

March 3, 2026

The Honorable Marvin Abney
House Committee on Finance
82 Smith Street, Providence, RI 02903

FY 2026 BUDGET – ARTICLE 8: MEDICAL ASSISTANCE

Dear Chairman Abney and Members of the House Finance Committee,

The Community Provider Network of Rhode Island (CPNRI) would like to thank the General Assembly and the Office of the Health Insurance Commissioner (OHIC) for undertaking the comprehensive Social and Human Service Rate Review. This process represents an important step toward establishing sustainable reimbursement rates for the services that Rhode Islanders rely on every day. For disability service providers, these rates are not simply budget figures, they determine whether individuals with intellectual and developmental disabilities can access the supports that allow them to live, work, and *belong* in their communities.

CPNRI and its member organizations play a central role in making that vision a reality. Collectively, **CPNRI members employ more than 8,000 people and support over 11,000 individuals with intellectual and developmental disabilities across the state.** Through residential services, employment supports, and family-centered programs, they help build a Rhode Island where people of all abilities are valued, included, and able to truly belong in their communities. With the right supports in place, many individuals with disabilities are able to obtain employment, contribute to local businesses, and participate meaningfully in Rhode Island's economy and workforce.

In 2022, the General Assembly enacted legislation directing OHIC to conduct a comprehensive Social and Human Service Rate Review after reimbursement rates across Medicaid-funded human services have gone decades without increases. OHIC carried out that directive through a rigorous, multi-year process involving independent actuarial analysis, cross-state benchmarking,



stakeholder engagement and review. The result was a set of evidence-based rate recommendations designed to align reimbursement with the actual cost of delivering services.

Full implementation of these recommendations would require an investment of approximately \$117 million across Medicaid fee-for-service and managed care, \$46 million of which would be funded by general revenue, the remaining amount coming from federal FMAP dollars. However, the current proposal in the Governor's budget includes only *half* of the funding needed to fulfill the legislative intent of the review and sustain the level of quality, access, and stability that Rhode Island's disability service system seeks to sustain.

Rhode Island statute already contains numerous reimbursement structures that incorporate inflationary or cost-based adjustments but are not consistently funded through the budget process. When statutory payment methodologies are only partially implemented, it weakens the integrity and predictability of the rate-setting framework. If the State does not fully implement the results of this legislatively directed process at the outset, we risk establishing the same pattern: where statutory rate methodologies exist in law but are not realized in practice. **Delaying these investments also compounds the problem over time: as labor, insurance, and operating costs continue to rise, the gap between the cost of providing services and the rates paid only grows larger, requiring even greater investments in the future to stabilize the system.**

For community-based providers, predictable and adequate reimbursement is essential not only for workforce recruitment and retention, but also for maintaining the service capacity that keeps individuals out of emergency rooms, psychiatric inpatient units, and institutional placements.

The rate review process created an opportunity for Rhode Island to reset its reimbursement framework based on objective analysis and transparent methodology. Fully funding these rates through the FY 2026 budget is critical to establishing that framework and ensuring the long-term stability of the community provider system. Additionally, Representative Shanely and Senator DiPalma are introducing legislation, **H 8183**, that would require the State to fully fund the Social and Human Service Rate Review recommendations in the FY 2027 budget. This proposal reflects the continued commitment to ensuring that the rate review process results in



meaningful and sustainable investments in Rhode Island's community-based disability service system.

Investing in reimbursement rates for disability services is an investment in the dignity, independence, and opportunity of Rhode Islanders with intellectual and developmental disabilities. These services allow people to live in their communities, pursue employment, and contribute meaningfully to the social and economic life of our state. At the same time, these investments support thousands of frontline workers, strengthen local economies in all 39 cities and towns, and leverage significant federal Medicaid matching funds that multiply every state dollar. By fully funding these services, Rhode Island can build a stronger, more inclusive system of care, one that supports people with disabilities to live, work, and belong in the communities they call home.

Thank you for your time and consideration.

Respectfully,

Grace Duffy

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