



STATE OF RHODE ISLAND

Department of Behavioral Healthcare, Developmental Disabilities & Hospitals

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February 25, 2025

The Honorable Joseph J. Solomon, Jr., Chair
House Committee on Corporations
State House
Providence, RI 02903

**RE: 2025 – H 5107 – An Act Relating To Commercial Law -- General Regulatory Provisions --
Patient Brokering Act**

Dear Chair Solomon:

I am writing in support of **H 5107**, which would prohibit the practice of patient brokering.

Patient brokering is a questionable practice used primarily by some substance use rehabilitation facilities to recruit patients for their facilities. This practice involves the payment by the treatment facility of a financial incentive or kickback to a broker who refers a patient in need of substance use disorder treatment to that facility.

Such practices prey on vulnerable individuals and their families who may not be familiar with the substance use treatment system. With the incentive to make referrals, the patient broker may continuously move these patients from facility to facility before a course of treatment is completed. There have been instances reported in other states of recruited patients being transported to other states with the lure of treatment and paid transportation expenses, without regard for the best interests of the patient.

This Act would supplement the federal Eliminating Kickbacks in Recovery Act (EKRA), 18 U.S.C. Section 220, which prohibits payment for patient referrals to recovery homes, clinical treatment facilities, and laboratories. This criminal statute carries a fine of not more than \$200,000, imprisonment of not more than ten (10) years, or both, for each occurrence.

Enactment of this legislation would provide the State of Rhode Island with the ability to prohibit the practice of patient brokering by any health care provider or health care facility, as defined in the bill, which is an expansion from EKRA's prohibition of payments involving recovery homes, clinical treatment facilities and laboratories.

The practice of patient brokering can contribute to fraud and abuse within the healthcare system, leading to increased costs and compromised care. This bill is a positive step towards protecting vulnerable individuals and ensuring the integrity of healthcare services. Thank you for the opportunity to comment on this legislation.

Sincerely,



Richard Leclerc
Director

cc: The Honorable Members of the House Committee on Corporations
The Honorable John J. Lombardi
Nicole McCarty, Esquire, Chief Legal Counsel to the Speaker of the House
Lynne Urbani, Director of House Policy