

March 3, 2026

**Rhode Island State Senate**

Senate Committee on Health and Human Services

Re: Comments in support of S-2459, “Rhode Island Ban On The Corporate Practice Of Medicine Act”

Dear Chair Murray and Members of the Senate Committee on Health and Human Services:

Thank you for the opportunity to provide these comments in **support of S-2459**, which would restrict the ability of for-profit corporate actors to influence medical decisionmaking by healthcare providers, while acknowledging that some refinement may be necessary to establish an administrable reporting system as created by the proposed legislation.

The corporatization of health care in Rhode Island (and in the United States broadly) has had significant impacts, some positive and many negative. Increased access to capital has kept some healthcare providers in business where they may otherwise have failed, or become reliant on public funds to remain able to see patients. Without such investments, it is possible (or potentially likely) that access to primary care, safety-net hospitals, and other providers would be worse than it is today.

Nonetheless, the corporatization of healthcare has also had significant negative effects. Increased provider consolidation and ownership by profit-driven entities has largely been seen to have an upward impact on the cost of healthcare services, both through increased prices and through increased volume of services of potentially questionable efficacy.<sup>1</sup> Profit-driven entities have also taken advantage of market inefficiencies to charge more for services, both directly to healthcare consumers and to the healthcare system broadly.<sup>2</sup> The overall impact on healthcare quality has been mixed to negative.<sup>3</sup> And while in some circumstances for-profit ownership has kept providers in business that may otherwise have failed, for-profit ownership has also created many of the circumstances that have threatened provider stability, through increasing debt burden, selling off of provider assets, unsustainable contracts with third parties, and financial mismanagement.<sup>4</sup>

Corporate Practice of Medicine laws have long been seen as a potential avenue to address the negative repercussions of the corporatization of healthcare practices. By removing the ability for profit-driven entities to make decisions about what services to render, how to bill, how to administer a practice, and other core functions that had generally been performed by trained medical professionals, some of the negative repercussions of corporatization can be constrained. RIPIN supports efforts by Rhode Island to explore pathways to rein in healthcare costs while driving improved access and quality for Rhode Islanders, and maintaining healthcare system stability.

RIPIN does want to flag that the proposed legislation includes reporting requirements for healthcare providers that begin at a relatively small size, i.e. for any practice with more than two employed physicians. Such a reporting requirement could be considered onerous, and RIPIN

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<sup>1</sup> See, e.g., C Whaley, Y Singh, E Fuse Brown, et al. *Addressing Healthcare Consolidation in the U.S.: Potential Policy Options for a Competitive and Transparent Future*, Policy Brief, Brown University Center for Advancing Health Policy Through Research (available at [https://cahpr.sph.brown.edu/sites/default/files/documents/CAHPR\\_Health%20Care%20Consolidation\\_Policy%20Brief.pdf](https://cahpr.sph.brown.edu/sites/default/files/documents/CAHPR_Health%20Care%20Consolidation_Policy%20Brief.pdf))

<sup>2</sup> Id.

<sup>3</sup> E Fuse Brown & M Hall, *Private Equity and the Corporatization of Health Care*, 76 Stan. L. Rev. 527 (March 2024).

<sup>4</sup> Id.





encourages an open dialogue to properly balance the State's need for meaningful understanding of healthcare practice ownership trends and the availability of actionable data with ensuring that administrative requirements do not become too great for small practices.

RIPIN looks forward to being part of the State's work in addressing the threats posed by bad-faith actors that have driven up healthcare costs in the state, while simultaneously ensuring that the healthcare delivery system retains access to necessary capital to continue to see patients in a difficult fiscal environment. Thank you for the opportunity to provide this testimony. RIPIN is a statewide nonprofit founded in 1991 by a group of parents of children with special healthcare needs. While RIPIN's roots are in serving children and families with special needs, RIPIN now serves all Rhode Islanders who might benefit from education, advocacy, and peer support in navigating healthcare and education systems. RIPIN operates Rhode Island's health insurance consumer assistance program, RIREACH, which has helped several thousand Rhode Islanders save more than \$10 million in health care costs since 2018.

Sincerely,

/s/

Shamus Durac  
Senior Attorney / Health Policy Analyst  
(401) 270-0101 ext. 125  
[SDurac@ripin.org](mailto:SDurac@ripin.org)

/s/

Sam Salganik  
Executive Director  
(401) 270-0101 ext. 101  
[Salganik@ripin.org](mailto:Salganik@ripin.org)