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The Honorable Marvin L. Abney
Chair, House Committee on Finance

The Honorable Members of the House Committee on Finance

RE: *2025-H 5973, An Act Relating to State Affairs and Government – Office of Health and Human Services*

Dear Chair Abney:

I am writing to you today expressing strong support for 2025-H 5973, a necessary step in the right direction protecting the assets of those individuals with disabilities in the State. The Achieving A Better Life Experience (“ABLE”) Act has provided individuals with disabilities the opportunity to open a tax-free savings account that would be available for qualified disability expenses with the intention of easing the financial strains that individuals with disabilities and their families face.

As a Certified Work Incentive Benefits Counselor, who provides guidance to SSI and SSDI beneficiaries about working with benefits, I have seen firsthand how being able to save money through RI ABLE has helped individuals with disabilities say yes to work! The ability to save money and spend it thoughtfully empowers individuals with disabilities to work and support a better quality of life. However, for some, the clawback provision has made some hesitant to use the account.

Rhode Island current law has cultivated a chilling effect on the enrollment of new accounts and spread fear among those in the disabled community, as the state is currently considered to be a creditor of an ABLE Account following the passing of the designated beneficiary. This rarely enacted provision, which is often a clawback payment, has hindered the growth of RI ABLE Accounts. Eliminating the clawback provision can have the following impact.

1. **Financial Security:** Without the clawback provision, individuals with disabilities can save money in their ABLE accounts without the fear that Medicaid will reclaim these funds after their death. This ensures that the savings can be used fully for their intended purpose—covering disability-related expenses.
2. **Encourages Savings:** Knowing that their savings won't be subject to recovery by Medicaid, individuals may be more inclined to open and contribute to ABLE accounts. This can lead to greater financial independence and stability.
3. **Estate Planning:** Families can plan more effectively for the future, knowing that the funds in ABLE accounts will remain available for the beneficiary's needs or can be passed on to heirs without the risk of Medicaid recovery

4. **Increased Accessibility:** The removal of the clawback provision can make ABLE accounts more attractive and accessible, encouraging more individuals with disabilities to take advantage of these tax-advantaged

The Rhode Island ABLE Program, and the accounts that it manages, can only succeed if there is continued growth and investment inside and out of the program however, current circumstances have many turning to alternative saving methods, such as trusts – which are not as advantageous, and do not provide as many of the benefits that are afforded with an ABLE Account.

Overall, eliminating the clawback provision can significantly enhance the financial empowerment and independence of individuals with disabilities, making ABLE accounts a more viable and appealing option for long-term savings and planning.

Our community requires continuous reevaluation of the best practices and procedures to best serve and protect those with disabilities. 2025 H-5973's successful passage will result in Rhode Island following suit with at least the fourteen other states that have prohibited the practice of Medicaid clawback. I appreciate the opportunity to provide this letter in the fight to protect those with disabilities in our state and thank you for your consideration.

Respectfully,

Victoria E. C. Ferrara

Victoria Ferrara, MA, CWIC

CC: The Honorable Terri Cortvriend