Rhode Island Coalition for Children and Families

Together for Children. Families. Communities.

April 9, 2026

The Honorable Louis P. DiPalma
Senate Finance Committee
Room 320a
State House
Providence, RI 02903

RE: EOHHS and Medicaid Budget- Infrastructure Funding for Children's Community-Based Providers

Dear Chairman DiPalma and Members of the Committee:

Thank you for the opportunity to submit testimony.

We support the work of the office of Medicaid and very much appreciate the leadership of Director Kristin Sousa.

Rhode Island is on the cusp of a significant transformation in how Medicaid services are delivered to children and families. Beginning in January 2027, the State will implement a new model for children's community-based providers—one that emphasizes care coordination, accountability, integration, and improved outcomes.

The Coalition for Children and Families understands and supports this vision. We share the State's goal of building a more effective, equitable, and outcomes-driven system of care for Rhode Island's children. These are, however, largely children in the care of the state and for whom services are not optional and service planning involves courts and schools as well as DCYF and Medicaid.

We write today to underscore a critical point:

Transformation cannot succeed without upfront investment in provider infrastructure.

Medicaid Transformation Requires Capacity That Does Not Yet Exist

The new Medicaid model will require community-based providers to:

- Meet new data reporting and accountability requirements
- Establish or strengthen sophisticated and dual (Medicaid & DCYF) payment structures
- Coordinate care driven by multiple systems, including courts, behavioral health, education, and child welfare.

These are significant and necessary expectations. But they also represent a fundamental shift in how providers operate.

At present, many children and family-serving organizations—all community-based nonprofits—do not yet have the infrastructure required to meet these expectations at scale. This includes:

- Modern financial data and other data reporting systems
- Increased workforce capacity and retraining
- Financial and administrative systems to manage new dual payment models, including hardware and software
- Reserves and cashflow to manage between londer and dual billing and payment structures

Without targeted investment, providers will be asked to transform without the tools needed to succeed.

Rhode Island Has Already Proven the Right Approach

Importantly, Rhode Island has already faced—and solved—this exact challenge.

When the State implemented the Certified Community Behavioral Health Clinic (CCBHC) model, it recognized that transformation required more than policy change. It required substantial upfront investment in infrastructure.

The State allocated approximately $30 million in funding for some eight organizations to support this effort, with the explicit goal of building provider capacity and supporting the transition to a new Medicaid model.

Those funds were used to:

- Build workforce capacity through recruitment and retention
- Upgrade electronic health records and data systems
- Develop care coordination infrastructure
- Expand access to services and reduce wait times
- Support partnerships across providers

The State did not assume providers could meet new requirements overnight. Instead, it created a phased infrastructure grant program that allowed organizations to plan, build, and implement the necessary changes over time.

The results were clear:

- Increased access to care, including same-day and walk-in services
- Expanded workforce capacity
- Stronger collaboration across providers
- Improved quality and system coordination.

Just as importantly, this investment strengthened not only the lead providers, but also the broader network of community-based organizations that support them.

The Same Logic Must Apply to Children's Providers

Today, children's community-based providers are being asked to undergo a transformation that is at least as complex—and in many ways more so—than the CCBHC transition.

These organizations serve as the backbone of Rhode Island's safety net for children and families. They provide critical services that:

- Prevent higher-cost interventions including hospitalization and out of state care
- Stabilize families
- Support behavioral health and developmental needs
- Address social determinants of health

They are, in many ways, the functional equivalent of the community partners that were supported under the CCBHC model but they are not interchangeable with those services. Unfortunately, unlike the CCBHC rollout, there is currently no- zero- dedicated infrastructure funding for providers to adapt to the upcoming transformation.

The Risk of Moving Forward Without Investment

If Rhode Island proceeds with Medicaid transformation without investing in provider infrastructure, the consequences are predictable:

- Providers will struggle to meet new requirements, leaving children and families at risk of losing services
- Access to services may be disrupted, especially residential, and particularly in high-need communities
- Smaller community-based organizations providing unique child welfare services may be left behind
- The State risks undermining the very outcomes this transformation is intended to achieve

We cannot afford to build a system that looks strong on paper but lacks the operational capacity to function in practice. The costs to the child and state of losing even one residential bed are significant.

A Proven, Practical Solution

RICCF respectfully urges the State to adopt the same approach that made the CCBHC transition successful:

Create a dedicated infrastructure funding initiative for children's community-based providers.

This investment should:

- Provide multi-phase funding for planning, implementation, and sustainability
- Support workforce development and retention
- Fund data system upgrades and reporting capacity
- Enhance readiness for care coordination and partnerships
- Recognize cash flow and reserve requirements
- Ensure providers can meet the State's expectations on day one of implementation

Conclusion

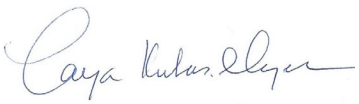
Rhode Island has already demonstrated that when it invests in provider infrastructure, transformation succeeds. As we approach the January 2027 launch of Medicaid transformation for children's services, we have a clear choice:

- We can ask providers to do more without the resources to succeed and watch them fail, or we can invest in the foundation that will make this transformation real.

For the sake of Rhode Island's children and families, we urge you to make that investment. While costs will continue beyond the year, for example ongoing costs of staff and software, we believe that members would be able to successfully transition with a grant program of $5 million or up to $200,000 per 24 participating agencies.

Thank you for your consideration.

Respectfully submitted,



Tanja Kubas Meyer
Executive Director