



July 6, 2020

The Honorable Marvin L. Abney  
Chairman, House Finance Committee  
Rhode Island General Assembly  
82 Smith Street  
Providence, Rhode Island 02903

Subject: FY 2021 Budget Article 18 – Hospital Licensing Fee

Dear Chairman Abney,

I am writing on behalf of the Board of Directors of the Rhode Island Business Group on Health and its 90 member companies, representing over 80 thousand Rhode Island employees. We would like to express our opposition to FY 2021 Budget Article 18 because it proposes to raise the hospital licensing fee from 5% to 6% of net patient services revenue which will add approximately \$23 million of new expenses to hospital costs. These additional costs will be paid by businesses and their employees covered by individual, small, and large group commercial insurance.

I would like to close by pointing out that this broad-based tax increase, if approved, will further exacerbate the loss of large and small group commercial subscribers which have declined, between 2010 and 2018, by 29% and 46% respectively.

Thank you for considering this request.

Sincerely,

Executive Director