



M. Teresa Paiva Weed  
President

April 24, 2024

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

Re: SUPPORT – H.7225 GBA #8 – Article 9, Amendment #1

Dear Chairman Abney:

The Hospital Association of Rhode Island (HARI) and its members support H.7225, GBA #8 which proposes to expand the Office of the Health Insurance Commissioner (OHIC) comprehensive review of social and human services to include medical services provided through primary care.

Hospitals serve as the safety net for the most vulnerable populations, including those covered by Medicaid, often bearing the brunt of insufficient reimbursement rates. This burden manifests in various forms, notably through increased emergency department (ED) utilization for primary and community care services. When Medicaid underpays primary care providers, patients forego regular check-ups or preventive care, leading to exacerbated health issues that eventually necessitate emergency intervention. Consequently, hospitals face a surge in ED visits for conditions that could have been managed or prevented through adequate primary care, straining resources, and driving up costs.

Moreover, hospitals often engage in contractual agreements with physicians who provide essential services within their facilities but are not directly employed by the hospital. To ensure continued access to vital medical expertise, hospitals subsidize these physicians' services, bridging the gap between Medicaid reimbursements and the actual cost of care delivery. These subsidies represent another way hospitals absorb the financial impact of Medicaid underpayments, further highlighting the need for comprehensive reimbursement reform to alleviate the strain on healthcare institutions and safeguard equitable access to quality care for all patients.

A review of Medicaid reimbursement rates is an opportunity to strengthen the healthcare system, improve patient access to quality care, and promote financial sustainability for healthcare providers. For these reasons HARI supports the inclusion of primary care within the OHIC comprehensive rate review and respectfully requests the general assembly consider a review of Medicaid reimbursement for obstetrical and gynecological care, and services provided by hospital-based physicians such as anesthesiologists and radiologists.

By working together, we can build a healthcare infrastructure that not only meets the immediate needs of our citizens but also ensures the long-term health and resilience of our community. We appreciate your commitment to this critical matter and are confident that, through our joint efforts, we can make a lasting and positive impact on the healthcare landscape in Rhode Island.

Sincerely,

A handwritten signature in black ink, appearing to read "Lisa P. Tomasso", written over a horizontal line.

Lisa P. Tomasso  
Senior Vice President