

April 9, 2026

The Honorable Louis P. DiPalma
Senate Finance Committee
Room 211
State House
Providence, RI 02903

RE: H7127 Governor's FY 2027, FY 2026 Revised and Capital Budgets – EOHHS – Medicaid Rates

On behalf of the Rhode Island Coalition for Children and Families, I am writing to urge this Committee to increase funding in the Fiscal Year 2027 Budget to fully implement the Medicaid rate recommendations developed by the Office of the Health Insurance Commissioner (OHIC) for home and community-based services.

We appreciate the Governor's recognition of the importance of these rates in the proposed budget. However, partially funding these recommendations—by providing only a portion of the needed investment and delaying the remainder—represents a step backward at a time when the system is already under significant strain.

The OHIC rate review process is designed to reflect the true cost of delivering care, including workforce, administrative, and operational expenses necessary to provide high-quality services. Failing to fully fund these rates undermines that work and perpetuates structural deficits that providers have been managing for years.

For many of our member organizations, and for the broader network of providers serving children and families, these rates are not theoretical. They directly impact the ability to:

- Recruit and retain qualified staff in a highly competitive labor market
- Maintain service capacity and reduce waitlists
- Meet increasing expectations for care coordination and accountability
- Sustain programs that serve some of Rhode Island's most vulnerable populations

We are particularly concerned about the impact on home and community-based services, which are essential to keeping children and safely in their homes and communities and preventing higher-cost interventions. These services are foundational to the State's goals of access, quality, and long-term sustainability.

Our membership includes organizations directly and indirectly impacted by Medicaid rates - either as current Medicaid providers or as partners to those delivering Medicaid-funded services included in the OHIC review, including behavioral health and community-based interventions for individuals with

intellectual and developmental disabilities. When those providers are underfunded, it creates ripple effects across the entire system—reducing access, increasing strain on remaining providers, and ultimately driving higher costs elsewhere.

At the same time, Rhode Island is moving forward with a broader Medicaid transformation for DCYF-contracted children’s services. This transformation will place even greater demands on providers to meet new standards, align with Medicaid requirements, and deliver coordinated, outcomes-driven care. Fully funding the OHIC-recommended rates is a necessary foundation for that transformation to succeed.

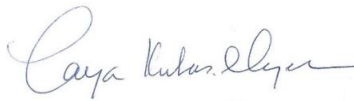
Simply put, we cannot expect providers to deliver more, coordinate more, and meet higher standards while continuing to operate under rates that do not reflect the true cost of care.

We respectfully urge the Committee to:

- Fully fund the OHIC-recommended Medicaid rates for home and community-based services in this budget cycle; and
- Avoid deferring necessary investments that will only grow more costly over time.

Thank you for your continued leadership and your commitment to Rhode Island’s children and families. We would welcome the opportunity to discuss this further.

Respectfully submitted,



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Executive Director