

## Testimony relating to HB-5076 – Budget Article 8, Section 4 and Article 10, Section 2

### Nursing Home Staffing and Quality Care

House Committee on Finance

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### **The Economic Progress Institute opposes proposals outlined in Budget Article 8, Section 4 and Budget Article 10, Section 2, both of which would severely undermine the Nursing Home Staff and Quality Care Act.**

Article 8, Section 4 would expand the definition of direct care staff to include administrative staff and nursing home directors, reducing funding for essential workers, such as CNAs, RNs, LPNs. It also proposes to increase Medicaid payment rates by 2.3% for nursing home facilities, fee-for-service hospitals, and managed care hospitals. However, state law requires annual rate inflation adjustments to be based upon national prices, which would require a 4.2% increase for nursing home payments, a 3.4% increase for fee-for service hospital payments, and a 2.9% increase for managed care hospital payments. This measure would save some General Revenue, but would also result in a loss of \$8.1 million in Federal matching funds<sup>1</sup>

Article 10, Section 2 would also allow administrative staff and nursing home directors to be included in the definition of direct care staff. The proposal would remove provisions that the director of nursing hours or other staff hours spent on administrative or non-caregiving duties be excluded from minimum staffing requirements. Consequently, this proposal also removes much of penalties for nursing home facilities failing to meet their minimum staffing requirements, while also waiving fines for the third quarter of 2025. It would also remove all mandates for the Department of Health to convene key stakeholders, such as consumers, advocates, providers, and collective bargaining agents, to promulgate rules and regulations to increase the minimum staffing requirements.

These proposals hurt Rhode Islanders working as direct care staff and the Rhode Islanders that are served in nursing home facilities. In 2024, at least 15 nursing home facilities were cited by the Centers for Medicare and Medicaid Services (CMS) as having serious deficiencies, signifying major noncompliance issues that would negatively impact the health and safety of patients. Almost half of Rhode Island nursing homes have had one serious deficiency.<sup>2</sup> This puts the safety and security of vulnerable patients living in these nursing homes at risk. It's time Rhode Island holds facilities accountable and supports frontline caregivers and essential support staff. At a time when Rhode Island's population is rapidly aging, we cannot afford to divest from nursing homes and our commitment to quality care.

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<sup>1</sup> [Summary of the Governor's Proposed FY2025 Budget, Economic Progress Institute, 2025](#)

<sup>2</sup> [NBC 10 I-Team uncovers serious deficiencies at several Rhode Island nursing homes, WJAR, 2025](#)

The Economic Progress Institute urges the committee to only include frontline and essential caregiving staff as direct care staff, not administrative staff and directors. We also urge the committee to maintain penalties for nursing home facilities who fail to meet the standards of care, and to implement the full annual inflation adjustments required by state law.