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TTY: 771
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April 9, 2026

The Honorable Susan R. Donovan, Chair
House Committee on Health and Human Services
State House
82 Smith St.
Providence, RI 02903

RE: H 7720 – An Act Relating to Health and Safety – Rhode Island Healthcare Transaction Oversight

Dear Chair Donovan:

Please accept this letter regarding H 7720, legislation regarding the *Rhode Island Healthcare Transaction Oversight Act*. This legislation seeks to strengthen state oversight of healthcare transactions, such as hospital sales, mergers, acquisitions, and major financial restructurings, to protect patient access, system stability, and public resources. The legislation reflects concerns that certain ownership and financial arrangements, including those seen in recent hospital bankruptcies, can lead to service disruptions, higher costs, and reduced access to care. As such, this legislation aims to give the state earlier visibility into potentially risky transactions and the authority to evaluate their impact before they are finalized.

This legislation is duplicative of and overlaps with existing statutes and regulations of the Hospital Conversions Act (R.I. Gen Laws 23-17.14-1 *et seq.*) and Change in Effective Control review processes (R.I. Gen. Laws 23-17-1 *et seq.*). This legislation would require extensive and comprehensive Cost and Market Impact Reviews of hospitals, skilled nursing facilities, and other licensed health care facilities transactions. This legislation would require the Rhode Island Department of Health (RIDOH) to conduct reviews of health care entities that are not currently required to be licensed by RIDOH.

RIDOH applauds the intent of the bill. However, as drafted, H 7720 is a complex bill. RIDOH requires additional time to analyze this legislation properly. When our analysis is complete, we look forward to communicating any concerns or suggestions directly to the sponsor.

Sincerely,

A handwritten signature in black ink that reads "Jerome M. Larkin".

Jerome M. Larkin, MD
Director

CC: The Honorable Members of the House Committee on Health and Human Services
The Honorable Kathleen A. Fogarty
Nicole McCarty, Chief Legal Counsel to the Speaker of the House
Lynne Urbani, Director of House Policy