



April 28, 2026

Senate Committee on Health and Human Services  
Rhode Island State House  
slegislation@rilegislature.gov

**Re: Testimony SUPPORTING Senate Bill 3027**

Dear Chair Murray and Honorable Committee Members,

Thank you for the opportunity to submit this testimony in support of Senate Bill 3027, which would establish a Medicaid bed hold payment for assisted living residents temporarily hospitalized or in short-term rehabilitation.

ABC-RI advocates for the rights and interests of residents of long-term care facilities. We support SB 3027, because nonprofit assisted living communities serving Medicaid residents are rare, mission-driven, and far cheaper for the state than nursing homes, and this bill helps keep them viable.

Rhode Island has very few options for residents who rely on Medicaid and need assisted living care. Demand far outpaces supply, waiting lists for quality residences are long, and most facilities require one to two years of private-pay residency before a resident may access Medicaid. The result is that many Rhode Islanders who need only help with activities of daily living, dementia or behavioral health care, and medication management are forced into skilled nursing facilities instead. This costs the state roughly \$39,000 more per resident per year than assisted living, and it violates residents' Olmstead rights. We know that people function better and maintain higher well-being in the least restrictive environment. Unnecessary nursing home placement causes real harm.

The handful of nonprofit assisted living communities in Rhode Island that serve primarily Medicaid residents are doing work the private market has largely declined to do. They are mission-driven organizations that reinvest revenue into care rather than returning profit to investors. The state's ability to serve Medicaid-eligible elders who do not require skilled nursing depends on their continued viability.

The financial structure that sustains these providers is fragile. Unlike private-pay facilities, which collect rent on the first of the month regardless of whether a resident is present, Medicaid-funded providers are paid only for days a resident is in the building, with payment arriving roughly six weeks later. When a resident is hospitalized, these organizations carry the full cost of holding that unit with no offsetting revenue. Absorbing multiple vacant units per month is a recurring and serious financial burden for organizations operating on thin margins.

A bed hold policy that leaves these providers without compensation for extended vacancies creates pressure to limit Medicaid beds, reduce capacity, or close. Any of those outcomes pushes Medicaid elders toward nursing home placement at greater cost to the state and real harm to residents.

SB 3027 is a narrowly targeted fix. It requires no payment for the first ten days, covering most hospitalizations entirely. Beyond ten days, it requires payment at only 50% of the assessed Medicaid rate, with a 45-day outer limit. This is a modest intervention that protects a small number of providers delivering essential care the state cannot afford to lose.

Rhode Island must preserve our few high-quality, affordable, mostly non-profit assisted living residences, and encourage the development of more. We respectfully urge you to pass this important and cost-saving bill, and thank you for all of your work on behalf of all Rhode Islanders.

Sincerely,  
Kathleen Gerard,  
ABC-RI