



April 24, 2025

RI State Legislation Committee  
Rhode Island House of Representatives  
82 Smith Street  
Providence, RI 02903

To whom it may concern,

I am writing to voice my opposition to House Bill H5426, "An Act Relating to Health and Safety – Licensing of Healthcare Facilities," introduced during the January 2025 session. While I support efforts to improve transparency in healthcare operations, this bill imposes impractical and excessive requirements that could jeopardize the stability of nursing facilities like ours.

#### 1. Unnecessary Duplication and Excessive Ownership Disclosure

This bill requires comprehensive disclosure of any party with even indirect financial or legal interests in the facility's land, buildings, or financing instruments. Such reporting extends beyond what is practical or necessary, especially for small, privately-owned nursing homes. The requirement to disclose all beneficial interests in detail, including those of limited liability members, corporate officers, and stockholders, places an undue administrative burden on operators without clear benefit to patient care or safety.

#### 2. Disproportionate Penalties and Director Discretion

The bill introduces punitive measures for non-compliance, including financial penalties of up to one million dollars (\$1,000,000) or more, at the discretion of the Director of Health. These fines are excessive and risk penalizing facilities over minor administrative oversights. Furthermore, granting such broad discretion to a single authority could result in inconsistent or arbitrary enforcement, which would undermine fairness and trust in regulatory processes.

#### 3. Restrictions on Financial Operations

Section 23-17-12.12 would limit a facility's ability to manage its finances, restricting withdrawals or asset transfers exceeding 3% of annual patient care revenue without prior approval. This restriction ignores the realities of operating a healthcare facility, where funds

often need to be reallocated for emergencies, reinvestments, or operational adjustments. Waiting up to 60 days for approval can severely disrupt business continuity and financial planning, particularly for facilities striving to maintain quality care amidst rising costs and workforce shortages.

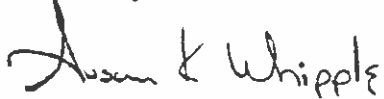
#### 4. Impact on Small and Family-Owned Facilities

As the administrator of a family-run nursing home, I am deeply concerned about the chilling effect this legislation would have on small operators. Unlike large corporate chains, we rely on efficient operations and flexible financial management to sustain our services. The increased regulatory and reporting burdens could push many community-based facilities to the brink, reducing choices for families and disrupting the care of our most vulnerable citizens.

I urge you to reconsider the broad and burdensome nature of this bill. Instead, I support reasonable reforms that enhance transparency without compromising the viability of quality, compassionate care provided by dedicated local facilities.

Thank you for considering this perspective. I am available to discuss alternative solutions that would serve the interests of transparency while supporting the operational needs of Rhode Island's nursing homes.

Sincerely,



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