



ProtectHealthRI.org

April 9, 2026

The Honorable Louis P. DiPalma
Chair, Senate Finance Committee
Rhode Island State House

Re: **Support with recommendations: Governor's FY2027 Budget (HJR 7127) Article 11, Section 14**

Dear Chair DiPalma and Members of the Committee:

The Protect Our Healthcare Coalition is a group of leading Rhode Island nonprofit organizations and consumer groups with a shared mission to protect, improve, and expand equitable access to quality, person-centered, affordable health care for all.

The Coalition **applauds Governor McKee for including in Governor's Fiscal Year 2027 Budget, H7127, Article 11, Section 14**, which would improve Rhode Islanders' access to affordable health insurance through the HealthSourceRI marketplace, with recommendations that the proposal be expanded to include many Rhode Islanders at risk of losing health insurance coverage, or who have already lost health insurance coverage.

The Affordable Care Act has helped many Rhode Islanders get health coverage by expanding Medicaid and establishing subsidized commercial coverage through HealthSourceRI (HSRI). In 2024, Rhode Island's [uninsured rate](#) was just 4.6 percent, one of the lowest in the nation. As HSRI [reports](#), "due to the historically high levels of financial assistance made available as a result of the American Rescue Plan Act (ARPA), coverage through HealthSource RI (HSRI) became more affordable than ever," resulting in historically high rates of insurance coverage.

However, with the expiration of Enhanced Premium Tax Credits in 2025, Rhode Islanders who received financial assistance to buy their plan through HealthSourceRI saw monthly premiums **double on average** between 2025 and 2026. Some Rhode Islanders faced even greater premium hikes. [HealthSource RI noted](#) that the expiration of Enhanced Premium Tax Credits will particularly impact **older Rhode Islanders**, who were projected to have the largest premium increases.

HSRI also [noted](#) that the expiration of these tax credits would contribute to **marketplace destabilization** and **increased costs to the healthcare system**. The remaining Rhode Islanders enrolled in HSRI would be sicker, on average, without enhanced premium tax credits, thus affecting the overall marketplace. Additionally, uninsurance and underinsurance increase costs to the healthcare system, including through uncompensated care.

In Rhode Island, we have taken measures to help stabilize our marketplace. However, with significant cuts to Medicaid and Medicaid program changes, many lower-income Rhode Islanders continue to transition from Medicaid to the Marketplace and face cost barriers that already result in their seeking less care due to out-of-pocket costs. **A significant increase in premiums for these Rhode Islanders could lead many to go without coverage at all, to afford food, shelter, and transportation.**

The Coalition urges the Senate to support the Governor's proposal, with the following recommendations to enhance its impact:

- 1. Fully replace expiring federal premium tax credits to maximize health insurance coverage.**

The Governor's Budget proposes **critical** funding to replace the expired expanded tax credits for enrollees with incomes below 200% of the Federal Poverty Level, which is an important step toward supporting HSRI enrollees with the lowest incomes. However, the Coalition strongly encourages that the General Assembly consider a full replacement of the expiring federal assistance, as is proposed by House Bill 7466, which is sponsored by Representative Speakman and is also anticipated to be heard before your committee.

More than 50,000 Rhode Islanders are expected to lose their health insurance coverage between 2026 and 2027 due to federal cuts to Medicaid and tax credits, doubling the State's uninsured population. Thus, the State's investment to fully restore the Enhanced Premium Tax Credit would help maintain affordable coverage for almost 21,000 HealthSourceRI enrollees. This would prevent soaring healthcare costs due to a larger uninsured population.

2. Allow enrollees who cannot receive federal premium tax credits to receive state premium assistance

The Coalition offers a technical recommendation to improve access to health insurance for individuals who have lost eligibility for federal premium tax credits because of federal cuts, helping to prevent them from becoming uninsured, while allowing them to continue purchasing a plan they can afford. In the proposed § 42-157.2-4(c) and § 4(c)(1), the state-based subsidy is limited to 1) people who are eligible for federal premium tax credits, and 2) people who would otherwise be eligible for federal premium tax credits if their income was lower.

The Coalition suggests that the eligible populations for state subsidies be expanded beyond those groups. For example, many lawfully-present immigrants (including refugees, asylum seekers, and those with temporarily protected status) have lost or will lose eligibility for tax credits because of H.R. 1. Other populations losing eligibility for federal tax credits include those who cannot comply with Medicaid work requirements. Many of these individuals could afford a plan at its 2025 cost with federal assistance. However, they would potentially drop coverage entirely if they had to pay full price – potentially resulting in the State, or our healthcare institutions, having to bear the cost of their uncompensated care. By allowing these individuals access to state subsidies (as determined by the Exchange and by available funds), Rhode Island could help keep people insured at a lower cost than if the State had to absorb the full cost of uncompensated care.

The Coalition recommends that the determination of eligible populations be one of the decisions to be made as part of the annual parameter-defining process to be undertaken by the Exchange under advice of the Exchange Advisory Board.

3. Ensure meaningful participation by stakeholders

The Coalition acknowledges that the Governor's proposal includes opportunity for community engagement as the Exchange establishes the affordability percentages and other elements. RIPIN further appreciates that HealthSourceRI has convened an advisory board with a diverse membership of active participants who have represented a broad assortment of perspectives effectively. However, as currently set in statute, the exchange advisory board's membership is set by the Director of the Exchange, essentially without limitation.

Given the specific tasks that the exchange advisory board would be granted under this new proposal, the Coalition suggests that the enabling statute for the exchange advisory board be revisited to ensure that the broad array of stakeholders currently participating in the exchange advisory board would continue to do so, regardless of any potential future changes in administration or leadership of the Exchange. Such stakeholders should include consumer advocates, health policy experts, employers, healthcare professionals, and current (or former) enrollees in HealthSourceRI plans.

The Protect Our Healthcare Coalition encourages the Senate Finance Committee to support this proposal with the recommendations outlined above.

Thank you for your consideration,

Alexandra Steinberg
Coordinator, Protect Our Healthcare Coalition

Protect Our Healthcare Coalition partners include: Economic Progress Institute, RIPIN, Mental Health Association RI, RI Health Center Association, Latino Policy Institute, Central Providence Opportunities: A Health Equity Zone (CPO-HEZ), United Way of Rhode Island, Senior Agenda Coalition RI, RI Medical Society, Planned Parenthood of Southern New England, SEIU Rhode Island Council, American Cancer Society Cancer Action Network, Blood Cancer United, RI Coalition for the Homeless, Rhode Island Working Families Party, Mental Health Recovery Coalition, RI Community Food Bank, RI Psychological Association, Substance Use & Mental Health Leadership Council, Rhode Island Coalition for Children and Families, HousingWorks RI, Rhode Island Organizing Project (RIOP), National Association of Social Workers RI Chapter, The Womxn Project, Advocates for Better Care
