promulgating regulations that achieve these goals, including  
19 but not limited to:

20 (i) Requiring MCO contracts with PBMs to:

21 (A) Prohibit spread pricing or other practices that are similar to spread pricing;

22 (B) Require PBMs to use pass-through pricing;

23 (C) Prohibit discriminatory treatment of non-affiliated pharmacies and pharmacists by  
24 PBMs;

25 (D) Prohibit PBMs from using “utilization management” that delays or prevents timely  
26 medically necessary care; and

27 (E) Require information be provided that permits effective oversight of PBMs and  
28 enforcement of this subsection.

29 (ii) Developing and implementing a plan for a single PBM to be used by MCOs within  
30 twelve (12) months of the effective date of this subsection.

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

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

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RELATING TO STATE AFFAIRS AND GOVERNMENT -- OFFICE OF HEALTH AND  
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- 1           This act would impose requirements on a managed care organization (MCO) and pharmacy
- 2 benefit manger (PBM) in order to control Medicaid prescription drug prices.
- 3           This act would take effect upon passage.

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