



WOOD RIVER HEALTH
Caring for Our Community Since 1976

May 7, 2025

The Honorable Marvin L. Abney
Chair, House Committee on Finance
Via: HouseFinance@rilegislature.gov

Re: Governor's Budget Amendment #13 to the FY 2026 Appropriations Act (25-H-5076)

Dear Chairman Abney and Members of the House Finance Committee:

Wood River Health strongly **opposes** the Governor's Budget Amendment #13 because it imposes additional and unnecessary administrative burden on community health centers/federally qualified health centers (CHCs).

Wood River Health provided high quality, comprehensive primary medical, behavioral, and dental care to 10,428 unique patients in calendar year 2024. The number of new patient requests have increased exponentially, and average 30 per day.

This Amendment is an additional administrative burden at a time when reduced administrative burden is needed.

The Amendment requires CHCs and other health care providers to submit every 3 months, **at a minimum**, the following documents:

- balance sheet and income statement information showing cash on hand,
- accounts payable and accounts receivable,
- gross and net patient revenues,
- other income,
- operating costs by category,
- other expenses,
- investment income and non-patient services revenues,
- assets, liabilities, and net surplus or profit margin,
- uninsured and bad debt costs, and net charity care

Medicaid payments to CHCs are governed by the [2022 Principles of Reimbursement](#) (Principles), which currently require the annual submission of:

- Medicare/Medicaid Cost Report Crosswalk
- Medicare cost report filed with CMS for the same fiscal year
- Audited financial statements for the same fiscal year.

If the cost report filing is late, then the CHC suffers a penalty equivalent to a two month delay in their annual rate increase.

The Principles allow a CHC to request an increase to their Medicaid reimbursement rates outside the normal rate-setting process, once a year. In order for a rate increase to be considered, the CHC must provide significant documentation, including responses to the following questions:

1. Describe the organizational change/project that has resulted in a request for a rate adjustment.

2. A Medicaid cost report, which quantifies the request, including an identification and explanation of key underlying assumptions must be submitted.
3. Why is the change in operations/scope needed? Please include specific information on the changes in capacity and projected volume as well as a description and quantification of any cost efficiencies.
4. Please identify any HRSA mandates and/or program expectations that the change/project is intending to address.
5. What were alternatives considered and what key factors led to the organization's decision to proceed with this particular change/project?
6. Please explain how the FQHC's changes address the needs of the Medicaid population served. Please highlight how the changes align with CMS' goals to improve to access and quality and to decrease the overall cost of providing healthcare to Medicaid beneficiaries.
7. Please provide a project timeline.
8. Please identify three to five measurable project goals pertaining to access, quality and cost. Baseline data should be provided for these metrics.
9. What actions or alternative solutions will the origination employ if the request is not approved?
10. Identify all other funding, if any, that is being utilized in the initiative (e.g., foundation grants, federal grants)

The documentation must reflect that the basis for the request caused the CHC's costs to have increased by at least 5%.

Clearly, CHCs already submit sufficient financial and programmatic data. The Amendment implies that level of data is not adequate because it does not provide EOHHS with early indicators of financial instability. We disagree and believe the additional reporting is not necessary.

This is an unnecessary burden.

We believe the Amendment is unnecessary not because we do not support transparency and accountability; Wood River Health is fully compliant with the current documentation requirements described above. The Amendment is unnecessary because our experience reflects EOHHS' lack of willingness to respond appropriately when provided with information about a health care organization's financial risk.

We submitted a request to increase their reimbursement rates to EOHHS in December of 2024, responding to the ten questions listed above. The very act of requesting a rate increase is a strong signal that a health care provider is facing financial challenges. EOHHS asked for additional detail which was provided in late March 2025.

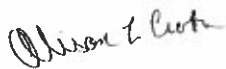
Given that no other CHC's request was approved, we are anticipating a denial of our request.

The cover memo from the Office of Management and Budget introducing the Amendment posits that the reason for the additional reporting is to empower the Secretary “to take fiscally sound and appropriate action on any findings of financial risk or significant financial jeopardy.” The Amendment does not indicate what those actions are, which is the real question we should be determining. What tools does the Governor have to respond to the instability of our health care system? For short-term responses, we could consider establishing loan programs or develop policies and procedures for pre-payment of Medicaid rates. In the medium term, but beginning now, we recommend EOHHS review the Accountable Entity Program and its potential impact on the stability of the Medicaid-funded primary care system. There are several other options the state could be considering in its efforts to “to mitigate the risk or imminent jeopardy and secure health system stability...” Instead, the Amendment will require EOHHS to spend resources on (pg. 14):

- selecting a reporting format,
- develop(ing) a process for conducting assessments and analyses of the reports, and
- seek(ing) technical advice and support to assist in establishing this process.

The health centers are committed to working with the Governor and EOHHS to address the challenges facing our state’s health care system. We acknowledge that transparency and accountability are necessary components of any response. We urge the General Assembly to maintain focus on concrete action, not process.

Thank you for the opportunity to comment.



Alison Croke
President and CEO