



May 5, 2026

The Honorable Marvin Abney

House Committee on Finance

State House

Providence, RI 020903

RE: House Bill 8314, An Act Relating to Human Services — Medical Assistance — Long-Term Care Service and Finance Reform - SUPPORT

Dear Chairman Abney and Members of the House Finance Committee:

On behalf of LeadingAge Connecticut & Rhode Island, we write in support of House Bill 8314, An Act Relating to Human Services — Medical Assistance — Long-Term Care Service and Finance Reform, specifically the provision to increase the Medicaid rate for Assisted Living Tier C services.

LeadingAge Connecticut & Rhode Island represents a broad network of nonprofit aging services providers across Rhode Island, including nursing homes, assisted living communities, home and community-based service providers, and affordable senior housing. Our members are mission-driven organizations committed to serving older adults with dignity, independence, and high-quality care.

The proposal to increase the Tier C assisted living rate addresses a significant and well-documented gap between the current Medicaid reimbursement and the actual cost of caring for residents with the highest level of need. Tier C residents often have complex clinical conditions, including dementia and behavioral health needs, and require enhanced staffing, specialized programming, and increased supervision to ensure their safety and well-being.

At present, the Medicaid rate for Tier C services does not adequately reflect these realities. Providers continue to face rising costs across all areas of operation, including direct care staffing, recruitment and retention efforts, food, utilities, insurance, and other essential services. As a result, only a limited number of assisted living communities are able to serve Medicaid beneficiaries at this level of care.

Increasing the Tier C rate is an important step toward stabilizing and expanding access to this critical service. When appropriately funded, assisted living can serve as a cost-effective alternative to nursing home care for certain individuals, allowing residents to receive needed supports in a more community-based setting while also reducing overall Medicaid expenditures.

Conversely, failure to address the current rate inadequacy risks further limiting access. Providers may be forced to reduce the number of Medicaid residents they can serve or decline to develop or sustain programs designed for higher-acuity individuals. This would leave vulnerable residents with fewer options and, in many cases, result in placement in higher-cost institutional settings.

Aligning the Tier C rate more closely with the cost of care will support providers in maintaining and expanding capacity, investing in workforce, and continuing to deliver specialized services to residents with complex needs. It also creates an opportunity for the state to encourage innovative models of care that improve outcomes while managing long-term costs.

For these reasons, LeadingAge Connecticut & Rhode Island respectfully urges the Committee to support House Bill 8314.

Thank you for your consideration and for your ongoing commitment to Rhode Island's older adults and the providers who serve them.

Sincerely,

Mag Morelli
President