



Testimony Re: S-2542 Pediatric Medicaid Rate Increase

Senate Finance Committee

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Rhode Island KIDS COUNT coordinates the Right from the Start Campaign, a state policy coalition led by eight organizations to advance state policies and budget priorities that help families with young children.

Both Rhode Island KIDS COUNT and the Right from the Start Campaign strongly support Senate Bill 2542, which would increase Medicaid pediatric outpatient clinical service rates to 130% of Medicare rates.

Families across the state are struggling to find primary care providers for their children due to a shortage of pediatric health care providers that will continue to increase. Less than half of pediatric primary care offices in Rhode Island are accepting new patients. Of the approximately 260 pediatricians currently providing primary care in Rhode Island, more than 32% are planning to retire within five years, and over a quarter are planning to retire in the next 5-10 years. The remaining practices will be unable to make up for this deficit in providers, leaving children with limited access to pediatricians.

Medicaid is the primary funding source for pediatric care. Over half of children 0-18 are covered by Medicaid.

Pediatric care providers nationally are paid up to 25% less than other kinds of primary care providers, despite having the same as or more training, [according to an article in Time Magazine](#). **And Rhode Island's Medicaid payment rates are 25% lower than neighboring states.** It is difficult to increase the pediatric primary care workforce when the rates for more than half of the pediatric population are so much lower than Medicaid rates in Massachusetts and Connecticut.

Rhode Island needs to update its pediatric care reimbursement rates to address the pediatric care crisis. The number of primary care pediatricians will continue to decline as pediatricians retire, and the low reimbursement rates compared to neighboring states will exacerbate the shortage. [According to a report from WPRI](#), the Department of Health indicated that "burnout in the field, an aging workforce, and the appeal of other specialties in medicine" are some of the factors contributing to the primary care pediatrics shortage. The challenges families are currently facing finding pediatric health care will only get worse without decisive action, and as a result children will likely miss routine preventive pediatric care and screenings and families will have to turn to urgent care centers and hospital emergency rooms when their children

experience routine illnesses. This vital rate increase is a critical first step in addressing the shortage of pediatric care providers in Rhode Island.

We appreciate the Governor's leadership in proposing a Medicaid rate increase equal to one half of the total increase recommended in the Office of the Health Insurance Commissioner's report, due to be released this fall, but this increase is not sufficient to address the shortage of pediatric care providers.

Pediatric primary care investments in children's health produce improved outcomes even in subsequent generations. We all pay the long-term costs when children do not get what they need to thrive. We strongly urge you to pass Senate Bill 2542 to quickly increase pediatric Medicaid rates and begin to address our pediatric care crisis. This rate increase will represent a step toward better access to pediatric care for Rhode Island children.

Thank you for this opportunity to testify.



Act to Stabilize Health Care for Children

Ensuring access to pediatric care ensures that children are able to receive high-quality and timely preventive health care, including vaccinations and screenings, routine care for illnesses, specialized health care when needed, and emergency health care services. Pediatric care offices are the home for children's medical care, and Rhode Island's pediatric primary care system is at risk due to low Medicaid reimbursement rates.



Importance of Medicaid Reimbursement Rates in Rhode Island

- Fifty-five percent of babies and young children under age 3 and more than half of all children under age 18 in Rhode Island have Medicaid/RIte Care coverage.
- Reimbursement rates for Medicaid are lower than private insurance.
- Neighboring states like Massachusetts also have higher reimbursement rates, contributing to higher wages for pediatric care providers outside of Rhode Island.

Shortage of Pediatric Care Providers

- Families across the state are struggling to find primary care providers for their children due to a shortage of pediatric health care providers that will only continue to get worse.
- Burnout is a major factor in the shortage of pediatricians, in addition to an aging workforce and the appeal of other specialties in medicine.
- In a workforce capacity survey by the Rhode Island Chapter of the American Academy of Pediatrics (RIAAP) and PCMH Kids, **more than 32% of pediatricians said they planned to retire within five years**, and over a quarter planned to retire in five to 10 years.
- Pediatrics is one of the lowest-paid specialties in medicine.

Importance of Pediatric Primary Care

- Routine physical and developmental screenings occur over 14 recommended scheduled well-child preventive health care visits from birth through age five. These visits are important for identifying potential developmental delays and disabilities, as well as emerging physical conditions, as early as possible so that further appropriate evaluations, interventions, and treatments can be provided.
- Children experience six to eight acute, short-term illnesses per year that can require a health care visit and treatment, and some young children have chronic, long-term illnesses that require frequent health care visits for evaluations, diagnosis, treatment, and management of these chronic conditions.
- Pediatricians can treat and manage these short-term illnesses as well as many chronic conditions, preventing emergency department visits for primary care needs. Without a pediatric medical home, families will seek their routine care at urgent care centers and treatment for mild or moderate illnesses in the emergency room, overwhelming our acute care system.

Increasing Access to Pediatric Health Care

House Bill 7693 (Tanzi) and Senate Bill 2542 (Lauria) would increase rates for outpatient clinical pediatric care to 130% of Medicare rates, stabilizing the pediatric health care system. **House Bill 7127 (the Governor's Proposed FY 2027 Budget)** includes a recommendation to increase Medicaid reimbursement rates to one half of the total increase recommended by the Office of the Health Insurance Commissioner's report, due to be released this fall, but this increase would not be sufficient to address the shortage of pediatric care providers.