



STATE OF RHODE ISLAND
OFFICE OF GOVERNOR DANIEL J. McKEE

February 3, 2026

The Honorable Marvin L. Abney
Chair, House Committee on Finance
Room 35, Rhode Island State House
Providence, Rhode Island 02903

Re: H 7408 – An Act Relating to Making Revised Appropriations in Support of FY 2026

Dear Chairperson Abney:

I write in support of H 7408, An Act Relating to Making Revised Appropriations in Support of FY 2026 Relating to Roger Williams Medical Center and Our Lady of Fatima Hospital and Authorizing the State of Rhode Island to Provide Financing Support to Assist the Sale of the Hospitals to CharterCare Health of Rhode Island, Inc. (the Act). This Act authorizes the transfer of \$18 million from the Supplemental State Budget Reserve Account to a supplemental debt service reserve fund to serve as credit support for hospital revenue bonds to be issued by the Rhode Island Health and Educational Building Corporation (RIHEBC) to finance the purchase of the Roger Williams Medical Center and Our Lady of Fatima Hospital by CharterCare Health of Rhode Island, Inc., the nonprofit entity created by the Centurion Foundation to acquire the hospitals (collectively, Centurion). To facilitate this transfer, the Act includes a joint resolution as required by Rhode Island General Laws § 35-18-4, a targeted amendment to the supplemental state budget reserve account governing statutes, and an FY26 appropriations amendment, all of which are conditioned upon the actual sale and issuance of the bonds.

As you know, Roger Williams Medical Center and Fatima Hospital – critical safety-net hospitals – are financially distressed and currently subject to bankruptcy proceedings. With approval in place from RIDOH and the Attorney General pursuant to the HCA, the bankruptcy court authorized the sale of the hospitals to the Centurion Foundation in February 2025. Recently, Centurion's leadership informed the State that they have verbal financing commitments sufficient to close on the purchase and acquire the hospitals by February 27, 2026. Such financing commitments, however, are contingent upon the

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State's commitment, as presented in this Act, to fund an \$18 million supplemental debt service reserve account as credit support.

The Act includes numerous safeguards and conditions that balance the State's desire to demonstrate support for the Centurion acquisition with taxpayer protections. First, no State money will be expended if RIHEBC fails to issue the bonds for the purchase of the hospitals. Second, should the sale and issuance occur, the \$18 million appropriation will not be a simple cash infusion to Centurion. Instead, the funds will be held in a supplemental debt service reserve account, which can only be accessed if Centurion defaults on its payments to bond holders, and only after Centurion has exhausted its primary reserve. Third, although the bond issuance is estimated at approximately \$80 million, the State's commitment does not exceed \$18 million.

The court-ordered deadline to close the purchase of these hospitals is February 27, 2026. I urge the Committee to recommend passage of this legislation immediately.

Sincerely,



Daniel J. McKee
Governor

CC: Honorable Members of the House Committee on Finance
Nicole McCarty, Esq.