WellOne
Primary Medical and Dental Care

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:

WellOne Primary Medical and Dental Care strongly opposes the Governor's Budget Amendment #13 because it imposes additional and unnecessary administrative and financial burdens on community health centers a/k/a Federally Qualified Health Centers.

Our organization is a Federally Qualified Health Center that provides primary medical, dental, behavioral health and related patient support services to 18,000 Rhode Islanders at our facilities in Burrillville (Pascoag), Foster, Glocester and Scituate. Services are provided regardless of a patient's ability to pay for same services.

This Amendment represents an additional administrative burden at a time when reduced burden is needed. Among other things, the Amendment requires the submission of quarterly financial statements subject to monetary penalties for late filings. More troubling is the unilateral authority it would grant EOHHS to compel a health center to undergo a forensic audit at the health center's expense.

Medicaid reimbursements to health centers are governed by the provisions of the 2022 Principles of Reimbursement (Principles), which already require the annual submission of:

- Medicare/Medicaid Cost Report Crosswalk
- PPS Reconciliation and underlying claim detail
- Medicare cost report
- Audited financial statements

In the event of a late filing, EOHHS may impose a penalty equivalent to a two-month delay in the health center's annual rate increase.

The Principles also allow a health center to request an increase to its Medicaid reimbursement rates outside the normal rate-setting process, once a year. For a rate increase to be considered, the CHC must provide a substantial volume of documentation as outlined in the Principles.

Clearly, health centers already submit a substantial volume of financial and programmatic data. The Amendment implies that the current level of data is inadequate because it does not provide EOHHS with early indicators of financial instability. We disagree and believe the additional reporting is not necessary.

We believe the Amendment is unnecessary not because we do not support transparency and accountability, but because our recent experience with EOHHS reflects their lack of willingness to respond appropriately when provided with information about a health center's deficient financial performance and/or financial position.

Since May 2024, WellOne has been engaged in a process with EOHHS to secure rate increases in accordance with the provisions outlined in the Principles. We have demonstrated that our current Medicaid rates are only covering 70% of our cost of providing the associated services. The very act of requesting a rate increase is a strong signal that a health center is facing financial challenges. To date, EOHHS has denied our requests for reasons that are inconsistent with the criteria outlined in the Principles.

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." However, the Amendment does not indicate what those actions might be. Given our recent experience with EOHHS, we believe that the Amendment, as proposed, will only serve to exacerbate the current situation without providing any meaningful relief or sustainable solutions.

We remain committed to working with EOHHS to address the challenges facing our state's health care system. We acknowledge that transparency and accountability are necessary components of any response but we believe that this Amendment, though well intentioned, is not the answer.

Sincerely
WELLONE PRIMARY MEDICAL AND DENTAL CARE

Peter J. Bancroft, CPA
President and CEO