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May 28, 2026

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

**RE: H 8500 – Relating to State Affairs and Government – Office of Health and Human Services**

Dear Chair Donovan:

I am writing in support of H 8500, legislation that would promote fiscal integrity, transparency, and accountability in the State's healthcare system by mandating that the health entities required to report that are identified therein submit quarterly financial reports to the Secretary to facilitate the regular and timely assessment of their financial soundness and identify any entities that may be facing financial risks with the potential to affect the overall stability of the State's healthcare system, equitable access to high-quality and affordable services, and the goals of the statewide health planning process. This legislation was introduced at the request of the Executive Office of Health and Human Services (EOHHS).

For the purposes of this legislation entities required to report include hospitals and nursing facilities licensed by the Rhode Island Department of Health (RIDOH); federally qualified health centers (FQHCs) licensed by RIDOH as a type of organized ambulatory healthcare facility (OAHF) and certified by the federal Center for Medicare and Medicaid Services and EOHHS; and certified community behavioral health clinics (CCBHCs) certified and regulated by EOHHS with clinical oversight support provided by the Rhode Island Department of Behavioral Healthcare, Developmental Disabilities and Hospitals (BHDDH).

If EOHHS makes a finding of financial risk or imminent financial jeopardy, notification from EOHHS to the healthcare entity will include:

- A possible range of corrective actions;
- The obligations of their owner(s)/operator(s) to cooperate;
- A requirement to provide a corrective action plan, follow-up reports, or any additional documentation that EOHHS may require and the associated due dates; and
- Any actions that may be imposed on the healthcare entity for failing to comply.

This legislation does not impose financial penalties on a covered entity that fails to submit a quarterly report. However, the legislation allows EOHHS to pursue funding, including, but not limited to, authorized Medicaid Federal Match opportunities, grants, and foundation awards to stabilize entities found to be in imminent jeopardy and promote fiscal integrity, transparency, and accountability in the State's healthcare system. In circumstances in which government action may be warranted and no authority for such exists within EOHHS, RIDOH, BHDDH, or any other State agency, the recommendations shall be forwarded to the Governor for the prompt resolution of any imminent risks identified.

Healthcare spending comprises at least a third of most State budgets, including Rhode Island. As a result, Rhode Island policymakers will need to be equipped to understand Rhode Island's healthcare markets, uncover sources of spending, and propose solutions that support the financial stability of healthcare organizations and specific patient populations. Nationally, a growing bi-partisan consensus is supporting increased State healthcare financial transparency to identify financial risk in healthcare entities as early as possible to help prevent insolvency and disruptions to healthcare access by its residents. If the proposed legislation is enacted, Rhode Island will join more than 20 other states that have enacted similar transparency laws as of 2025.

I urge your favorable consideration of this critically important public health legislation.

Sincerely,

A handwritten signature in black ink that reads "Jerome M. Larkin". The signature is fluid and cursive, with a long horizontal stroke extending from the end of the name.

Jerome M. Larkin, MD  
Director

CC: The Honorable Members of the House Committee on Health and Human Services  
Danica Iocoi, Chief of Staff  
Nicole McCarty, Esquire, Chief Legal Counsel  
Lynne Urbani, Director of House Policy