



March 17, 2026

RE: Opposition to 2026 H7930 - Transparency of Ownership / Withdrawal of Equity or Assets

Dear Chairperson and Members of the House Health & Human Services Committee:

My name is Akshay K. Talwar. I am the owner and administrator of Briarcliffe Manor Skilled Nursing and Rehabilitation in Johnston, Rhode Island, and have been directly involved in the ownership and operation of nursing facilities for many years.

I respectfully submit this testimony in opposition to 2026 H7930.

At a time when Rhode Island is already facing structural pressure on its long-term care system, this legislation risks accelerating a decline in access to care. Rhode Island currently has approximately 74–78 nursing facilities with roughly 8,000–8,200 beds statewide. At the same time, our population is aging rapidly—more than 31% of Rhode Islanders are over age 55, and by 2030, one in four residents will be over 65.

In other words, demand is increasing while supply is already constrained.

1. The proposed restriction on equity withdrawal is unprecedented and will deter investment. Section 23-17-12.12 would prohibit the withdrawal of equity or transfer of assets exceeding 3% of annual revenue without prior state approval. This is not a transparency measure—it is a direct constraint on capital.

Nursing homes are capital-intensive businesses that require ongoing reinvestment in staffing, infrastructure, and compliance. Rhode Island facilities each represents a significant fixed investment that must be continuously maintained and modernized.

Owners and lenders must have reasonable access to capital in order to sustain operations. A regulatory structure that requires approval for routine financial decisions will discourage both existing operators and new entrants from committing capital to this sector.

2. The bill introduces uncertainty with no defined standards for approval. The legislation provides no objective criteria by which the Director will approve or deny requests. This creates material uncertainty for operators, lenders, and investors, all of whom require predictability in order to make long-term commitments. A 60-day approval window, without defined standards, is incompatible with the timing requirements of financing, refinancing, and operational cash flow management.

3. The penalties are disproportionate and will have a chilling effect. The potential for penalties of up to \$1,000,000, combined with the authority to mandate financial audits at the operator's expense, is extraordinarily severe. This level of punitive exposure will be viewed as regulatory risk by capital providers and may limit access to financing for Rhode Island facilities.

4. Expanded ownership disclosure requirements may adversely impact financing structures. While transparency is an appropriate goal, the breadth of required disclosures—particularly extending through layered ownership and financing entities—may conflict with standard real estate and lending structures. This could make Rhode Island a less attractive environment for institutional capital and responsible operators.

5. The unintended consequence: reduced access to care in an already tight market. Rhode Island has approximately 8,000 residents in nursing facilities at any given time, meaning these facilities are already operating as essential infrastructure for thousands of families.

Policies that restrict capital and increase regulatory risk will not improve care—they will discourage reinvestment, delay upgrades to aging buildings, and ultimately reduce the number of providers willing to operate in the state.

At a time when the state should be encouraging modernization and stability in long-term care, this legislation moves in the opposite direction.

I fully support reasonable transparency and accountability in our industry. However, this legislation goes beyond transparency and introduces financial constraints and regulatory uncertainty that will ultimately harm the very residents it seeks to protect.

For these reasons, I respectfully urge the Committee to oppose 2026 H7930 or to substantially revise it in a manner that preserves transparency without impairing the ability of providers to invest in and sustain high-quality care.

Thank you for your consideration.

Respectfully submitted,

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