



Village House Nursing & Rehabilitation Center
Elmwood Health Center
Bayberry Commons
West Shore Health Center
South Kingstown Nursing & Rehabilitation Center
Eastgate Nursing & Rehabilitation Center

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Position: Opposed

Dear Chair and Members of the Committee,

I am writing to express strong opposition to Senate Bill 3025, legislation that would limit nursing home owners to withdrawing only 3% of annual gross patient revenue without approval from the Rhode Island Department of Health.

While the intent of protecting residents is important and shared by all responsible operators, this legislation would have significant unintended consequences that could harm the very seniors it seeks to protect.

First, a 3% cap on gross patient revenue does not reflect the financial reality of operating a nursing facility. Nursing homes operate in an extremely high-cost environment with rising labor costs, regulatory compliance requirements, insurance expenses, utilities, food costs, and clinical supply costs. Gross revenue is not profit. Limiting withdrawals based on gross revenue ignores these expenses and significantly restricts financial flexibility necessary to operate a facility responsibly.

Second, this legislation would discourage investment in Rhode Island's long-term care sector. Nursing facilities require constant reinvestment in buildings, equipment, staffing, and clinical services. Investors and lenders evaluate whether a state provides a stable and predictable regulatory environment. A government-imposed cap on revenue withdrawals would send a clear signal that Rhode Island is a high-risk environment for healthcare investment. As a result, prospective buyers may choose not to acquire or invest in Rhode Island facilities.

Third, this proposal may reduce access to care for Rhode Island seniors. If facilities cannot sustain operations financially or attract new investment, struggling facilities may close or be unable to modernize their buildings or expand services. Rhode Island already faces workforce shortages and an aging population that will increase demand for long-term care services. Policies that discourage investment will make it more difficult to meet future care needs.

Fourth, Rhode Island already has extensive oversight and financial reporting requirements for nursing facilities, including Medicaid cost reporting, ownership disclosure rules, and regulatory audits. Adding additional financial restrictions creates duplicative regulation while treating responsible operators as if they are acting improperly.

For these reasons, I respectfully urge the legislature to oppose SB 3025. Rhode Island should focus on policies that support high-quality care, workforce stability, and continued investment in long-term care facilities.

Thank you for your time and consideration.

Sincerely,

Kelly Arnold
Chief Operating Officer
Health Concepts, Ltd.