



Michael Sroczynski
President

April 9, 2026

The Honorable Louis P. DiPalma
Chairman, House Committee on Finance
Rhode Island State House
82 Smith Street
Providence, Rhode Island 02903

Re: Support H.7127 Article 8 Sections 2 and 3

Dear Chairman DiPalma,

The Hospital Association of Rhode Island (HARI) and our member hospitals and health systems support Article 8, Sections 2 and 3 of the Governor's proposed FY 2027 budget, which include several important provisions that help maintain stability in Rhode Island's healthcare system while hospitals continue to face significant financial pressures.

The proposal includes full funding for the Inpatient and Outpatient Upper Payment Limit (UPL) programs, which help bring Medicaid reimbursement closer to the cost of providing care to Medicaid patients.

It also includes a \$10 million increase in Uncompensated Care funding for private hospitals, which helps offset the cost of caring for uninsured and underinsured Rhode Islanders and supports continued access to care across the state.

The budget also proposes a 2.5% Medicaid rate adjustment. While we appreciate the inclusion of a rate increase, we respectfully request that the General Assembly consider funding the full Medicaid rate adjustments originally anticipated—approximately 3.3% for fee-for-service and 2.6% for managed care. Ensuring Medicaid rates more closely reflect the cost of care is essential to maintaining access to hospital services for the more than 300,000 Rhode Islanders who rely on Medicaid coverage.

HARI and our member hospitals appreciate the Governor's recognition of the financial challenges facing hospitals and respectfully urge the Committee to support Article 8, Sections 2 and 3, while also considering full funding of the Medicaid rate adjustment.

Sincerely,

A handwritten signature in black ink, appearing to read "Lisa P. Tomasso", written in a cursive style.

Lisa P. Tomasso
Senior Vice President