



STATE OF RHODE ISLAND

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Attorney General

April 30, 2025

The Honorable Marvin L. Abney
Chairman
House Committee on Finance
State House, Room 35
Providence, RI 02903

Re: HR 5790: Investment in Raising Medicaid Reimbursement Rates

Dear Chairman Abney and Members of the House Finance Committee,

It is no secret that our health care system is failing Rhode Islanders. Current Medicaid rates simply do not cover the cost of the care provided to our most vulnerable community members. That directly harms patients when providers refuse to see Medicaid enrollees because they cannot afford to accept such low rates, and it devastates our health care system that loses money in the delivery of life-saving care. Further, we know that the rates paid by our commercial insurers are not sufficient to make up the short fall, and they do not compete with neighboring states like Massachusetts and Connecticut. The bottom line: We are not adequately investing in health care services in Rhode Island.

At the same time, we face a primary care crisis in this state. My Office regularly hears from patients who are unable to find a primary care provider, and the recent closure of Anchor Medical will impact thousands of Rhode Islanders. If we fail to act, this will only be the beginning – because the primary care crisis in Rhode Island is inextricably connected to our failure to adequately finance the state's health care system. The results are predictable: providers struggle to meet the overwhelming demand for care while facing the lowest Medicaid reimbursement rates relative to Medicare in the nation. The efforts our providers make to maintaining the highest levels of patient-centered care that they have dedicated their careers to providing, even as they face the headwinds from negligent state health care policies, is extraordinary – but there are limits to what they can do with powerful policymakers standing in their way.

Indeed, many Rhode Island health care providers, including primary care providers, are fleeing the state, leaving patients without access to necessary and critical health care. There is no more time to delay – the crisis is here, and the State must respond.

As Attorney General, I am acutely aware of the crisis we have arrived at, and I have, year after year, sent a strong message that in order to even begin to fix our health care system, we must invest in it. Leveraging federal match is one important way to increase Medicaid reimbursement; for every one dollar the State invests, the federal government returns two dollars. We are leaving money on the table, and it is costing us primary care providers every single day.

This legislation, HR 5790, would require the State to invest significant funds into the Medicaid program to leverage the federal match for the purpose of increasing reimbursement rates for physicians and advanced practice providers who participate in the Medicaid program. While I fully support this significant investment, I encourage the General Assembly to ensure that these funds are invested with a concerted focus on primary care services. While financial investment in health care is critical, the way that such a substantial investment is effectuated is just as important. Therefore, while I support the scale of this necessary and overdue funding investment, I call upon the General Assembly to amend this legislation to include substantial, specific, and enumerated investments in primary care services.

Primary care services are what allow Rhode Islanders to receive the care they need *before* they have to go to the emergency room. It allows Rhode Islanders to maintain their health in the community, and it allows the Rhode Island health care system to avoid costly emergency and inpatient care. Facilities, like Anchor Medical, are closing, and Rhode Islanders are scrambling to find primary care physicians to care for them and their families. We need our primary care providers, and now they need us to support them.

For the Medicaid program to effectively serve the over 317,000 Rhode Islanders who rely on it, we must invest in an appropriately and sustainably funded system. But let me be clear – an investment in provider reimbursement will not just benefit Medicaid patients. It will benefit all Rhode Islanders accessing care. It will reduce the burden on the health care system as a whole, incentivize providers to want to live and work in Rhode Island, and will allow for our state to finally begin to build a health care system that works for all.

For these reasons, I encourage the General Assembly to finally commit to investing in our health care system and supporting the primary care practices that continues to dwindle the longer we delay.

Sincerely,



Peter F. Neronha
Attorney General