ATHENA
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Testimony in Opposition to House Bill 8500

Rhode Island House Committee on Health & Human Services

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Good evening, Chairperson and distinguished members of the House Health & Human Services Committee.

My name is George Zainyeh and I am submitting this testimony on behalf of **Marquis Healthcare**, a Rhode Island nursing home operator committed to providing high-quality, compassionate care to our state's most vulnerable residents. We respectfully but firmly urge this Committee to oppose House Bill 8500.

We Share the Goal of Accountability — But This Bill Misses the Mark

Marquis Healthcare fully supports transparency and responsible stewardship of public funds. We welcome constructive oversight. However, H8500 as written imposes a sweeping quarterly financial reporting mandate on "covered health entities" that is administratively burdensome, duplicative of existing requirements, and — critically — does nothing to actually improve care for residents.

What Is Actually at Stake: Rhode Island's Most Vulnerable Residents

Before turning to the specific deficiencies of H8500, we ask this Committee to keep one thing in the foreground: the people who live in Rhode Island's nursing homes. They are our parents and grandparents. They are stroke survivors, dementia patients, and individuals recovering from major surgery. Many have no other option for care. They depend entirely on the stability, continuity, and quality of the facilities that serve them.

Research is unambiguous that staff turnover directly harms residents. When familiar caregivers leave, residents — especially those with dementia or complex medical needs — experience measurable declines in wellbeing. Continuity of care is not an abstract administrative value; it is the difference between a CNA who knows that Mrs. Silva refuses her evening medication unless it comes with applesauce, and a temporary agency worker reading her chart for the first time. It is the difference between a nurse who recognizes the early signs of a resident's deterioration and one who doesn't know the baseline. High turnover increases the risk of medication errors, missed clinical changes, falls, and infections. It erodes the trust and human connection that give residents dignity and comfort in the final chapters of their lives.

When facilities become financially destabilized — by inadequate reimbursement, compounding compliance costs, and workforce crises — it is residents who ultimately bear the cost. They face disrupted care, unfamiliar staff, and in the worst cases, facility closure and forced displacement. Displacing a frail elderly resident from a nursing home they have called home is not a bureaucratic inconvenience; it is a medical and emotional crisis that research has linked to increased mortality.

Every policy decision this Committee makes about Rhode Island's nursing homes is, at its core, a decision about those residents. H8500 fails that test.

The Burden Falls on Caregivers, Not Administrators

Rhode Island's nursing homes are already among the most heavily regulated healthcare providers in the country. We already submit detailed cost reports to the Centers for Medicare & Medicaid Services (CMS), comply with Rhode Island Department of Health licensing and certification reviews, and operate under the state's Medicaid reimbursement framework — all of which involve extensive financial disclosure.

Adding mandatory *quarterly* reporting to the Secretary of EOHHS on top of these existing obligations will require significant investment in administrative staff, compliance infrastructure, and legal and accountant review. For smaller facilities, this is not a trivial cost. Every dollar and every staff hour diverted to generating government reports is a dollar and an hour taken away from direct patient care.

Rhode Island's Nursing Homes Are Already in Financial Crisis

The General Assembly and the Governor are well aware that Rhode Island's nursing home sector is under severe financial strain. Facilities across the state have faced chronic underfunding through Medicaid reimbursement rates that have not kept pace with the rising costs of labor, supplies, or regulatory compliance. Many facilities are operating at or below the margin needed to remain solvent.

It is telling that the Governor suspended enforcement of the state's own safe-staffing law in late 2023, explicitly acknowledging that the industry was in poor financial shape and could not fill existing positions — let alone absorb new compliance mandates. H8500 arrives in this same environment.

Adding a new layer of quarterly financial reporting does not address the underlying funding challenges; it simply adds cost.

The Proposed Reporting Requirement Is Duplicative and Overbroad

H8500 does not describe a targeted, risk-based oversight mechanism. It applies broadly to "covered health entities" and mandates uniform quarterly submissions regardless of a facility's track record, size, or complexity. Nursing homes that have operated responsibly and transparently for decades would face the same reporting burden as any other entity.

To appreciate just how duplicative this mandate is, consider the federal oversight framework already governing Rhode Island nursing homes. Facilities participating in Medicare and Medicaid are subject to: annual health and safety surveys conducted by RIDOH on behalf of CMS; monthly Payroll-Based Journal (PBJ) staffing data submissions to CMS, which are publicly posted; annual Medicare cost reports; the CMS Five-Star Quality Rating System, which aggregates staffing, inspection, and quality measure data and is publicly searchable by any resident or family member; civil monetary penalties for health and safety violations; and — beginning May 2026 — phased implementation of new federal minimum staffing mandates requiring 24/7 RN coverage and minimum nurse hours per resident per day. Rhode Island's own RIDOH licensing and Medicaid certification processes add another layer on top of all of this.

This is not a sector operating in a transparency vacuum. It is one of the most heavily monitored industries in the country. If the legislature's concern is bad actors or financial mismanagement, the appropriate remedy is enhanced enforcement of *existing* reporting requirements — not a blanket new mandate imposed on the entire industry.

H8500 Risks Accelerating a Trend of Facility Closures — With Nowhere for Residents to Go

Rhode Island is not hypothesizing about nursing home closures — it is already living through them. Aldersbridge Communities closed Linn Health & Rehabilitation in East Providence and converted the facility to assisted living, citing financial pressures and Medicaid underfunding. Facilities across the state have downsized, limited admissions, or warned publicly that they cannot sustain current operations under existing conditions.

Rhode Island has approximately 73 nursing homes serving a rapidly aging population. As the state's seniors live longer and the baby boom generation continues to age into the years of greatest care need, the demand for skilled nursing beds is not shrinking — it is growing. Every facility that closes or reduces capacity removes beds from a system that cannot afford to lose them.

H8500 adds another weight to facilities already struggling to stay solvent. For a nursing home operating at thin margins — which describes most Medicaid-dependent facilities in this state — a new mandatory

compliance infrastructure is not simply an inconvenience. It is a line item that may push an already-precarious operation past the point of viability. The bill's sponsors may intend transparency; the unintended consequence may be accelerating the closure of the very facilities they seek to oversee.

When a nursing home closes in Rhode Island, there is no seamless transfer of residents to alternative settings. Families face agonizing searches for available beds, often far from home. Residents with established care relationships are uprooted. Clinical handoffs happen under pressure. The state absorbs emergency placement costs. No quarterly financial report filed with the Secretary of EOHHS is worth that outcome.

This Committee should ask not just what H8500 is designed to accomplish, but what it might inadvertently destroy.

Rhode Island's Nursing Homes Are Facing a Severe Workforce Crisis — And H8500 Makes It Worse

Perhaps the most critical challenge facing Rhode Island's nursing home sector today is not financial reporting — it is the inability to recruit, retain, and sustain a qualified direct-care workforce. This crisis is well-documented, and H8500 does nothing to address it. In fact, by consuming limited administrative and financial resources, it actively makes the problem worse.

The numbers are stark. Rhode Island nursing homes are experiencing a caregiver exodus driven by low wages, inadequate benefits, and unsustainable working conditions. Nearly a 50 percent turnover rate has been documented in Rhode Island nursing homes, and with over 18,000 active CNA licenses in the state, roughly 12,000 are unaccounted for — many of whom have left the profession entirely for less demanding jobs in retail or service industries. Nationally, nursing home RN turnover has hovered around 36–45 percent in recent years — more than double the hospital nursing staff turnover rate of approximately 16 percent.

Burnout is the engine driving turnover. Direct care workers — CNAs, LPNs, and RNs — are bearing the weight of staffing gaps left by colleagues who have already left. Survey data reveals that 85 percent of nurses report feeling overworked, and 45 percent say they are considering leaving the profession altogether. Extended work hours significantly increase turnover: research has shown that the percentage of nursing staff working more than 50 hours per week is a reliable predictor of staff departure. When facilities are chronically short-staffed, remaining workers are stretched thin — physically, emotionally, and professionally. The result is a self-reinforcing cycle: burnout drives departure, departure drives burnout among those who remain.

Recruitment is not a quick fix. Hospitals and higher-paying healthcare settings continue to draw workers away from long-term care. Nursing homes cannot compete on compensation alone when Medicaid reimbursement rates remain insufficient, and when facilities are simultaneously being penalized or threatened with penalties for failing to meet staffing ratios they cannot practically achieve given the workforce environment. As noted by the Rhode Island Health Care Association, mandates that

outpace workforce availability do not produce more nurses — they produce more violations, more costs, and ultimately, more closures.

The financial cost of turnover is crushing. The average cost to replace a single bedside RN now exceeds $61,000 nationally — an 8.6 percent increase from the prior year. For nursing homes operating on thin Medicaid margins, replacing even a handful of staff annually represents a massive drain on resources. Every dollar spent on recruitment, temporary agency staffing, and onboarding is a dollar unavailable for wages, benefits, or resident programming. Facilities that rely heavily on agency nurses to fill gaps face a secondary problem: research shows that high use of agency staff is associated with significantly higher turnover rates among permanent staff, as the added burden of orienting temporary workers increases the workload and frustration of those who stayed.

Marquis Healthcare is the exception — and that exception was hard-won.

We want to be transparent with this Committee: Marquis Healthcare has invested heavily in the kind of workforce culture and retention infrastructure that most facilities in this state are struggling to build. According to CMS data compiled by ProPublica, Marquis-affiliated facilities average a nurse turnover rate of approximately 41.9 percent — meaningfully below the national average of 46.4 percent, and well below the crisis-level figures seen across much of Rhode Island's nursing home sector. We have achieved this not by accident, but through deliberate investment in employee engagement, competitive compensation practices, professional development programs, and a management culture that takes staff concerns seriously.

We are proud of this record. But we are also clear-eyed about what it took to get here — and about the fact that we remain the exception, not the rule. The majority of Rhode Island nursing homes are not in a position to replicate these outcomes without first addressing the underlying conditions that drive staff away: inadequate Medicaid reimbursement, unsustainable workloads, and a labor market that continues to pull caregivers toward higher-paying alternatives in hospitals and other settings.

H8500 does nothing to help those facilities close the gap. And for operators like Marquis, who are actively reinvesting in their workforce, mandating a new layer of quarterly financial reporting simply redirects time and dollars away from the very programs — retention bonuses, staff wellness initiatives, training stipends — that make the difference. The facilities doing it right should not be penalized for everyone else's failures.

H8500 will worsen this crisis, not resolve it. The administrative staff required to compile, verify, and submit quarterly financial reports to the Secretary of EOHHS does not appear from thin air. Diverting management capacity — and funds — to compliance bureaucracy comes at a direct cost to workforce investment. At the very moment when facilities need to be focused on competitive compensation strategies, staff wellness programs, training pipelines, and retention incentives, H8500 asks them to redirect those resources toward government paperwork.

The General Assembly should be asking: what can we do to make it easier for Rhode Island nursing homes to hire and keep good caregivers? H8500 answers a different question entirely.

A Better Path Forward — And a Call for Collaboration

Marquis Healthcare recognizes that the sponsors of H8500 are motivated by genuine concern for financial accountability in healthcare. That concern is legitimate, and we share it. We do not oppose oversight as a principle — we oppose this particular mechanism as poorly targeted, duplicative, and harmful in its likely consequences. We would welcome the opportunity to work directly with bill sponsors and committee members to craft a more surgical approach that addresses real accountability gaps without imposing blanket burdens on an already strained industry.

With that spirit of collaboration in mind, Marquis Healthcare respectfully suggests that the Committee consider the following alternatives before advancing H8500:

1. **Target oversight where risk exists.** Work with RIDOH and EOHHS to develop a risk-stratified oversight framework that focuses enhanced scrutiny on facilities with documented compliance concerns, rather than applying uniform burdens industry-wide.
2. **Strengthen existing reporting.** If gaps exist in the state's financial oversight of health entities, address them by improving the utilization and enforcement of reports already required under state and federal law.
3. **Pair accountability with adequate funding.** Any transparency measure should be accompanied by meaningful reform to Rhode Island's Medicaid reimbursement rates to ensure facilities can sustain quality operations. Accountability without adequate resources is not a solution — it is an unfunded mandate.
4. **Invest in workforce solutions.** Rather than H8500's administrative mandate, the General Assembly could do far more for Rhode Island's nursing home residents by directing resources toward CNA training pipelines, loan forgiveness for LPNs and RNs who commit to long-term care, wage pass-through requirements tied to Medicaid rate increases, and caregiver wellness and anti-burnout programs. These are the investments that will keep beds staffed and residents cared for.

Conclusion

Marquis Healthcare employs hundreds of Rhode Islanders and serves thousands of residents who depend on us every day. We take our obligations to our residents, our staff, and the public seriously. H8500, however, would impose new administrative burdens on an already strained industry without producing meaningful improvements in care quality or financial accountability — and risks accelerating the facility closures and workforce departures that harm the very residents it is meant to protect.

We respectfully urge this Committee to vote to hold H8500 and refer it back for meaningful stakeholder engagement with the nursing home community before any further advancement. We stand ready to participate constructively in that process and to help develop accountability measures that are targeted, proportionate, and paired with the resources needed to deliver excellent care across Rhode Island.

Thank you for the opportunity to provide testimony.