



Rhode Island Executive Office of Health and Human Services
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May 5, 2026

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

RE: 2026 – S 2097 – An Act Relating to Public Finance – State Funds

Dear Chairman DiPalma:

The Executive Office of Health and Human Services (EOHHS) supports the goals of **2026 S-2097** which seeks to strengthen the stability of our state's healthcare system through transparency, trust, and accountability. Additionally, this legislation's intent is to provide a faster identification of covered facilities and would authorize the Secretary of EOHHS to oversee its implementation. The bill would also require mandatory quarterly financial reporting of the covered entities and provides for financial penalties for those covered entities that do not comply. However, 2026 S-2097 would define "covered entities" as limited to hospitals and their parent organizations and Federally Qualified Community Health Centers (FQHCs).

There is currently similar legislation (**2026 H-8500**) submitted at the request of EOHHS which defines covered entities as hospitals and their parent organizations licensed by the Rhode Island Department of Health (RIDOH), FQHCs, nursing facilities license by RIDOH, and Certified Community Behavioral Health Clinics (CCBHCs) certified and regulated by the Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals (BHDDH) as the state's mental health and substance abuse disorder authority and the Department of Children, Youth, and Families as the State's mental health authority for children.

Furthermore, the more comprehensive legislation does not impose financial penalties on a covered entity that fails to submit a quarterly report. By taking out the fine for non-compliance, there would be no fiscal impact to the providers. Alternatively, and consistent with the intent to ensure solvency of reporting covered entities, upon finding financial risk or imminent financial jeopardy, the EOHHS Secretary would meet with the reporting entity to identify and document strategies to address financial risks or imminent financial jeopardy. The Secretary would suggest a range of possible corrective actions, follow-up reports, or additional documentation. In circumstances in which government action may be warranted and no authority for such action exists within the EOHHS, RIDOH, BHDDH, DCYF, or any other state agency, the recommendations shall be forwarded to the Governor for the prompt resolution of any imminent risks identified.

The EOHHS is strongly committed to implementing a robust system of quarterly reporting to ensure the continued stability fiscal integrity of the state's health care system. Accordingly, it is our hope that the honorable members of this committee work with the sponsors of **2026 S-2097** to reconcile differences with **2026 H- 8500** to facilitate enactment of quarterly reporting on a more targeted basis.

The EOHHS considers adoption of the enhanced reporting and reviews and strengthened oversight to be necessary and appropriate action for the State to take at this time, given the ongoing financial challenges facing health care facilities and providers today. We welcome the opportunity to work with members in both chambers to ensure legislation to achieve this important end will be enacted during this legislative session.

Sincerely,

Richard Charest, R.Ph., MBA
Secretary, Executive Office of Health and Human Services

Cc: Honorable Members of the Senate Committee on Finance
Kristin Silvia, Deputy Chief of Staff and Director of Legislation