



April 23, 2025

The Honorable Susan Donovan
Chairwoman
House Health and Human Services Committee
Rhode Island State House
82 Smith Street
Providence, RI 02903

RE: RE: H5426 Licensing of Health Care Facilities - OPPOSED

Dear Chairwoman Donovan and Members of the Health and Human Services Committee,

On behalf of LeadingAge Rhode Island and the nonprofit nursing homes we represent, I am writing to express our strong opposition to H5426. While we support efforts to ensure transparency and financial accountability within Rhode Island's nursing home sector, this bill is duplicative and burdensome, adding unnecessary administrative and financial constraints on providers already struggling to maintain operations.

Nonprofit nursing homes in Rhode Island face unprecedented uncertainty due to a Medicaid reimbursement system that does not cover the actual cost of care, severe workforce shortages, and looming federal Medicaid cuts that could have devastating consequences for our ability to serve older adults. This bill, rather than addressing these fundamental challenges, imposes additional regulatory hurdles that could further destabilize nonprofit providers.

H5426 requires extensive ownership disclosures and places strict limitations on equity withdrawals or asset transfers, regardless of financial necessity. These provisions duplicate existing state and federal reporting requirements, creating unnecessary red tape for nonprofit nursing homes, which already operate under rigorous financial and operational oversight. Moreover, the penalties outlined in the bill are excessively punitive and could force providers to divert resources away from resident care simply to ensure compliance with new bureaucratic requirements.

Instead of adding more regulations that complicate the ability of nursing homes to function effectively, we urge policymakers to focus on real solutions that address the financial and workforce crises facing long-term care providers. Increasing Medicaid reimbursement rates, investing in workforce development, and supporting sustainable financial practices would be far more effective measures to strengthen Rhode Island's nursing home sector and ensure high-quality care for residents.



We strongly encourage the General Assembly to reject H5426 and to work collaboratively with providers on solutions that support—not hinder—Rhode Island's nonprofit nursing homes. Thank you for your time and consideration. We welcome the opportunity to further discuss this issue and find a path forward that prioritizes the needs of our seniors and the long-term viability of our care system.

Sincerely,

Francis X. McMahon, Esq.
LeadingAge Rhode Island