



RI Department of Health
Three Capitol Hill
Providence, RI 02908-5097

TTY: 771
www.health.ri.gov

April 14, 2026

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

RE: H 7172 -- An Act Relating to Health and Safety -- Healthcare and Social Services Transaction Review and Significant Equity Investor Disclosure Act

Dear Chair Solomon:

Please accept this letter, with concerns, about H 7172, legislation that would create and establish the *Healthcare and Social Services Transaction Review and Significant Equity Investor Disclosure Act* to require advanced notice and enhanced disclosure of material changes involving covered care entity and significant equity investors to existing State licensing and approval authorities. The Act would take effect upon passage.

Currently, the Rhode Island Department of Health (RIDOH) can obtain any disclosures for healthcare facilities in the Change of Effective Control (CEC) and *Hospital Conversions Act* (HCA) processes. The 10% threshold for a material change that involves significant equity investor (e.g., private equity/investment firms) proposed in the bill is too low, as it would require notification and documents for each entity in the ownership structure, including holding companies, and related entities. This requirement would be extremely burdensome for both RIDOH and the significant equity investors. The HCA threshold is currently 20%, but that is reasonable because it applies only to hospitals. For other licensed healthcare facilities, the existing 50% CEC threshold would capture any change in ownership and/or control, regardless of private equity or investors' involvement.

Also, it appears that the notification and document production requirements for covered care entity in the bill would include "healthcare provider" which RIDOH reads as any licensed health professional. This requirement would be burdensome for RIDOH and the covered care entities. As it is unclear, is possible that if a medical practice were to undergo a material change, each physician in the practice may have to provide a separate notification.

As written, the bill is not clear if RIDOH is required to be notified and **review** the materials submitted by covered care entities. RIDOH's reading of this bill is that it requires notification only. If a review is included, the bill lacks any criteria for the review process and approval.

The bill also makes references that the departments assess the impact of a material change over a five-year period of the impacts on service availability, cost, workforce stability and continuity of care. Such likely many singular assessments would be no small efforts.

If H 7172 were enacted, RIDOH would need additional staffing and financial resources to implement the significantly increased workload. If RIDOH is expected to review the materials,

it would need significantly more resources to conduct the reviews. In the absence of such funding, RIDOH would not be able to effectuate the intended goals of H 7172.

Thank you for the opportunity to comment on this legislation.

Sincerely,

A handwritten signature in black ink that reads "Jerome M. Larkin". The signature is written in a cursive style with a long horizontal flourish extending to the right.

Jerome M. Larkin, MD

Director

CC: The Honorable Members of the House Committee on Corporations
The Honorable Julie A. Casimiro
Nicole McCarty, Esquire, Chief Legal Counsel
Lynne Urbani, Director of House Policy