



Communities for People

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RE: Proposed FY2027 Budget – Needed Changes for the Department of Children, Youth and Families (DCYF)

Dear Chairman DiPalma and Members of the Senate Finance Committee,

I am writing on behalf of Communities for People Inc. (CFP), a child welfare organization providing prevention, in-home family support, foster care, residential, and youth development services across Rhode Island. As a frontline provider, we have significant concerns that elements missing from the proposed FY2027 budget may undermine access to critical services and destabilize the state's community-based system of care.

Recent investments in DCYF rates have begun to stabilize and expand access to services. Updated rates allowed providers to increase home- and community-based capacity from approximately 900 to 1,700 children served. This expansion has contributed to more families being supported safely in their homes and a reduction in placements into congregate care. Reducing or failing to sustain this level of funding would risk reversing that progress.

However, upcoming Medicaid Transformation changes threaten these gains. Without adequate rate structures and infrastructure funding, providers may not be able to sustain services. With implementation expected in January, there remains limited clarity around rates, the Medicaid/General Revenue split, and the infrastructure required to operate under the new system. This uncertainty may force providers to scale back or discontinue programs, narrowing the service array and limiting timely access to care.

The transition to Medicaid-managed care introduces significant administrative and financial burdens. Increased requirements related to billing, compliance, and reporting will strain provider capacity and divert resources from direct services. Additionally, the shift places greater financial risk on providers, including the potential for delayed reimbursements and denied claims, which could jeopardize program stability.

Equally concerning is the potential loss of flexibility. Child welfare, behavioral health, and juvenile justice diversion services require individualized, family-centered approaches that do not always align with standardized Medicaid billing structures. Reduced flexibility may limit the ability to meet the complex and evolving needs of youth and families.

We also have concerns regarding proposed budget Articles 8 and 10, which would consolidate access and crisis services within the adult-focused system under the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals. Shifting authority away from DCYF risks weakening accountability, fragmenting care coordination, and creating confusion for families

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seeking services. It may also undermine the development of a child-centered system at a critical time.

Rhode Island is currently implementing a federally mandated consent decree to strengthen its children's behavioral health system. Disruptions to provider capacity or system alignment could delay progress and risk noncompliance with these obligations.

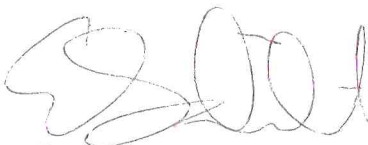
To preserve and build upon recent progress, we respectfully urge the Committee to:

- Ensure Medicaid rates adequately reflect the full cost of service delivery, including increased administrative demands
- Allocate sufficient General Revenue to support services not eligible for Medicaid reimbursement
- Provide dedicated infrastructure funding (up to \$200,000 per provider) to support system transition for participating organizations
- Maintain flexibility for providers to deliver individualized, family-centered, community-based services
- Preserve clear leadership and accountability for children's behavioral health within DCYF

We respectfully urge the Committee to address these gaps in the FY2027 budget, prioritize the needs of children and families, and carefully pace system changes to avoid destabilizing critical services.

Thank you for your consideration and your continued commitment to Rhode Island's children and families.

Respectfully,

A handwritten signature in black ink, appearing to read "Eric B. Gaboriault". The signature is fluid and cursive, with the first name being the most prominent.

Eric B. Gaboriault
Chief Operating Officer
Communities for People Inc.