



3/19/2026

The Honorable Teresa Tanzi  
Chair, House Finance Committee, Subcommittee on Human Services  
State of Rhode Island General Assembly  
82 Smith Street  
Providence, RI 02903

**Re: Support for Department of Behavioral Healthcare, Developmental Disabilities and Hospitals Budget - Governor's FY 2027 Budget**

Chair Tanzi and Members of the House Finance Committee, Subcommittee on Human Services,

Thank you for the opportunity to comment in support of the Governor's FY27 proposed budget for the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals (BHDDH). FSRI supports the work of Director Leclerc and his team in their work to guarantee high-quality, safe, and accessible healthcare to all Rhode Islanders.

FSRI is a behavioral health and social service organization with the mission "to advance hope and opportunity in our communities." We have been serving Rhode Island children, families and communities for over a century, including programming to support healthy child development, to provide essential behavioral health services, and to coordinate crisis intervention programs that help children and families thrive. FSRI is a state CCBHC and a certified provider of children's mobile response and stabilization services (MRSS).

In late 2025, FSRI was awarded a contract with BHDDH to plan for a youth residential substance use program serving girls ages 12 to 17. FSRI is excited to partner with BHDDH on this project and expanding substance use disorder services for youth to address the growing need for early intervention and treatment. Adolescents are particularly vulnerable to substance use due to developmental factors, peer pressure, and underlying mental health conditions. Without accessible, age-appropriate services, many young people may go untreated, increasing their risk of long-term addiction, academic failure, and involvement in the juvenile justice system. Expanding services, including residential intervention services, would provide critical support to at-risk youth, helping them build healthier futures while reducing the broader societal and economic costs of untreated substance use disorders.

However, there are four actions that the legislature needs to take in order for the youth residential substance use program to move forward:

1. The legislature needs to authorize the Medicaid Director to establish an adolescent specific substance use rate and to include that rate in the state plan amendment for submittal to CMS.
2. Medicaid will need funding to do the work of establishing the rate.
3. BHDDH did not put General Revenue in the budget for services such as food, transportation, recreation, and other non-clinical services that are not covered by Medicaid. This funding needs to be included in the FY27 budget.



4. The educational costs need to be addressed. Recent court decisions have created uncertainty around which entity is ultimately responsible for providing education, and no funding for these services was included in the current budget. Additionally, DCYF is responsible for the educational costs of youth in treatment *only if* the youth is in the care and custody of the state. Youth needing a co-occurring treatment model, like these programs, should not require that a youth be in DCYF custody.

I urge BHDDH and the legislature to work together to address these issues and funding gaps. Without adequate resources, we risk delaying or preventing these critical programs from opening.

Thank you for the opportunity to comment in support of the BHDDH budget, and please feel free to contact me with any questions.

Thank you,

A handwritten signature in black ink, which appears to read 'Margaret Holland McDuff'.

Margaret Holland McDuff  
CEO