



February 27, 2024

House Finance Committee  
Rhode Island State House  
Providence, RI 02903

**Re: Support for House Bill 7225, Article 9 – Medical Assistance**

Dear Chair Abney and Members of the Finance Committee,

Please accept this letter in **strong support** of H7225, Article 9 related to Medical Assistance. Specifically, our association supports the proposed provider reimbursement rate increases as spelled out in the Social and Human Service Programs Review Final Report produced by the Office of Health Insurance Commissioner (“OHIC”).

Assisted living facilities are listed in the OHIC report under the category of “Home and Community Based Services.” As noted in the report, the vast majority of Medicaid beneficiaries in our assisted living residences have their benefit paid directly on a fee-for-service basis rather than through a managed care organization. Since the OHIC recommendation for Medicaid reimbursement rate increases is based on the fee-for-service population, our membership will receive the greatest potential benefit from this proposal.

Based on OHIC’s analysis of baseline Medicaid expenditures from April 2022 – March 2023 (fee-for-service), assisted living facilities received \$17,667,564 in reimbursement from the program. Under OHIC’s proposed new rate structure, assisted living facilities would see \$19,581,550 -- an increase of 10.8%.

For perspective, the Medicaid per diem rate for assisted living was last increased in 2021 to its current rate of \$78. The OHIC proposal would elevate the per diem rate on Medicaid fee-for-service to \$86.45.

This proposed increase is essential to our members who care for the Medicaid population. Our industry has seen unprecedented fiscal challenges around increases in staffing costs, along with inflationary pressures around food and other expenditures tied to our operations. While this proposal would phase in the increase over a three-year period, it is our sincere hope that the increases can be expedited to ensure that our Medicaid beneficiaries receive the high quality of care they have long known in our residences.

RIALA strongly urged the General Assembly to accept the proposed Medicaid fee-for-service increases included in H7225 – Article 9.