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PRIMARY CARE

Dear Chair and Members of the Committee,

My name is Noah Benedict, and I serve as President & CEO of the Rhode Island Primary Care Physicians Corporation (RIPCPC). Our organization represents over 60 primary care clinics and 165 primary care providers across the state. I am writing to respectfully express concerns and opposition to H 7720, the Rhode Island Healthcare Transaction Oversight Act.

Let me begin by acknowledging the core premise of this legislation with which we agree: protecting patients, preserving access to care, and ensuring the stability of our healthcare system are critical priorities. However, we are concerned that the framework proposed in H 7720, while well-intentioned, may inadvertently undermine the very goals it seeks to achieve, particularly in the context of primary care.

Primary care in Rhode Island, as in much of the country, is significantly underfunded relative to its value in improving outcomes and reducing the total cost of care. At the same time, the healthcare system is rapidly transitioning toward value-based care models. These models frequently require providers to enter into risk-based contracts that include downside financial exposure. In such arrangements, primary care organizations are expected to manage population health, invest in care coordination infrastructure, adopt advanced data capabilities, and absorb financial risk tied to patient outcomes.

To succeed in this environment, access to capital is not optional; it is essential.

For many primary care organizations, especially independent and community-based practices, capital partners, including private equity, strategic investors, or management service organizations, provide the financial resources necessary to:

- Build and sustain value-based care infrastructure
- Invest in workforce, including care managers and behavioral health integration
- Implement data analytics and reporting systems
- Manage financial risk associated with downside contracts
- Provide financial support to primary care providers

Without these partnerships, many practices simply do not have the balance sheet or operating margins required to participate meaningfully in value-based care.

H 7720 introduces a broad and potentially burdensome regulatory process that could have a chilling effect on these critical investments. The 180-day notice requirement, combined with the possibility of extended reviews, conditions, or disapproval, creates significant uncertainty for potential capital partners. In a competitive national investment environment, this uncertainty may lead investors to direct resources away from Rhode Island and toward states with more predictable regulatory pathways.

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The result could be fewer opportunities for primary care practices to access the capital needed to transform care delivery, ultimately limiting innovation, slowing the adoption of value-based models, and placing additional financial strain on already under-resourced primary care providers.

We are also concerned that the bill's broad definitions of "material change transactions" may capture routine and necessary business arrangements, including affiliations and management agreements that are essential for small and mid-sized practices to remain viable.

We strongly support thoughtful oversight of healthcare transactions. However, any such framework must carefully balance oversight with the need to foster investment, innovation, and sustainability, particularly in primary care, which serves as the foundation of our healthcare system.

We respectfully urge the Committee to reconsider this legislation or to work collaboratively with stakeholders, including primary care providers, to refine the approach in a way that:

- Preserves access to capital for primary care organizations
- Supports participation in value-based care models
- Avoids unnecessary administrative burden and delays
- Maintains Rhode Island's attractiveness as a place for responsible healthcare investment

Thank you for your time and consideration of our perspective. I would welcome the opportunity to further discuss these issues and work toward solutions that strengthen, rather than constrain, primary care in Rhode Island.

Thank you for your consideration.

Sincerely,

Noah Benedict
CEO & President
Rhode Island Primary Care Physicians Corporation

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