



To: Senate Committee on Finance  
From: Brown University Health  
Date: April 9, 2026  
Subject: Support for Budget Article 11, Section 14 – Rhode Island Marketplace Affordability Program Act of 2026

Dear Chair DiPalma and Members of the Committee:

[Brown University Health](#), Rhode Island's largest health system and its largest employer, serving patients across a comprehensive and integrated network of care. As a system, we have more than 1,620 patient care offices and locations, including our four hospitals in Rhode Island and two in Southeastern Massachusetts. We are committed to delivering high-quality, patient-centered care in every community we serve. As a leading academic and clinical health system, we attract world-class physicians, researchers, and healthcare professionals, fostering innovation, advancing medical education, and ensuring access to cutting-edge treatments. Our health system plays a critical role in strengthening the region's healthcare infrastructure, driving economic growth, and improving the overall health and well-being of the populations we serve.

On behalf of Brown University Health, I write in strong support of the FY 2027 budget article establishing the Rhode Island Marketplace Affordability Program Act of 2026, as proposed by Governor McKee. This proposal directly addresses the affordability challenges Rhode Islanders will face following the expiration of enhanced federal premium tax credits.

We also appreciate that the Governor's proposed budget reflects a balanced and pragmatic approach to the State's fiscal constraints. Rather than adopting the significant reductions outlined in earlier constrained budget scenarios, the Governor's budget builds on prior progress while maintaining critical healthcare investments. It acknowledges both the immediate and ongoing challenges resulting from federal policy changes and includes targeted investments to help stabilize access to care across Rhode Island.

Hospital-related funding included in the proposal reflects this approach, including:

- Full funding of hospital inpatient and outpatient UPL
- Funding for managed care state directed payments at the FY26 all-funds level
- A 2.5% Medicaid rate adjustment
- An additional \$10 million in DSH funding to help address anticipated increases in uncompensated care in FY27 due to individuals losing health insurance coverage

The Marketplace Affordability Program Act complements these investments by creating a targeted, state-based affordability program to reduce premiums for low- and moderate-income residents enrolled through HealthSource RI. By aligning eligibility with the federal premium tax credit while



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extending support to those just above the federal threshold, the program appropriately addresses the “subsidy cliff” that would otherwise leave many individuals without meaningful assistance.

Importantly, the proposal prioritizes households below 200% of the federal poverty level and directs the Exchange to calibrate assistance based on income and premium burden. Subsidies are applied directly to insurers on behalf of enrollees, ensuring immediate and tangible reductions in monthly premium costs.

Absent this intervention, many Rhode Islanders will face significant premium increases, leading to coverage loss or difficult tradeoffs that delay care. In our experience, when coverage becomes unaffordable, patients defer preventive and primary care, chronic conditions worsen, and avoidable emergency department use increases—driving poorer outcomes and greater strain on the healthcare system, particularly hospitals.

Governor McKee’s proposal represents a proactive and practical step to preserve coverage gains and mitigate these risks. This proposal will help maintain coverage stability and ensure that Rhode Islanders can continue to access timely, appropriate care. Most importantly, it will reduce the likelihood that individuals and families are forced to choose between healthcare and other basic needs.

We respectfully urge the Committee to support this important article.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads "David A. Balasco". The signature is written in a cursive, flowing style.

David A. Balasco, Esq.  
Vice President, Government Relations  
Brown University Health