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May 5, 2026

The Honorable Marvin Abney, Chairman
House Finance Committee
Room 35, Rhode Island State House
Providence, RI 02903

Chairman Abney and members of the House Finance Committee

I am writing to express strong support for **H8404** which would create a Medicaid Infrastructure Fund to assist the 25 impacted organizations in transitioning to dual DCYF and Medicaid billing.

I am Brian Sullivan, President and CEO of Ocean Tides Inc. Ocean Tides operates a twenty-four bed DCYF contracted Residential Treatment Center and School with a focus on male youth involved in the Juvenile Justice system. We have worked for two years with the state to identify the needs and barriers in transitioning to split Medicaid/DCYF billing. To date, our organization has been offered no financial support to make this significant transition.

Ocean Tides has no experience with direct billing to Medicaid, and this ask requires a level of complexity and risk that we have not experienced before. Ocean Tides runs a very lean administrative operation as is required by the Request for Proposals process that the State of RI requires of respondents. Transitioning to Medicaid billing is not a simple administrative shift. It requires investments in compliance systems, staff training, billing infrastructure, technology upgrades, and in many cases, changes to service models. As a small/midsized organization operating on thin margins, these upfront costs are prohibitive.

While we have received rate information from the State, we are still unclear on what part of that rate will continue to come from the State of RI and what portion will have to be directly billed to Medicaid. These increased Medicaid related costs are not budgeted for as the scope of work is not defined. Most of the technology needed for this transformation involves significant upfront financial investment that was not budgeted for funding the RFP process or reflected in the proposed rates.

Cashflow concerns to sustain operations in a dual billing environment are also a great concern and asking organizations to invest 150K+ in new infrastructure without help at the same time that we need to strengthen our reserves is extremely challenging.

A Medicaid Infrastructure Fund would provide critical, time-limited resources to help us build the capacity necessary to successfully participate in Medicaid and DCYF dual billing. This is not only an investment in individual providers- it is an investment in the strength, diversity, and accessibility of the entire service system.

Providence Campus
260 Highland Avenue
Providence, RI 02906
401.861.3778

Gallogly Center
20 Hillside Avenue
Providence, RI 02906
401.273.0731



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The services that we provide will not be easily replaced by other organizations: Our organization has been serving high risk youth and families from statewide for over 50 years and has expertise that will not be replicated by larger and less flexible systems.

I respectfully urge the Committee to support the creation and full funding of a Medicaid Infrastructure Fund and H8404..

Thank you for your consideration and for your continued commitment to community-based services for Rhode Island's children, families, and communities.

Sincerely,

A handwritten signature in blue ink that reads "Brian J. Sullivan". The signature is written in a cursive style with a large initial "B" and "S".

President & CEO
Ocean Tides Inc.