



Together for Children. Families. Communities.

March 10, 2026

The Honorable Mellisa Murray
Senate Committee on Health and Human Services
Room 211
State House
Providence, RI 02903

RE: Support for SB2886

Chairwoman Murray, Vice Chair Lauria, Secretary Urso, and Members of the Senate Health and Human Services Committee:

On behalf of the Rhode Island Coalition for Children and Families (RICCF), thank you for the opportunity to submit testimony in support of SB2886. RICCF represents the majority of Rhode Island's community-based child welfare and children's behavioral health providers, and the question of sustainable financing for these services is a constant and urgent concern for our members.

Our support for establishing a Joint Commission to Study Ways to Maximize Revenue for Child Welfare and Children's Behavioral Health Services stems from a fundamental question: *Is Rhode Island fully maximizing the public resources available to support children and families?* Equally important, there is a need for a shared and transparent understanding among policymakers, state agencies, and providers about how these funding streams are currently utilized.

The financing of child welfare and children's behavioral health services involves a complex combination of funding sources, including Medicaid (including EPSDT and medically necessary services), private insurance, Title IV-E and Title IV-B, CAPTA, TANF, the Social Services Block Grant, Children's Trust Funds, and state general revenue. At present, there does not appear to be a comprehensive, widely understood picture of how these sources interact or whether they are being deployed in the most effective way possible.

This question is particularly timely given current changes in state contracting and reimbursement models. Many Rhode Island Department of Children, Youth, and Families (DCYF) programs that have historically operated under Department of Administration procurements are now being required to transition to direct Medicaid billing. While RICCF members understand the rationale behind increasing federal reimbursement, this shift will require significant operational and administrative transformation for providers who have not historically engaged in this level of third-party billing.

In addition, we understand that the new Medicaid claiming methodology anticipated to begin in January 2027 may generate up to \$20 million less in federal revenue than prior claiming approaches. This raises important policy questions about whether Rhode Island is structuring services and reimbursement systems in a way that truly maximizes federal participation—or whether providers are being asked to reshape programs to fit funding structures that may not align with service delivery.

These concerns underscore the importance of the commission proposed in SB2886. A thoughtful and transparent examination of Medicaid transformation and federal funding opportunities would allow Rhode Island to determine:

- Whether all available federal funding sources are being fully utilized
- How funding streams across agencies can be better coordinated
- Whether administrative or structural barriers are limiting access to federal revenue
- How to protect provider stability while strengthening the continuum of care for children and families

National data also raises important questions worth examining. According to recent data from Child Trends (attached), Medicaid represented approximately 16% of Rhode Island's federal child welfare funding in 2022, compared with 5.3% in Connecticut and 8.5% in Massachusetts. At the same time, Rhode Island's use of Title IV-E funding, despite its longstanding income eligibility limitations, is slightly lower than that of neighboring states. These differences suggest that a deeper review of Rhode Island's funding strategy could identify opportunities to strengthen the system and better support services for children and families.

At a time when providers are facing increasing demand, workforce shortages, and fiscal pressure, ensuring that Rhode Island is maximizing available federal resources is essential to sustaining the services that vulnerable children and families depend upon.

For these reasons, RICCF strongly supports SB2886 and encourages the committee to advance this legislation.

Thank you for your consideration and for your ongoing commitment to Rhode Island's children and families.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Tanja Kubas-Meyer". The signature is fluid and cursive, with a long horizontal stroke at the end.

Tanja Kubas-Meyer
Executive Director

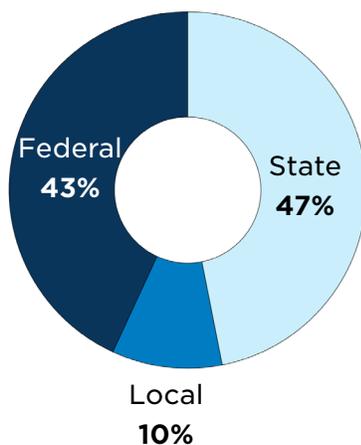
Child Welfare Financing 101

State and local funds are nearly 60% of child welfare spending.

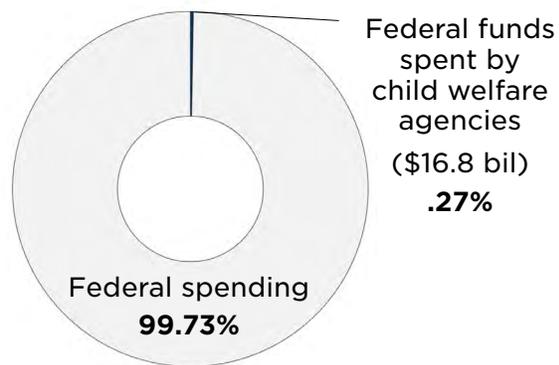


7.5 million children¹ were referred to child welfare agencies for suspected child maltreatment from October 2021 to September 2022.

Child welfare agencies spent \$34.3 billion in 2022, 57 percent of which was state and local funding.

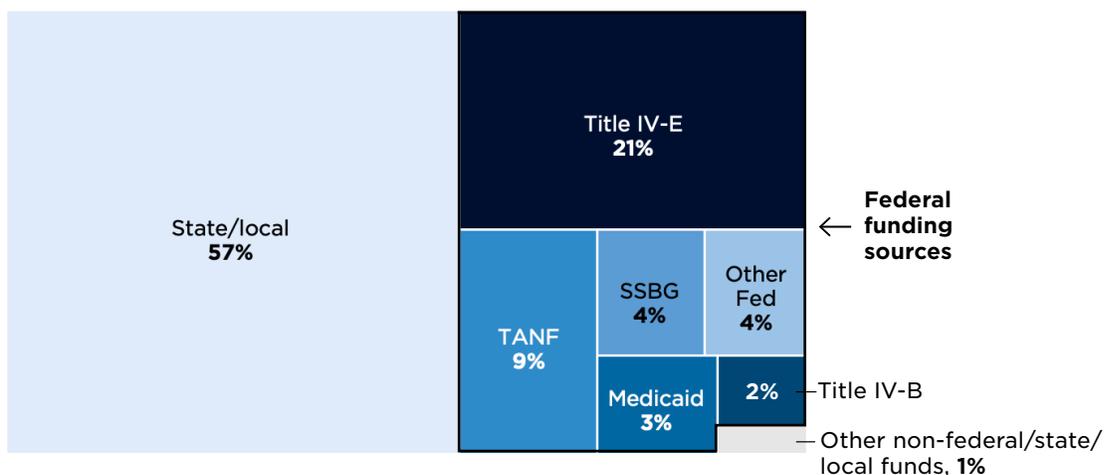


The federal funds child welfare agencies use account for less than 1 percent of total federal spending.²



Title IV-E is the largest federal source of child welfare agency expenditures.

Sources of child welfare funding in SFY 2022³



¹ U.S. Department of Health & Human Services, Administration for Children and Families, Administration on Children, Youth, and Families, Children's Bureau. (2024). Child maltreatment 2022. Washington, DC. Available from <https://acf.gov/cb/report/child-maltreatment-2022>.

² Congressional Budget Office. (2023). The Federal Budget in Fiscal Year 2022: An Infographic. Available at: <https://www.cbo.gov/publication/58888>

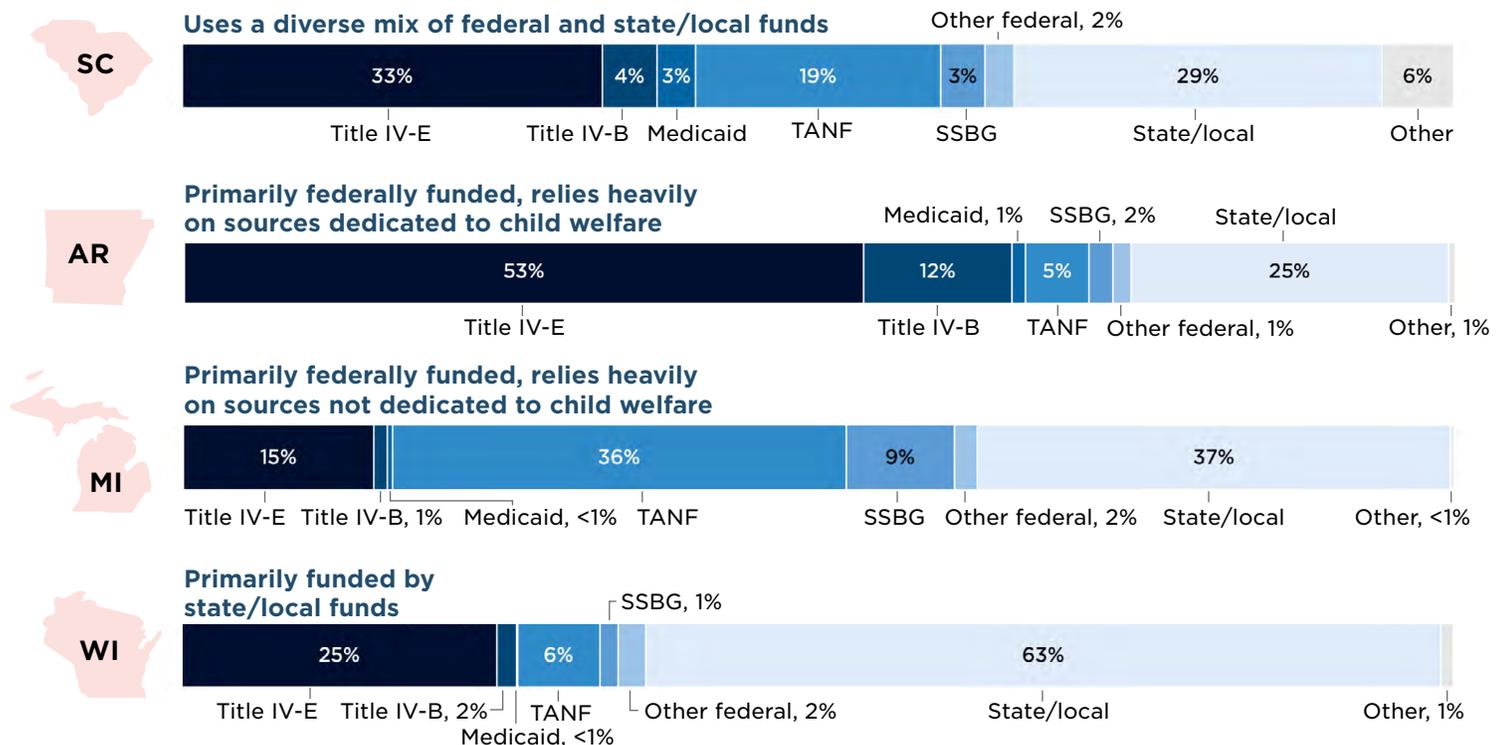
³ Each state reported data based on its SFY 2022, which for most states was July 1, 2021 to June 30, 2022. Of the 46 participating states, only four (DC, MI, NY, and TX) reported a different SFY calendar. See next page for funding source descriptions.

A variety of funding sources support child welfare activities.⁴

- ▶ **State and local funds** are used to meet non-federal cost-sharing requirements (“match”) for some federal sources, to meet a maintenance of effort requirement for a federal program, and to pay for costs that federal funds do not cover.
- ▶ **Title IV-E of the Social Security Act** can be used for foster care, adoption, guardianship, prevention, kinship navigation, supports for transition-age youth, and associated administrative and training activities.
- ▶ **The Social Services Block Grant (SSBG)** is a flexible source of federal funds that can be used to promote self-sufficiency, prevent or remedy child maltreatment, reduce inappropriate use of institutional care, and more.
- ▶ **Title IV-B of the Social Security Act** can be used for a variety of child welfare services, including preventing maltreatment, family preservation, family reunification, services for foster and adopted children, and training for child welfare professionals.
- ▶ **Medicaid** covers health-related services for millions of low-income individuals.⁵ Child welfare agencies use Medicaid for treatment portions of child welfare programs, targeted case management, and services for children in treatment or therapeutic foster homes.
- ▶ **Temporary Assistance for Needy Families (TANF)** provides cash assistance to low-income families, in addition to supporting a variety of child welfare activities. TANF offers states flexibility in how to use funding to support children involved in the child welfare system.
- ▶ States may use **other federal funding streams** to fund child welfare activities, such as the Child Abuse Prevention and Treatment Act (CAPTA), the Adoption Opportunities Program, Children’s Justice Act, and more.
- ▶ **Other funds**—like child benefits and family income, third-party in-kind contributions, and private dollars—are sometimes accessed by states in addition to federal, state, and local funds.

Child welfare agencies use different combinations of funding sources.

States vary widely in how they use the major funding sources for child welfare services.



Want to know more? See Child Trends’ website for additional resources about child welfare expenditures in SFY 2022: <https://www.childtrends.org/publications/child-welfare-financing-survey-sfy2022>

⁴ Title IV-E and Title IV-B funding sources are specific to child welfare. On the other hand, Temporary Assistance for Needy Families (TANF), Social Services Block Grant (SSBG), and Medicaid can be used for purposes outside of child welfare.
⁵ The Medicaid dollars reported are only those that pass through the child welfare agency.