



Department of Health
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February 9, 2022

The Honorable Marvin L. Abney
Chairman
House Committee on Finance
State House
82 Smith St.
Providence, RI 02903

RE: H7123 - AN ACT MAKING APPROPRIATIONS FOR THE SUPPORT OF THE STATE FOR THE FISCAL YEAR ENDING JUNE 30, 2023 (ARTICLE 2 - RELATING TO STATE FUNDS - SECTION 1 - HOSPITAL CONVERSION MONITORING ACCOUNT)

Dear Chairman Abney:

Please accept this letter of support for H 7123, Article 2 -Relating to State Funds (Section 1 - Hospital Conversion Monitoring Account).

Section 1 would establish within the Rhode Island Department of Health (RIDOH), a restricted receipt account entitled *Hospital Conversion Monitoring*. This account would be used for the sole purpose of funding monitoring activities associated with hospital conversions pursuant to § 23-17.14-28(d) (1), (2), (3), and (4). Funds held in non-state escrow, through agreement between RIDOH and the conversion acquiror may be deposited into the restricted receipt account and disbursed, as necessary, to conduct the monitoring activities associated with § 23-17.14-28(d) (1), (2), (3), and (4).

For all hospital conversions approvals, RIDOH is statutorily required to monitor, evaluate, and assess compliance with each condition of approval for a five-year period. Pursuant to R.I. Gen. Laws § 23-17.14-28(d)(3), the acquiror of the converted hospitals must pay for the full and ongoing costs in performing such monitoring, evaluation, and assessment in an amount to be determined by RIDOH. By law, monitoring of the Director's decision needs to be conducted. RIDOH has the opportunity to do so as the funds necessary to cover all the expenses of the initiative are available, yet RIDOH has staffing constraints that impede such monitoring to take place. This initiative would fill the hospital conversions monitoring gap that is occurring. Hiring state FTE monitors to assure that these are being completed, met, and funded in a timely manner is critical. This initiative would create a restricted receipt account to fund monitoring activities performed by state FTEs.

Currently, there is no State account into which RIDOH may receive monitoring funding and from which they may draw upon to pay for state FTEs who perform monitoring activities. As such, RIDOH does not have the state FTE capacity to complete its monitoring duties as required by statute. In addition, since there is no State account to allow RIDOH to hire State FTEs for

monitoring purposes, monitoring activities statutorily mandated to be conducted by RIDOH state FTEs cannot be funded.

In accordance with the issued conditional approval Decision and an executed reimbursement agreement pursuant to the *Hospital Conversions Act*, funds would be deposited in a restricted receipt account and will continue to be replenished by the acquiror to conduct the required monitoring for a period of no less than five years.

It is anticipated that RIDOH would hire one new FTE with the title Planning and Program Specialist and one new FTE with the title Nursing Care Evaluator, focusing on monitoring of quality-related conditions of approval.

Thank you for the opportunity to comment on this legislation.

Sincerely,

A handwritten signature in black ink, appearing to read "J. V. McDonald, MD, MPH". The signature is fluid and cursive, with the initials "J.V." clearly visible at the beginning.

James V. McDonald, MD, MPH
Interim Director

CC: The Honorable Members of the House Committee on Finance
Nicole McCarty, Esquire, Chief Legal Counsel to the Speaker of the House