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## Legislative Impact Statement

To: Chairman Louis P. DiPalma  
House Finance Committee  
From: Elisabeth Hubbard, Executive Secretary  
Re: 26 SENATE 2091 AN ACT RELATING TO HUMAN SERVICES -- PUBLIC ASSISTANCE ACT

May 26, 2026

The Governor's Commission on Disabilities' Legislation Committee has developed a Legislative Impact Statement on the bill listed below. The Commission would be pleased to present testimony to the committee. Please contact me (462-0110) if testimony is desired or for additional information.

### **The Commission finds this bill beneficial.**

ABLE accounts are a federal tax benefit that allows people with qualifying disabilities to accumulate savings without losing benefits. Programs that assist individuals with disabilities such as Medicaid and SSI benefits have resource limits that make someone ineligible once they have a certain amount in resources. This prevents people with disabilities from accumulating savings for things such as assistive tech not covered by insurance, vehicles or even a security deposit for an apartment.

An ABLE account allows people to accumulate savings for "Qualified Disability Expenses" (QDEs), which include housing, transportation, healthcare and basic living expenses. The first 100,000 in savings is not counted towards the Social Security resource limit. People can contribute up to \$20,000 a year, and more if they are working.

ABLE account people to save money without losing Medicaid, SSI or Medicare benefits. People also do not pay taxes on money deposited into the accounts. It also provides people with disabilities the independence as they can spend their savings on items they choose as long as it is a QDE. This allows them choice as opposed to only having the option of what their managed care providers approve.

Currently, Rhode Island regulations allow the state to file a claim for reimbursement for Medicaid services provided after the account was opened upon the death of the account owner. This means the remaining balance of an ABLE account reverts to the state unlike other savings accounts, which can be left to a person's heirs or individual they designate.

We oppose this for several reasons. Firstly, people will be disincentivized to work more, or longer hours if they believe their savings will just revert to the state instead of their heirs. Secondly, filing for the

Medicaid reimbursement is a time consuming process that must be performed by state attorneys. The amount claimed by the state may not even cover the cost of this administrative burden.

For these reasons, Rhode Island should join the 11 other states who have chosen not to enact Medicaid recoupment for ABLE accounts.