



Rhode Island Executive Office of Health and Human Services
3 West Road, Virks Building, Cranston, RI 02920
phone: 401.462.5274 fax: 401.462.3677

April 30, 2025

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

RE: 2025-H 5973 – Relating to State Affairs and Government – Office and Health and Human Services

Dear Chairman Abney:

The Executive Office of Health and Human Services/Medicaid would like to share our concerns regarding **H 5973**, An Act Relating to State Affairs and Government – Office of Health and Human Services.

This bill would prevent EOHHS from seeking payment upon the death of a designated beneficiary from any ABLE savings trust account or its proceeds for benefits provided to a designated beneficiary.

Under current policy, when an ABLE account owner dies with funds in an ABLE account, those funds must be used (in this order):

1. To pay any outstanding Qualifying Disability Expense bills including funeral expenses
2. To provide payback to Medicaid for all Medicaid benefits received
3. To be distributed to the account holder's legal beneficiaries.

This bill would reduce the funds that the state is able to recover from beneficiary estates in favor of passing additional funds to the individual's legal beneficiaries.

ABLE accounts allow individuals to accumulate assets tax-free without impacting their eligibility for Medicaid while they are alive, so that they can use those resources to pay for specific needs related to their disability. When the individual has passed away, and any outstanding qualifying disability expenses are paid – notably including funeral expenses – the purpose of the ABLE account (to meet the person's disability-related needs) has been served.

The purpose of the ABLE account is narrowly to meet the disabled person's own needs, and the importance of meeting those needs during life is the only reason that the asset accumulation above the usual Medicaid limits is permitted during life. It is not clear whether or how disabled individuals would benefit from being able to pass more of their ABLE accounts to their heirs and other legal beneficiaries.

EOHHS would welcome any discussion about **H 5973**, and staff are available to assist with any questions or concerns.

Sincerely,

Kristin Pono Sousa
Medicaid Program Director
Executive Office of Health and Human Services

CC: Honorable Members of the House Committee on Finance
Honorable Terri Cortvriend
Nicole McCarty, Esq., Chief Legal Counsel
Lynne Urbani, Director of House Policy