



April 28, 2026

The Honorable Melissa Murray, Chairwoman

Senate Committee on Health and Human Services

State House

Providence, RI 02903

RE: S3025 - Concerns

Dear Chairwoman Murray and Members of the Committee,

On behalf of LeadingAge Connecticut & Rhode Island, I write to express our appreciation for your continued leadership on issues affecting the quality, transparency, and sustainability of long-term care in our state. LeadingAge CT & RI represents Rhode Island's nonprofit nursing homes and mission-driven providers, which serve some of our most vulnerable residents and reinvest resources directly into care, staffing, and facility improvements.

We share the General Assembly's commitment to ensuring accountability and high standards across the nursing facility sector. At the same time, we respectfully raise concerns regarding Senate Bill 3025, particularly provisions that may have unintended consequences for facilities' ability to obtain financing or refinance existing debt.

As drafted, S3025 would amend an existing statute that already requires extensive disclosure of ownership interests, including those related to mortgages, leases, and other financial arrangements. The bill would now limit the ability of facilities to withdraw equity or transfer assets above a defined threshold without prior approval from the Department of Health. While we understand and support the goal of increased transparency, these provisions may introduce significant uncertainty into the financing environment for nursing facilities.

Access to capital is essential for facilities to maintain operations, invest in infrastructure, comply with regulatory requirements, and deliver high-quality care. Nursing homes frequently rely on refinancing to manage debt, fund renovations, and respond to changing financial conditions. Requiring prior state approval for certain financial transactions—particularly those that could be interpreted as asset transfers or equity withdrawals—may create delays, regulatory uncertainty, and additional compliance burdens.

From the perspective of lenders and investors, these provisions may be viewed as restrictions on financial flexibility and cash flow management. This could lead to more conservative

underwriting, higher borrowing costs, or, in some cases, a reluctance to extend credit. Facilities already operating on thin margins could face significant challenges securing the capital necessary to remain viable.

While S3025 does not explicitly prohibit financing or refinancing, the cumulative effect of these provisions could materially constrain access to capital in practice. This could have downstream impacts on residents, staff, and the communities that depend on stable and well-resourced nursing facilities.

We respectfully urge the Committee to consider amendments that preserve the bill's transparency objectives while ensuring that facilities retain reasonable access to financing. We would welcome the opportunity to work collaboratively with you, the Department of Health, and other stakeholders to refine the legislation in a way that balances accountability with financial sustainability.

Thank you for your consideration and for your continued commitment to Rhode Island's long-term care community.

Sincerely,

Mag Morelli, President

LeadingAge Connecticut & Rhode Island