

Introduction & Notes re: CHA-RI Assessment Setting Workbook

Assessment Calculations for CHA-RI annual operations (12 months ending June 30, 2023)

Note: This is a DRAFT version until determined to be FINAL by EOHHS

01. This workbook follows the naming conventions of having each sheet begin with a letter (i.e., "a." through "e."), and each cell within each sheet be identified by row number (e.g., "01.") and column letter (e.g., "A"). So, to facilitate reference while collaborating via conference phone, users can refer to any single number, for example the new assessment rate for each contribution enrollee, by a combination of the above. For that key number, for example, the reference is "a.32.B".
02. The primary spreadsheet for the work is the assessment calculation worksheet, worksheet a. The other sheets are intended to be reference or to develop background data in specific areas for the work. Key numbers from a subsidiary sheet rolled into the main assessment sheet generally are shaded in yellow.
03. Key control points expected to be subject to policy decisions are coded in green. On the protected version of the sheets, cells not shaded green may be locked out to reduce the likelihood of user error. The password used is "CHA-RI" -- this is not a matter of confidentiality, but rather to reduce error. Users who want to unlock the sheets for any reason are welcome to do so.
04. Those cells in which entries normally would be made are shaded in green. They are unprotected to allow data entry.
05. EOHHS reserves the right to adjust the assumptions which guide the assessment level. EOHHS may also determine to adjust the assessment setting process itself or this workbook structure at any time. It is anticipated going forward that new assessment rates will become effective on July 1 each year based upon calculations targeted to be completed in each immediately preceding April.
06. The new assessment will become effective for the first payment due in the next fiscal year, i.e. on or before July 30. This payment will be based upon child contribution enrollee counts filed with the Rhode Island Vaccine Assessment Program, i.e., RIVAP, for the measuring months of April through June at the close of the current state fiscal year.

Children's Health Account of Rhode Island (CHA-RI) Assessment Calculation Worksheet

Column →	A	B	C	D
Line ↓	Prior Year	FY23	Comments	
A. Preliminary Children Health Account Cost Estimates				
01.	\$ 9,527,796	\$ 9,293,102	¹ Program benefit costs to be remitted to EOHHS	
02.	-	-	² Program operations costs recovered by assessments	
03.	246,014	340,000	³ Children's Health Account of RI (CHA-RI) Funding operations	
04.	146,607	144,497	General Reserve to Assure Statutory Remittance Compliance	1.50%
05.	<u>\$ 9,920,417</u>	<u>\$ 9,777,599</u>	Net CHA-RI Funds Requested by EOHHS	
B. Assessable Contribution Enrollees Estimates				
06.	88,185	80,748	Self-Reported Contribution Enrollees (sheet b.)	
07.	<u>-1,323</u>	<u>-1,211</u>	Leakage (unknown insurer, out of reach entity, etc.)	1.50%
08.	<u>86,862</u>	<u>79,537</u>	Assessable lives actually paying	
C. Assessment Calculation				
09.	\$ 9,920,417	\$ 9,777,599	Costs to be raised	
10.	<u>(504,564)</u>	<u>(688,552)</u>	⁴ CHA-RI Reserve buildup (release)	
11.	<u>\$ 9,415,854</u>	<u>\$ 9,089,047</u>	Total Assessment Billed	
D. Per Assessable Contribution Enrollee Assessment				
12.	\$ 108.40	\$ 114.27	12-month Assessment per contribution enrollee	
13.	\$ 9.03	\$ 9.52	Monthly Assessment per contribution enrollee calculated	
14.	\$ 9.03	\$ 9.52	Monthly Assessment per contribution enrollee set	

Notes:

- ¹ Amount required to be deposited into the Children's health account as determined by EOHHS. See RI Healthcare funding law §42-12-29(d)
- ² EOHHS costs raised via assessments pursuant to statutory authorization. (Presently EOHHS is not seeking to recover any such amounts.)
- ³ KidsVax® comprehensive administrative services, executive director and technology fee + audit allowance. note: Audit allowance of \$30,000 assumes three years of audits are caught up -- to be discussed and does reflect 30% technology fee discount afforded to the State of RI.
- ⁴ Carryforward cash amounts, if any, will be applied to reduce subsequent years' assessments (see line 10). This number is drawn from the sheet labeled "c. Financing Considerations"

Estimated Contribution Enrollees

Column →	A	B	C	D	E
Line ↓	Assessment Quarter	Membership Period	RIVAP Children ²	TRICARE reported	CHA-RI Children
A. Contribution Enrollees¹					
01.	FY18 Q2	07/2017 - 09/2017	95,388		95,388
02.	FY18 Q3	10/2017 - 12/2017	94,958		94,958
03.	FY18 Q4	01/2018 - 03/2018	94,593		94,593
04.	FY19 Q1	04/2018 - 06/2018	93,761		93,761
05.	FY19 Q2	07/2018 - 09/2018	93,442		93,442
06.	FY19 Q3	10/2018 - 12/2018	92,927		92,927
07.	FY19 Q4	01/2019 - 03/2019	93,420		93,420
08.	FY20 Q1	04/2019 - 06/2019	92,767		92,767
09.	FY20 Q2	07/2019 - 09/2019	92,437		92,437
10.	FY20 Q3	10/2019 - 12/2019	91,919		91,919
11.	FY20 Q4	01/2020 - 03/2020	92,694		92,694
12.	FY21 Q1	04/2020 - 06/2020	91,634		91,634
13.	FY21 Q2	07/2020 - 09/2020	89,979		89,979
14.	FY21 Q3	10/2020 - 12/2020	92,000	10,149	81,851
15.	FY21 Q4	01/2021 - 03/2021	89,277		89,277
16.	FY22 Q1	04/2021 - 06/2021	91,406	10,560	80,846
17.	FY22 Q2	07/2021 - 09/2021	91,475	10,596	80,879
18.	FY22 Q3	10/2021 - 12/2021	91,232	10,713	80,519
19.	FY22 Q4	01/2022 - 03/2022	91,371	10,623	80,748
20.	subtotal		1,756,680		1,704,039
21.	Average Life of Program (Line 20 divided by 19)		92,456		89,686
22.	Average 4 most recent quarters		91,371		80,748

Notes:

¹ See RI Healthcare funding law §42-7.4-2(3)

² As reported to the Rhode Island Vaccine Assessment Program (RIVAP)

Financing Considerations
(Development of Amount for Reserve Increase or Release)

Column →	A	B	C
Line ↓			
01.	¹ Carryforward Cash Balance estimate	30-Jun-2022	1,377,104
02.			
03.			
04.			
05.			
09.	Total		1,377,104

Estimated Revenues

01.	Increment from remaining assessments to year end	N/A	-
02.			
03.			
04.			
05.	Total		-

Expenditures / Allowances

06.	Remaining costs projected through end of year	N/A	-
07.			
08.			
09.			
10.			
11.			
12.			
13.	Total		-

14.	Estimated Starting Balance July 1		1,377,104
15.	Target months cash reserve	0.00	-
16.	Cash in excess of reserve		1,377,104
17.	Deferral amount ²	50.00%	(688,552)
18.	Target Cash Reserve net of deferral		688,552
19.	Annual cash release cap	1,000,000	1,000,000
20.	Cash release to next year's assessment	688,552	688,552

Notes:

- ¹ From working estimate of cash reserve buildup from program's inception. Note: subject to review and audit.
- ² To smooth the volatility in assessments, there is a benefit to the program of not releasing full cash reserves, which may lead to nearly certain and substantial assessment increases in future years.