



**Rhode Island Partnership
for Home Care**

Advancing quality healthcare at home

March 5, 2025

VIA EMAIL: housefinance@rilegislature.gov

Hon. Marvin Abney, Chair
Committee on Finance
Rhode Island House of Representatives
82 Smith Street
Providence, RI 02903

Re: Reject Proposed SFY26 Article 8 — Sunsetting of Medicaid Home Care Cost Inflation Factor

Dear Chair Abney,

On behalf of Medicaid-contracted home care providers, along with their staff, patients, clients and family caregivers, I express deep concern regarding the Governor's proposed Article 8 "Medical Assistance" of the SFY26 budget (House Bill 5076), which includes sunsetting the cost inflation factor (CIF) for Medicaid home care services as prescribed within G.L. § 40-8.9-9(f)(3)(iv). Eliminating this crucial adjustment will have significant negative consequences for Rhode Island's ability to attract and retain the skilled nursing and paraprofessional workforce necessary to sustain home-based care services.

Within the biennial Office of the Health Insurance Commissioner (OHIC) Social and Human Service Program Review, their process is intended to recommend Medicaid home care rate adjustments with subsequent action toward wage increases, particularly for essential paraprofessionals such as Licensed Nursing Assistants (otherwise referred to as CNAs) and homemakers. However, the review process fails to recommend labor market-competitive wages because it benchmarks Rhode Island's rates against all five other New England states instead of focusing on the two states—Massachusetts and Connecticut—that directly compete with Rhode Island for home care workers. Unlike the northern New England states, Massachusetts and Connecticut have cost-of-living expenses that align more closely with Rhode Island's economic conditions, making them the more relevant comparison. The annual CIF supplements a portion of what is missing as a result of OHIC's flawed biennial recommendation process.

By removing the CIF in perpetuity, the Governor's proposal will further weaken Rhode Island's competitiveness in attracting and retaining home care direct service and operations staff at a time when our State critically needs more of this healthcare workforce in the field. Without a stable and adequately compensated workforce, Rhode Island risks forcing more residents into higher-cost, facility-based care, increasing the financial burden on taxpayers and straining an already overburdened healthcare system.

I urge you and the members of the House Finance Committee to reject the proposal to sunset the annual CIF. Instead, my association respectfully requests that the SFY26 budget prioritizes policies that strengthen home-based care services by ensuring direct care and operations staff wages annually meet and sustain labor market competitiveness with our two neighboring states.

Thank you for considering supporting Medicaid-contracted home care providers, along with their staff, patients, clients and family caregivers by rejecting the proposal to sunset this important CIF.

Sincerely,

Nicholas Oliver

Nicholas Oliver, MPA, CAE
Executive Director

cc: Members, House Committee on Finance