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May 7, 2025

The Honorable Marvin L. Abney, Chair
House Committee on Finance
State House
82 Smith St.
Providence, RI 02903

RE: H 5076 – Budget Article 10 - Governor's Budget Amendment #16 – Certificate of Need

Dear Chair Abney:

I am writing in support of the Governor's Budget Amendment #16 of the FY 2026 Appropriations Act, relating to Health and Human Services. This amendment offers two changes to the Certificate of Need (CON) process:

- Restoring full body magnetic resonance imaging (MRI), and computerized axial tomography (CT) to the CON process. This amendment will align CON with our neighboring states and the region.
- Reinstating the exemption from review any applications that proposes one-for-one equipment replacement as defined in regulation which was stricken inadvertently. The amendment seeks to ease the burden for healthcare facilities to purchase new equipment.

The proposed legislation represents a comprehensive approach to healthcare reform that will also help support more healthcare entities to serve underserved populations. As previously noted, the proposed Budget Article seeks to right size the CON process in Rhode Island by limiting the number of facilities and services covered to those with the greatest potential to impact the statewide healthcare system. It also specifically exempts low-cost alternatives and outpatient services, particularly in areas where there are well-established statewide needs.

Please also find attached a letter from the Federal Trade Commission expressing support for the Governor's budget article that streamlines Rhode Island's Certificate of Need program. We'd like to highlight the following section:

"We understand that the Rhode Island General Assembly is considering your recommended appropriations for fiscal year 2026, House Bill 5076 ("H-5076"), which includes proposed amendments to R.I. General Law § 23-15 to reform Rhode Island's Certificate of Need ("CON") process. We write to highlight the FTC's prior work regarding CON laws that the General Assembly may find informative as it considers these amendments. This work reflects the FTC's and the U.S. Department of Justice Antitrust Division's ("the Agencies") consistent, bipartisan advocacy that states can improve health care competition "by repealing or curtailing their certificate of need laws."

As the Director of RIDOH, I urge your favorable consideration of both the budget article and proposed amendments as an important public health reform initiative.

Sincerely,

A handwritten signature in black ink, reading "Jerome M. Larkin" with a stylized flourish at the end.

Jerome M. Larkin, MD
Director

CC: The Honorable Members of the House Committee on Finance
Nicole McCarty, Esquire, Chief Legal Counsel
Lynne Urbani, Director of House Policy

Attachment Enclosed