



April 30, 2025

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

Re: H.6095, An Act Relating to Health and Safety – Licensing of Healthcare Facilities

Dear Chairman Abney,

The undersigned members of the Rhode Island Business Coalition are writing in support of House bill 6095 which proposes an increase in the hospital licensing fee to allow the state to leverage additional federal funding to help stabilize the healthcare system.

H.6095 would expand the hospital Managed Medicaid State Directed Payment program allowing the state to leverage existing hospital provider tax funds to maximize federal matching dollars. The proposal provides hospitals with the necessary financial support to sustain essential health care services and strengthen the operations of our state's hospitals.

As business trade organizations we recognize there are always efficiencies that can be brought to any business to bring down operating costs. Along these lines, we are encouraged by the state's participation in the Centers for Medicare & Medicaid Services (CMS) States Advancing All-Payer Health Equity Approaches and Development (AHEAD) program. This initiative aims to curb health care cost growth, improve population health, and reduce disparities in health outcomes. The model supports participating states with funding and resources to enhance primary care investment, stabilize hospital finances, and connect beneficiaries to community resources.

AHEAD provides an opportunity to strengthen the primary care infrastructure and hospital finances while improving the care received by Rhode Islanders. However, this program will take some time to phase in and the financial challenges to our healthcare system are a pressing issue now and need to be addressed.

The Rhode Island Business Coalition represents 50 industries and 6,280 businesses that employ 231,200 people throughout Rhode Island.

As Coalition members, we believe H.6095 provides needed public funding for our state's hospitals, which will alleviate some of the continued pressure on commercial reimbursement rates. The healthcare payment system has its flaws and too often employers pay for this through their health insurance premiums when healthcare providers look to make up some of their lost revenue from public payers on the commercial payers.

More than one-third of Rhode Islanders are covered under the state's Medicaid program. This often puts significant pressure on hospitals to provide high quality care while being reimbursed below the rates paid by Medicare. H.6095 presents an opportunity to address this issue by leveraging federal dollars to bolster our state's hospitals.

Thank you for your consideration of our position on House bill 6095. We ask the Committee to support this initiative to bring needed additional funding to our state's healthcare system.

Sincerely,

East Greenwich Chamber of Commerce

Greater Newport Chamber of Commerce

Hospital Association of Rhode Island

Rhode Island Hospitality Association

Rhode Island Manufacturers Association

Rhode Island Marine Trade Association

Rhode Island Staffing Association

Small Business Economic Summit Regulations Committee

Small Business Economic Summit Tax and Budget Committee

cc. House Finance Committee members