

## **Re: Opposition to Senate Bill 3025**

Dear Chairperson and Members of the Committee,

Good afternoon,

My name is Richard A. Catalozzi Sr., and I am the owner and operator of Roberts Health Centre, a 5 Star Rated 66-bed skilled nursing facility in North Kingstown, Rhode Island. I have been involved in the ownership, development, and operation of healthcare and residential properties for over 45 years.

I am writing to respectfully express my strong opposition to Senate Bill 3025.

While I support transparency and accountability in healthcare, these bills impose excessive and punitive financial constraints that will have serious unintended consequences for providers and, most importantly, for the residents we serve.

The proposed limitation restricting withdrawals to 3% of annual gross patient revenue is particularly concerning. Skilled nursing facilities operate under intense financial pressure, with rising labor costs, higher patient acuity, and increasing regulatory requirements. This restriction would significantly impair an operator's ability to reinvest in facilities, address emergencies, and sustain quality care.

I would like to provide real-world context from my own operation. I own a 36,000-square-foot facility and have chosen not to charge the business any rent—absorbing that cost personally to help keep the operation viable. My personal compensation has been limited to approximately \$120,000 per year, which reflects a modest salary relative to the size, responsibility, and risk associated with operating a healthcare facility.

At the same time, Roberts Health Centre pays approximately \$45,000 per month in provider taxes to the State of Rhode Island—over \$500,000 annually. This is a substantial financial obligation that directly impacts our ability to invest in staffing, infrastructure, and resident care. The state of Rhode Island should be ashamed of themselves using caring for the residence of Rhode Island and the owners of the facilities as a source of income!

Given this reality, it is difficult to reconcile additional financial restrictions such as those proposed in these bills. Providers are already contributing significant revenue back to the State. Layering further limitations and penalties on top of this creates a system where the financial burden continues to increase on providers without a corresponding reinvestment into the facilities delivering care.

The combined effect is not simply regulation—it risks creating a financially unsustainable environment for operators. Policies like these may ultimately discourage responsible ownership, limit reinvestment, and deter future buyers from entering the Rhode Island market.

Furthermore, the potential for fines of up to \$1,000,000 and mandated financial audits at the operator's expense establishes a punitive framework that undermines, rather than supports, providers who are already navigating an extremely challenging operating environment.

At a time when the long-term care industry is facing workforce shortages, rising costs, and increasing demand, Rhode Island should be encouraging stability and investment—not implementing policies that may drive providers away.

After more than four decades in this field, I can say with certainty that measures like these do not strengthen they put Roberts Health Centre it at risk of CLOSING!!

I respectfully urge the Committee to oppose Senate Bill 3025 and end the provider tax on private income.

Thank you for your time, consideration, and your commitment to Rhode Island's most vulnerable residents.

Sincerely,

Richard A. Catalozzi Sr.

Owner/Operator

Roberts Health Centre