



M. Teresa Paiva Weed
President

May 9, 2024

The Honorable Susan R. Donovan
House Committee on Health and Human Services
Rhode Island State House
82 Smith Street
Providence, Rhode Island 02903

Re: H.8072

Dear Chair Donovan,

The Hospital Association of Rhode Island (HARI) and its members appreciate the opportunity to comment on H.8072, an act which expands the purpose of the Office of the Health Insurance Commissioner to include protecting the solvency of health systems, physicians and advanced practice providers and encouraging fair treatment of hospitals and other health care providers through the establishment of regional commercial rate parity by 2028.

The current disparity in commercial reimbursement rates among Rhode Island, Massachusetts, and Connecticut presents a financial challenge for hospitals and health care providers in Rhode Island. However, it is essential to recognize that any dialogue regarding potential increases in commercial rates must consider the substantial underpayment for services covered by Rhode Island Medicaid.

Rhode Island Medicaid rates play a crucial role in upholding the financial stability of our healthcare system. With low Medicaid reimbursement rates, there is pressure on commercial reimbursement to be elevated to cover the cost of care to insure stability. This scenario forces hospitals and other providers into a reliance on higher commercial rates from a small portion of patients to counterbalance losses incurred from Medicaid reimbursements. Consequently, this exacerbates financial strain on healthcare providers who are confronted with overall rising healthcare costs.

As we await the publication of the Rhode Island Foundation examination of the financial structure and performance of hospitals and health systems in Rhode Island and the subsequent review of its findings, we urge you to focus on the interconnected nature of healthcare reimbursement. Addressing only commercial reimbursement disparities is important, however without tackling Medicaid underpayments would be insufficient in achieving a balanced system able to compete regionally for staffing and ensure access to care.

HARI is committed to working with the sponsor, this committee, the General Assembly, and other interested stakeholders to develop and implement solutions that address both commercial rate disparities and Medicaid underpayments. We thank you for your attention to this matter, and we look forward to the opportunity to collaborate with you to find solutions that benefit all Rhode Islanders.

Sincerely,

A handwritten signature in black ink, appearing to read "Lisa P. Tomasso", written over a horizontal line.

Lisa P. Tomasso
Senior Vice President

Hospital Association of Rhode Island

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