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March 20th. 2026

Chairwoman Donovan

I write to strongly oppose House Bill 7930 & Senate Bill 3025 which would restrict nursing home entities from distributing more than three percent of annual gross patient revenue to investors or owners without prior approval from the Rhode Island Department of Health.

While the legislation is intended to increase oversight, it would have serious unintended consequences that could significantly weaken Rhode Island's already fragile long-term care system.

First, the bill would discourage investment in Rhode Island's nursing homes at a time when the industry desperately needs capital. Long-term care facilities require continuous investment to maintain buildings, upgrade safety systems, improve infection control capabilities, and modernize equipment and technology. Investors and lenders provide much of the capital that allows these improvements to occur. By placing a strict cap on potential returns tied to gross revenue, the legislation sends a clear signal that Rhode Island is a high-risk environment for long-term care investment. Capital will inevitably flow to states where the regulatory environment is more predictable, leaving Rhode Island facilities with fewer resources to improve and maintain care environments.

Second, the bill would create regulatory uncertainty that could undermine financing and long-term stability. Nursing homes often operate within complex financial and organizational structures that include lenders, management companies, and real estate partners. Limiting distributions and subjecting them to discretionary approval by the Department of Health introduces uncertainty into these arrangements and could interfere with financing agreements and investment planning. Lenders and investors require predictable financial structures when committing capital to healthcare operations. Policies that introduce uncertainty will make financing more difficult and more expensive for Rhode Island providers.

Third, this legislation risks reducing access to care for Rhode Island's most vulnerable residents. The long-term care sector is already under enormous pressure due to workforce shortages, rising operating costs, and chronic Medicaid underfunding. Additional financial restrictions that discourage investment or weaken financial stability could accelerate facility closures or discourage providers from operating in Rhode Island altogether. The result would be fewer nursing home beds available for seniors and individuals with complex medical needs who depend on these facilities for care.



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Rhode Island's aging population will require a stable, well-funded long-term care system. Policies that discourage capital investment and create financial uncertainty move the state in the wrong direction. If greater transparency is the goal, there are more effective ways to achieve it through reporting and oversight without imposing rigid financial restrictions that threaten the sustainability of the sector.

For these reasons, I respectfully urge the General Assembly to oppose H.7930 and S.3025.

Thank You,

Ray Talamona

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