



Michael Sroczyński
President

April 9, 2026

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

Re: **OPPOSITION – H. 7721** - Rhode Island Ban on the Corporate Practice of Medicine Act

Dear Chair Donovan,

On behalf of the Hospital Association of Rhode Island (HARI) and our member hospitals and health systems, I am writing to express our strong opposition to H.7721, the **Rhode Island Ban on the Corporate Practice of Medicine Act**. While we support the goal of ensuring clinical independence, this legislation poses significant risks to the stability of Rhode Island's healthcare infrastructure and the integrated care models that patients rely on.

HARI opposes H.7721 for the following critical reasons:

1. Disruption of Integrated Care Delivery

By imposing rigid ownership and shareholding requirements (Section 23-106-2), S.2459 threatens the existing legal and operational structures of many health systems. These structures are not designed to "corporate-ize" medicine, but to provide the financial and administrative stability necessary for physicians to focus solely on patient care.

2. Excessive Interference in Hospital Operations

Section 23-106-3(f) and 23-106-4(c) broadly define "interference" in a way that could dismantle standard hospital quality-control measures. Prohibiting administrative oversight of work schedules, staffing levels, and diagnostic coding decisions would undermine a hospital's ability to:

- Ensure adequate ED coverage during surges.
- Maintain standardized, evidence-based clinical protocols.
- Manage the financial viability of the institution through centralized billing and contracting.

3. Impact on Physician Recruitment

Rhode Island is already facing a provider shortage. By voiding standard non-disclosure and non-competition agreements, this bill will further destabilize the Rhode Island healthcare workforce. In addition, the "meaningful ownership" requirement may deter physicians who prefer the security of employment within a large system over the financial risks and administrative burdens of private practice ownership.

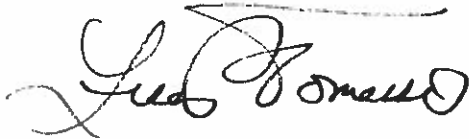
4. Duplicative and Burdensome Reporting

Hospitals in Rhode Island are already among the most regulated and transparent entities in the state, providing regular disclosures to the Department of Health and the Attorney General. Chapter 107 mandates exhaustive annual reporting of ownership, financial statements, and compensation data already available in the public domain.

For these reasons HARI urges the Committee to oppose H.7721.

We appreciate your consideration and look forward to continuing to work with Senator Ujjifusa and this committee to strengthen Rhode Island's healthcare system.

Sincerely,

A handwritten signature in black ink, appearing to read "Lisa P. Tomasso". The signature is fluid and cursive, with a long horizontal line extending from the top of the first letter.

Lisa P. Tomasso
Senior Vice President