TIDES FAMILY SERVICES

WE NEVER GIVE UP ON A KID... NEVER!

215 Washington St.
West Warwick
Rhode Island, 02893

Main Office - 401-822-1360
Fax - 401-823-4694
Tidesfs.org

April 7, 2026

The Honorable Chairman DiPalma
Honorable Members of the Senate Finance Committee
Room 211- State House
Providence, RI 02903

My name is Beth Bixby, and I serve as the Chief Executive Officer of Tides Family Services. For more than forty years, Tides has worked alongside the State of Rhode Island to support children and families involved in the child welfare, juvenile justice, and children's behavioral health systems. Our services are community-based and family focused. They are designed to stabilize children in crisis, prevent unnecessary hospitalizations or institutional placements, and help families keep their children safely at home.

I want to begin by acknowledging the significant work that has gone into developing the Governor's FY27 budget proposal. However, we are concerned that the proposal reflects a structural shift in how Rhode Island's children's system is governed and financed. This shift risks undermining the very community-based system that the General Assembly has intentionally invested in over the past several years.

This hearing is happening at a moment when multiple policy changes are occurring simultaneously—through the Governor's budget, Medicaid transformation, crisis system redesign, and proposed MRSS regulations. Taken together, these changes represent one of the largest structural shifts in children's behavioral health policy that Rhode Island has seen in many years.

The several structural policy changes—including Articles 8 and 10 of the Governor's budget, proposed MRSS regulations, and the redesign of crisis services through the 988 system—are shifting elements of children's behavioral health governance across multiple agencies, raising concerns about fragmentation and accountability within a system that is already under federal oversight.

Importantly, this is not simply a matter of policy preference or system design. These shifts raise fundamental questions about governance and accountability at a time when Rhode Island is operating under a federally enforceable Children's Behavioral Health Consent Decree. While DCYF remains statutorily responsible for children's behavioral health services, key decisions related to crisis system design, financing, and service delivery are increasingly occurring across multiple agencies. This creates a risk that the State will be held accountable for outcomes under the Consent Decree without clear alignment of authority, decision-making, and system oversight.

TIDES FAMILY SERVICES

WE NEVER GIVE UP ON A KID... NEVER!

215 Washington St.
West Warwick
Rhode Island, 02893

Main Office - 401-822-1360
Fax - 401-823-4694
Tidesfs.org

Over the last several budgets, the legislature made significant investments to strengthen Rhode Island's children's behavioral health continuum. The General Assembly has already invested more than $20 million in strengthening Rhode Island's community-based children's behavioral health system. It is critical that these investments are preserved and not unintentionally undermined by budget priorities that shift resources toward institutional care. These investments expanded home-based services, stabilized the workforce, and supported programs designed to prevent children from entering hospitals, residential facilities, or the Training School.

These investments are producing measurable results. In August of 2024, approximately 935 children per day were being served in community-based programs. Today, that number has grown to more than 1,600 children per day, demonstrating the expanded capacity and reach of the home-based service continuum. At the same time, Bradley Hospital admissions— which reached their peak in 2024—have now declined by nearly half, and the state is also seeing declines in out-of-home placements. In addition to the 1600 youth served, MRSS alone served an additional 849 families.

These trends indicate that the legislature's investments in community-based services are working as intended. By strengthening the front end of the system, Rhode Island is helping stabilize children earlier, reduce hospital utilization, and avoid unnecessary institutional placements.

These investments were intentional. They were designed to address long-standing system gaps and help Rhode Island move toward compliance with the federal Children's Behavioral Health Consent Decree.

One of the most critical services within this continuum is Mobile Response and Stabilization Services (MRSS). MRSS provides rapid, community-based crisis intervention for children and youth experiencing behavioral health crises in their homes, schools, and communities.

MRSS teams respond immediately to stabilize families, assess safety, and connect children to ongoing services—often preventing emergency department visits, inpatient hospitalizations, residential placements, or involvement with more restrictive systems.

In states that have implemented strong systems for children, MRSS has become the front door of the children's behavioral health continuum. These services allow families to access help quickly without relying on hospitals or law enforcement as the first response to a behavioral health crisis.

Rhode Island has begun building this capacity, and early data shows that these investments are helping reduce hospital utilization and stabilize children earlier in the crisis cycle. However, sustaining this progress requires clear policy direction, stable funding, and alignment with the Children's Behavioral Health Consent Decree.

At its core, the Consent Decree requires Rhode Island to build a child-centered system of care that prioritizes timely, community-based, and least restrictive interventions. As policy and budget decisions move forward, an essential question must be considered: are current actions advancing the system envisioned in the Consent Decree, or are they incrementally shifting the State toward a different model? Misalignment at this stage—particularly in crisis response design, governance structure, and service financing—could require significant course correction in the future.

TIDES FAMILY SERVICES

WE NEVER GIVE UP ON A KID... NEVER!

215 Washington St.
West Warwick
Rhode Island, 02893

Main Office - 401-822-1360
Fax - 401-823-4694
Tidesfs.org

As the state moves forward with system redesign, it is critical that children's MRSS remain clearly defined, adequately funded, and integrated within the children's behavioral health continuum governed by DCYF.

Without this clarity, there is a risk that children's crisis response becomes fragmented across systems designed primarily for adults, which could undermine the progress Rhode Island has made in building a child-specific response model.

Based on information released in the Governor's budget documents, the proposed FY27 budget includes approximately $5.4 million associated with Consent Decree implementation. However, available materials indicate that the majority of these funds are not tied to direct service capacity and include the addition of only six new staff positions within DCYF. It remains unclear whether the budget includes sufficient investment to expand the community-based service array required under the Consent Decree. Without clear funding for service expansion, Rhode Island risks falling short of the infrastructure necessary to meet federal obligations.

The FY27 budget raises several concerns that may move the state in the opposite direction.

First, the budget reflects a growing investment in institutional and congregate care settings, including expanded spending related to residential placements and Training School infrastructure, while funding for community-based services has largely flattened.

Evidence across states consistently shows that community-based services produce better outcomes for children and families and are significantly more cost-effective than institutional care. When community services are weakened, children inevitably end up in more restrictive—and more expensive—placements.

One example of a critical service within this continuum is Mobile Response and Stabilization Services (MRSS). MRSS provides immediate in-home crisis response designed to stabilize children and families and prevent unnecessary emergency department visits, hospitalizations, or residential placements. **Codifying and fully funding MRSS is essential to meeting the goals of the Children's Behavioral Health Consent Decree and ensuring that children in crisis receive timely support in their homes and communities.**

It is also important to recognize that not all components of the children's system have experienced the same level of investment. Key elements of the juvenile justice continuum have remained largely level funded since approximately 2012, despite increasing complexity in the needs of youth and families being served. As expectations on community-based providers have grown—including diversion, reentry support, and crisis stabilization—funding has not kept pace with the intensity or scope of services required.

This imbalance places additional strain on the very parts of the system designed to prevent deeper system involvement, and underscores the need for a more comprehensive and aligned investment strategy across child welfare, juvenile justice, and children's behavioral health.

TIDES FAMILY SERVICES

WE NEVER GIVE UP ON A KID... NEVER!

215 Washington St.
West Warwick
Rhode Island, 02893

Main Office - 401-822-1360
Fax - 401-823-4694
Tidesfs.org

Second, the proposed budget does not appear to adequately account for the full financial obligations associated with the federal Children's Behavioral Health Consent Decree.

The consent decree requires Rhode Island to build and sustain a comprehensive continuum of community-based behavioral health services for children. These services—including mobile response, intensive home-based treatment, and care coordination—require stable and predictable funding to operate effectively.

Without sufficient investment in these services, the state risks falling short of both the operational and legal expectations of the consent decree.

Ensuring that DCYF has the resources necessary to meet these obligations is essential not only for compliance, but for improving outcomes for Rhode Island's children and families.

Third, there are significant concerns regarding the financial and operational implications of the State's proposed Medicaid Transformation.

While we support efforts to modernize Medicaid financing, the current framework raises several questions that have direct implications for providers delivering services to children involved with DCYF.

Key concerns include:

- Providers will need to build significant infrastructure to track compliance with bundled payments and reporting requirements.
- In other states that have transitioned providers to direct Medicaid billing, initial claim denial rates have commonly ranged between 15and 20 percent during the early years of implementation.
- Providers will likely experience 10 percent or more of claims may be disallowed through state review processes.
- The state will need to prepare for fiscal exposure where they could lost more than $5 million in federal Medicaid funding under the new structure.
- There is currently limited clarity on how this funding gap will be reconciled.
- Children served through DCYF often experience intermittent Medicaid eligibility or shifts in payer mix, particularly when custody or insurance status changes.
- A bundled payment system that does not account for these realities could create major reimbursement instability for providers serving high-need populations.
- The proposed model introduces new compliance requirements that may create additional administrative burden and financial exposure for providers already operating on extremely thin margins.

TIDES FAMILY SERVICES
WE NEVER GIVE UP ON A KID... NEVER!

215 Washington St.
West Warwick
Rhode Island, 02893

Main Office - 401-822-1360
Fax - 401-823-4694
Tidesfs.org

For organizations delivering critical services to vulnerable children, financial predictability is essential. Uncertainty around payment structures, recoupment risk, and eligibility fluctuations could destabilize the very providers that the state relies on to meet consent decree obligations.

When funding structures become unstable or reimbursement becomes unpredictable, providers face significant challenges retaining qualified clinicians and crisis staff. Protecting provider stability is essential to ensuring that Rhode Island maintains the workforce necessary to deliver these critical services.

Finally, there are broader governance questions related to how children's behavioral health services are being positioned across state agencies.

While DCYF remains statutorily responsible for children's behavioral health services, many key financing and system design decisions are increasingly occurring outside of DCYF structures.

This creates a risk that the department will remain accountable for outcomes under the federal consent decree without having full authority over the systems that influence those outcomes.

For providers and families, this fragmentation creates confusion about where responsibility ultimately lies. For the State, it creates both legal and operational risk.

At Tides Family Services, our core programs—including the Preserving Families Network and Mobile Response and Stabilization Services—support hundreds of children and youth every day.

These programs help families manage crises, prevent unnecessary hospitalizations, and keep children connected to their homes, schools, and communities.

Destabilizing the community-based service array will not eliminate need. It will simply move that need into more expensive and more restrictive parts of the system.

Emergency departments, residential placements, and institutional settings will inevitably absorb the demand.

For these reasons, we respectfully urge the General Assembly to:

- Preserve and protect the legislature's prior investments in community-based children's behavioral health services, which have already expanded access and reduced hospitalizations and out-of-home placements across the state.
- Carefully review the structural policy changes proposed in Articles 8 and 10 of the Governor's budget to ensure that governance of children's behavioral health services remains clearly aligned with DCYF's statutory authority and the state's obligations under the Children's Behavioral Health Consent Decree.
- Provide sufficient funding to fully implement the Children's Behavioral Health Consent Decree, including the expansion of community-based services such as Mobile Response and Stabilization Services, intensive home-based treatment, and care coordination.

TIDES FAMILY SERVICES

WE NEVER GIVE UP ON A KID... NEVER!

215 Washington St.
West Warwick
Rhode Island, 02893

Main Office - 401-822-1360
Fax - 401-823-4694
Tidesfs.org

- Carefully evaluate the fiscal and operational risks associated with Medicaid Transformation before implementation, including provider infrastructure costs, claim disallowance risk, and the potential loss of federal Medicaid revenue.

Rhode Island has made meaningful progress in building a children's behavioral health system that works.

We ask that the FY27 budget continue that progress rather than inadvertently reversing it.

Tides Family Services stands ready to work with the General Assembly, DCYF, and our state partners to ensure Rhode Island maintains a strong, sustainable, and child-centered system of care.

Thank you for the opportunity to testify.

Sincerely,

Beth A. Bixby

Beth A. Bixby, LICSW
Chief Executive Officer
Tides Family Services