

April 15, 2026 Testimony on **Bill S2108**

AN ACT RELATING TO INSURANCE -- ACCIDENT AND SICKNESS INSURANCE
POLICIES

Good afternoon, Chairperson and members of the Committee.

WHAT IS OUR REQUEST?

I am here today to respectfully request your support for the behavioral health rate floor legislation.

This bill would ensure that all behavioral health services are reimbursed at a rate no lower than the Medicaid rate at the time of service delivery. Specifically, we are requesting that all third-party payers—commercial, private, and public—reimburse no less than the Medicaid rate for behavioral health services.

It is important to note that this legislation does not impact the state budget in any way. Additionally, this bill applies only to behavioral health services and does not extend to medical or other service categories.

Why This Matters

At a time of significant uncertainty in federal healthcare funding, it is critical that we establish consistency and stability in reimbursement rates for behavioral health providers.

Currently, providers are often reimbursed at rates below Medicaid by commercial insurers. This creates financial instability and results in substantial losses. For example, our organization alone experienced significant financial loss last year due to commercial reimbursement rates falling below Medicaid levels.

Additionally, reimbursement rates for substance use disorder services in our state are approximately 38% lower than neighboring states for the exact same services. This disparity directly impacts our ability to recruit and retain staff, contributing to ongoing workforce shortages across the behavioral health system.

There is clear precedent for this approach. Massachusetts has maintained a similar behavioral health rate floor since 2017 with no operational complications. A comparable policy here is expected to result in up to a 10% increase in reimbursement from third-party payers for behavioral health organizations, helping to stabilize providers and strengthen the system overall.

Impact on Care

While overdose fatalities have declined, the need for behavioral health services remains urgent and complex.

Many individuals entering care today require more intensive and long-term treatment due to repeated non-fatal overdoses, which can result in significant cognitive impairment and increased clinical needs.

At the same time, workforce challenges and inconsistent reimbursement rates limit providers' ability to meet these growing demands.

Establishing a rate floor will provide the financial stability necessary to sustain and expand access to high-quality behavioral health care.

Closing

We need your support to ensure that behavioral health providers can continue to deliver essential services to our communities.

I respectfully urge you to support this legislation.

Thank you for your time and consideration.

Linda Hurley, President and CEO

Codac Healthcare: Founded in 1971, CODAC Healthcare is Rhode Island's oldest and largest non-profit provider of outpatient Opioid Use Disorder (OUD) treatment and recovery services. With seven community-based locations, as well as an Opioid Treatment Program collocated inside the Rhode Island Department of Corrections (DOC), CODAC is well-positioned to deliver services wherever they are needed across the state. Currently serving over 5,000 families annually in RI with full whole person care.