April 9, 2026

Rhode Island State Senate
Senate Committee on Finance

Re: Comments regarding H-7127, Governor's Budget, Article 8, Medical Assistance

Dear Chair DiPalma and Members of the Senate Committee on Finance:

RIPIN thanks the Senate Committee on Finance for the opportunity to submit this testimony regarding various proposals in H-7127, the Governor's Budget, Article 8, relating to Medical Assistance. RIPIN hopes these comments are helpful to the Committee in its deliberations on the FY2027 budget.

1. ***RIPIN supports the full implementation of the rates recommended by the Office of the Health Insurance Commissioner's Social and Human Service Programs Review Final Report***

In Subsection 6(f) of Article 8, the Governor's budget proposes a phase-in of the rates recommended by the Office of the Health Insurance Commissioner (OHIC) in its most recent report delivered as part of its Social and Human Service Programs Review work. RIPIN thanks the Governor for including this proposal in his proposed budget, and encourages the General Assembly to adopt it. RIPIN further encourages the full implementation of the rates recommended by OHIC within the FY27 budget, for two central reasons.

First, while a phased approach has potential upsides in that the fiscal impact of increased rates would be spread out over multiple years, the opposite side of that coin is that providers whose rates have been determined to be too low would have to wait for multiple years to obtain the complete benefit of the new rates.

Second, using a phased-in approach for the implementation but not the design of the rates means the impact will be reduced below what was recommended. OHIC made its rate recommendations using a point-in-time of the midpoint of the rating period (October 2027), and setting a rate recommendation that would be appropriate when applied across the whole rating period. Because inflation applies more linearly, and because this approach applies in a stepwise fashion, such an approach inherently means that the rate recommended would be slightly higher than inflation at the beginning of the rating period and slightly lower than inflation at the end of the rating period, but that these variations would balance out over the course of the rating period. Phasing the rates in over two years means that they will continually be catching up to the rate of inflation, lowering their overall impact.

RIPIN also notes that the Governor's budget proposes a cap of 100% of the Medicare rate for any Medicaid service, regardless of OHIC's recommendations. RIPIN understands that the reasoning for this cap is the restriction imposed on new state-directed payments (SDPs) imposed by H.R. 1, the "One Big Beautiful Bill Act." RIPIN believes that there is a strong argument to be made that that restriction does not apply to all (or even most) of the services covered by the Social and Human Service Programs Review; the restriction on new SDPs applies to "inpatient hospital services, outpatient hospital services, nursing facility services, or qualified practitioner services at an academic medical center."[1] Many of the services described in the rate review process are not

[1] 42 CFR 438.6(c)(2)(iii); Pub. L. No. 119-21 § 71116(a), 139 Stat. 72, 303 (2025).

delivered in any of those locations, and as such the prohibition of new SDPs with rates higher than Medicare may not apply. RIPIN would encourage the establishment of a more case-by-case approach to rates that may exceed the Medicare rate – especially given that many services described in the rate review process are rarely or never covered by Medicare.

2. RIPIN opposes the restriction of coverage of GLP-1 medications solely to the coverage of type 2 diabetes.

Subsection 6(g) of Article 8 proposes to eliminate Medicaid coverage of GLP-1 medications except for when they are used to treat type 2 diabetes. RIPIN opposes the breadth of this restriction. GLP-1 medications are a relatively new innovation, and RIPIN acknowledges that spending on GLP-1s has risen significantly in recent years. However, a heavy-handed approach fails to take into account both the expanding clinical use cases for GLP-1s and the increasing availability of lower-cost GLP-1 preparations, including oral preparations.

GLP-1s, originally designed to treat type 2 diabetes, have shown significant promise in treating other conditions. They are increasingly well-known as a treatment for obesity, but they have been shown to treat other conditions as well, including cardiovascular, kidney, liver, arthritis, and sleep apnea disorders, with some benefits independent of those to be expected solely through their impact on weight loss.[2] And while some ire has been directed at the level of spending on a weight loss treatment, obesity has long been seen as a driver of chronic diseases; reducing obesity rates could help reduce spending on those chronic diseases.[3] GLP-1s are also increasingly becoming available in pill form, at considerably lower costs than the original injectable forms (sometimes as little as 15% of the injectable form).

RIPIN believes that maintaining coverage of GLP-1s is important for Rhode Island Medicaid, as their positive impact on chronic diseases and quality of life can merit their costs when clinically appropriate, especially as those costs continue to go down over time. RIPIN would encourage the General Assembly to not adopt this language in the final FY27 budget.

3. RIPIN encourages close monitoring of the evolution of the AHEAD model

Section 4 of Article 8 empowers the Secretary of EOHHS to implement the AHEAD model, in coordination with OHIC. RIPIN has supported the development and implementation of alternative payment models that improve access to and the quality of care while reducing both individual and system costs. The AHEAD model represents a significant potential step towards cross-payer alternative payment models that incorporate Medicare, Medicaid, and commercial payers, across a broader cross-section of health care providers including hospitals and primary care. RIPIN has supported the State's pursuit of participation in the AHEAD model, and continues to hope that it can be a pathway to improve federal funding for Rhode Island's healthcare delivery system while providing predictability in health care expenditures for both the State and commercial payers.

The current federal administration has implemented some significant changes to the requirements states must meet to participate in the AHEAD model, while leaving many questions unanswered. RIPIN encourages the General Assembly to closely monitor these changes and to ensure that improved quality and access remain a central part of the model, and to ensure that new

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[2] M J Gonzalez-Rellan & D J Drucker, *The expanding benefits of GLP-1 medicines,* CELL REPORTS MEDICINE Vol. 6, Issue 7 (July 15, 2025).
[3] E Williams, *Medicaid Coverage of and Spending on GLP-1s*, KFF (available at https://www.kff.org/medicaid/medicaid-coverage-of-and-spending-on-glp-1s/)

and somewhat ill-defined program requirements (including "GeoAHEAD" and new "choice and competition" requirements) improve and do not threaten access to care as they become more clearly understood.

4. *RIPIN supports investment in hospital uncompensated care programs and encourages a holistic approach that addresses gaps in the current delivery system for the uninsured*

Section 3 of Article 8 provides for additional disproportionate share hospital (DSH) payments for FY27. RIPIN strongly supports the State taking a broad approach to addressing the significant challenge presented by a significant increase in the state's uninsured population due to federal healthcare cuts. Rhode Islanders who will be losing access to health insurance coverage (whether through Medicaid, plans purchased through HSRI, Medicare, or elsewhere) have a very restrictive set of benefits available to them, largely restricted to hospital emergency care, limited care at hospital clinics, Community Health Centers, which provide care on a sliding fee scale, CCBHCs, and free clinics (including the RI Free Clinic and Clínica Esperanza). And the existing providers working in those spaces do not have the capacity to absorb an increasing uninsured population. RIPIN looks forward to providing more detailed comments in future hearings before your committee, including on S-2811, the Rhode Island Protect Our Healthcare Act of 2026, which would increase capacity and address gaps in the existing system of care for uninsured Rhode Islanders.

RIPIN wants to take this opportunity to express our appreciation for the Governor's inclusion of an appropriation to help stabilize the state's delivery system for the uninsured, and to encourage the General Assembly to support efforts to maintain and provide necessary supplementation of coverage for an uninsured population that is certain to grow as the impacts of federal cuts are felt.

Thank you for the opportunity to provide these comments. RIPIN is a statewide nonprofit founded in 1991 by a group of parents of children with special healthcare needs. While RIPIN's roots are in serving children and families with special needs, RIPIN now serves all Rhode Islanders who might benefit from education, advocacy, and peer support in navigating healthcare and education systems. RIPIN operates Rhode Island's health insurance consumer assistance program, RIREACH, which has helped several thousand Rhode Islanders save more than $10 million in health care costs since 2018.

Sincerely,

/s/

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