



June 2, 2026

**RE: Concerns Regarding S-3330 Relating to Medicaid Program Funding and Reallocation of Enrollment Savings**

Dear Chairman DiPalma and Members of the Senate Finance Committee:

SEIU 1199NE represents healthcare and social service workers across Rhode Island, including workers in hospitals, nursing homes, community health centers, behavioral healthcare, and homecare settings. We appreciate the intent behind S-3330 and agree that reductions in Medicaid enrollment do not eliminate the need for healthcare services. Providers will continue caring for Rhode Islanders regardless of insurance status, and increased uncompensated care will place additional financial pressure on our healthcare system.

However, we have several concerns regarding the bill as currently drafted.

The bill creates a mechanism for broad, automatic Medicaid reimbursement increases tied to enrollment reductions. While stabilizing the healthcare system is important, blanket reallocations of Medicaid savings could reduce the General Assembly's ability to make targeted budget and policy decisions based on evolving healthcare needs and priorities. The General Assembly should retain flexibility and oversight regarding how Medicaid savings are reinvested into the healthcare system.

We are also concerned that the bill focuses primarily on hospitals, physician services, and federally qualified health centers while excluding many other Medicaid-funded providers and services that will also face increased strain if federal Medicaid cuts move forward. Nursing homes, homecare providers, behavioral healthcare providers, and home and community-based services will all experience increased pressure as more Rhode Islanders lose coverage or face barriers to care.

Additionally, the impacts of federal Medicaid cuts are unlikely to be evenly distributed across the healthcare system. The Trump Administration has specifically targeted certain Medicaid-funded services and populations for reductions and restrictions. As a result, some sectors of the healthcare system may experience far more severe disruptions than others. Rhode Island may ultimately need a more targeted and deliberate approach to preserving critical healthcare services

and protecting vulnerable populations rather than automatic across-the-board reimbursement increases.

Finally, the bill does not include sufficient accountability measures to ensure that additional reimbursement funding supports workforce stability, staffing levels, wages, patient access, and quality of care. Rhode Island continues to face severe workforce shortages across the healthcare continuum, and any significant public investment should include clear expectations regarding how those funds are used.

At the same time, we do support efforts to ensure that Medicaid funding remains within the healthcare system and appreciate provisions intended to improve transparency and require managed care organizations to pass through reimbursement increases to providers.

Thank you for your consideration of our concerns regarding S-3330.

Respectfully,

A handwritten signature in black ink that reads "Alex Moore". The signature is written in a cursive, flowing style.

Alex Moore

Political Director

SEIU 1199NE

[amoore@seiu1199ne.org](mailto:amoore@seiu1199ne.org)

678-910-3378