



Michael Sroczyński
President

March 4, 2026

The Honorable Marvin L. Abney
Chairman, House Committee on Finance
Rhode Island State House
82 Smith Street
Providence, Rhode Island 02903

Re: Opposition Health Spending Accountability and Transparency Program (Art. 11, Sec. 12)

Dear Chairman Abney,

On behalf of the Hospital Association of Rhode Island (HARI) and the state's hospitals and health systems, we respectfully submit this letter in opposition to the proposed "Health Spending Accountability and Transparency Program" included in the Governor's FY 2027 budget.

While HARI shares the goal of improving affordability, the proposal risks misidentifying the drivers of cost growth, disproportionately targeting hospitals and affiliated physician groups, and introducing a punitive regulatory framework that could undermine access to care. It also raises significant governance and oversight concerns by concentrating data collection, policy design, and enforcement authority within a single entity.

Rising health care costs are a national challenge driven by workforce shortages, pharmaceutical pricing, technology, aging populations, and increased demand for complex care. Rhode Island is not an outlier. In fact, the state is a national leader in efficiency and value, with high coverage rates, lower than average marketplace premiums, strong quality performance, and a delivery system built on integration and community partnerships.

The proposal places primary emphasis on spending targets and large provider oversight without adequately addressing the structural drivers of cost. A small, high-need population accounts for a disproportionate share of total spending, driven by fragmented care, limited access to behavioral and community-based services, and persistent inequities. Blunt cost controls will not address these realities.

The definition of "large provider entity" and reliance on performance improvement plans create a framework for selective enforcement and financial penalties, even when cost growth is driven by factors outside provider control, including labor shortages, drug pricing, and payer behavior. This risks weakening the very organizations that sustain maternity care, behavioral health services, safety-net capacity, and academic medicine in Rhode Island.

Further, centralizing data development, standard-setting, and enforcement authority within a single agency raises significant governance and due process concerns. Concentrating these functions

reduces objectivity and accountability, as the same entity would define the metrics, interpret performance, and determine consequences. Without clearer separation of roles or independent oversight, the framework risks limiting transparency, constraining meaningful appeal, diminishing stakeholder confidence, and embedding policy judgments within the enforcement process itself.

Hospitals in Rhode Island are already operating under extraordinary financial strain, including chronic operating losses, workforce shortages, aging infrastructure, and rising supply and pharmaceutical costs. Layering an aggressive regulatory structure onto this environment risks service reductions, delayed investment, and diminished access for patients.

HARI supports collaborative, system-wide strategies that address the full continuum of care and hold all sectors accountable for cost drivers. We respectfully urge this committee to reconsider this proposal and work with stakeholders on solutions that protect access, stability, and long-term sustainability in Rhode Island's health care system.

Sincerely,

A handwritten signature in black ink, appearing to read "Lisa P. Tomasso". The signature is fluid and cursive, with a horizontal line above the name.

Lisa P. Tomasso
Senior Vice President