



To: House Committee on Corporations
From: Brown University Health
Date: April 14, 2026
Subject: **Brown University Health Opposition to H 8401**

Dear Chairman Solomon and members of the Committee,

I write on behalf of Brown University Health to strongly oppose H 8401.

[Brown University Health](#), Rhode Island's largest health system and its largest employer, serving patients across a comprehensive and integrated network of care. As a system, we have more than 1,620 patient care offices and locations, including our four hospitals in Rhode Island and two in Southeastern Massachusetts. We are committed to delivering high-quality, patient-centered care in every community we serve. As a leading academic and clinical health system, we attract world-class physicians, researchers, and healthcare professionals, fostering innovation, advancing medical education, and ensuring access to cutting-edge treatments. Our health system plays a critical role in strengthening the region's healthcare infrastructure, driving economic growth, and improving the overall health and well-being of the populations we serve.

Brown University Health has utilized the self-insurance and indemnification coverage for healthcare professional liability coverage for more than thirty years. This type of coverage has enabled Brown University Health, through cost savings and self-governance, to provide high quality healthcare that is affordable for Rhode Islanders despite a tumultuous, and largely absent, commercial professional healthcare liability insurance market.

It is understandable that, following Prospect's insolvency and the uncertainty left behind regarding its healthcare professional liability coverage to compensate patients and protect hospitals and doctors, the General Assembly would seek a solution to the future healthcare professional liability insurance coverage. However, **H 8401 fails to solve the problem of absent malpractice coverage while imposing crippling burdens on the existing, compliant self-insurance program that is integral to Brown University Health's operations.**

H 8401 requires the Department of Business Regulation (DBR) to do far more than have insight into the self-insurance operations of a hospital to ensure that they are sound. Instead, it requires the DBR to regulate hospitals providing self-insurance at the same level as a commercial insurer, which markets and sells its product to Rhode Island consumers. Hospital self-insurance is limited to covering hospitals affiliated with accredited medical schools and their employees, and to indemnifying affiliated physicians and their medical practice groups. Hospital self-insurance is not a money-making enterprise, and it should not be regulated like one. It is a carefully designed safety net to ensure that affordable healthcare professional liability coverage can be provided to Rhode Island healthcare professionals in the absence of a commercial market.



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The current version of R.I. Gen. Laws § 27-16-2.6 requires Brown University Health to annually provide audited financial and actuarial projections to the Department and to maintain a separate self-insurance reserve fund to cover this risk. Brown University Health complies with the statutory mandates of R.I. Gen. Laws § 27-16-2.6, and it operates a financially sound, appropriately structured self-insurance program to cover its hospitals and employed healthcare providers and to indemnify affiliated healthcare providers in a cost-effective and responsible manner.

Instead of disrupting this system, Brown University Health urges the General Assembly to consider more constrained legislation that would afford the DBR ability to enforce the filing and structure requirements of R.I. Gen. Laws § 27-16-2.6 by collecting insurance information as part of facilities licensure and sanctioning purported self-insuring hospitals that are not in compliance.

This simple solution provides the oversight necessary to avoid a future problem like the one presented by Prospect while ensuring the continued viability of existing Brown University Health operations.

There is no commercial insurance in Rhode Island to cover this risk. If there were, the cost would likely be astronomical, which would adversely impact the overall cost of patient care and further burden our already strained healthcare infrastructure. R.I. Gen. Laws § 27-16-2.6 was developed over the course of a 15-year legislative effort from 1976 – 1990 to ensure that professional liability healthcare coverage was available at all in Rhode Island to compensate injured patients and protect hospitals and doctors from costly liability. These efforts were collaborative and thoughtful, and they took many years of fine tuning to create a stable system. H 8401 risks upending that careful, thoughtful work with a reactionary bill that fails to solve the issue that sparked the legislation in the first instance.

Brown University Health invites collaboration with the General Assembly and the DBR to devise a solution that balances the need for compliance with the continued need for cost effective self-insurance and urges the Committee to vote against passage of H 8401.

Thank you,

A handwritten signature in black ink that reads "David A. Balasco".

David A. Balasco, Esq.
Vice President, Government Relations
Brown University Health