

Testimony in Support of SB-2542

Pediatric Medicaid Rate Increase

Senate Committee on Finance

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**The Economic Progress Institute supports Senator Lauria's SB-2542**, which would address the pediatric care shortage by directing the Executive Office of Health and Human Services (EOHHS) to increase the Medicaid rate for outpatient pediatric clinical services up to 130%.

Rhode Islanders need accessible, affordable health care. Access to healthcare is especially critical for children, as it has been shown to reduce infant mortality, childhood deaths, and instances of low birthweight.<sup>1</sup> In Rhode Island, over half of children are covered by Medicaid, making it a crucial component of pediatric care. According to the Rhode Island chapter of the American Academy of Pediatrics, one in four pediatricians in the state is expected to retire in the next six years. Currently, *more than half* of pediatric primary care offices are not accepting new patients, except for newborns or siblings of current patients. **Increasing the Medicaid rate for pediatric outpatient care would address this crisis by increasing compensation to address recruitment and workforce retention.**

The Office of the Health Insurance Commissioner (OHIC) recommends increasing insurance payments to primary care providers to bring them more in line with other medical specialties and to remain competitive with neighboring states.<sup>2</sup> Medicaid payment rates in Rhode Island are *25% lower* than those in Massachusetts and Connecticut. Compared to Medicare and private insurers, Medicaid pays *lower* rates to doctors. Low Medicaid reimbursement rates results in less access to care for patients.<sup>3</sup> **Medicaid covers a large portion of children's health care in Rhode Island, and any increase in the rate for pediatric outpatient care would benefit practitioners and children across the state.** Nonetheless, Rhode Island still needs a comprehensive and effective plan to address the primary care shortage by also reviewing managed care and commercial rates.

Affordable and accessible health care is essential to building a strong economy and thriving communities. The shortage of primary care services and providers leaves too many Rhode Island children without the medical care they need. With this Medicaid rate

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<sup>1</sup> [Children Need Health Insurance - So Do Their Parents, CLASP, 2017](#)

<sup>2</sup> [Primary Care in Rhode Island: Current Status and Policy Recommendations, Office of the Health Insurance Commissioner, 2023](#)

<sup>3</sup> [Child Health and Access to Medical Care, 2016](#)

increase for outpatient pediatric care, Rhode Island can take a crucial step towards closing the gap in services and building a pipeline of future providers. We urge passage.