



Howard Dulude
Interim President

March 5, 2025

The Honorable Marvin L. Abney
Chairman, House Committee on Finance
Rhode Island State House
82 Smith Street
Providence, Rhode Island 02903

Re: Oppose – Article 8 Sections 1, 3 and 5

Dear Chairman Abney,

The Hospital Association of Rhode Island (HARI) and its members strongly oppose the recommendations proposed in Article 8 Sections 1, 3 and 5 of the Governor's FY 2026 Budget. Our healthcare system is in a crisis and the proposed \$24 million in hospital payment cuts will worsen provider shortages, reduce patient access to care, and further destabilize Rhode Island's healthcare system.

Hospitals are already struggling to recruit and retain physicians and advanced practice providers due to uncompetitive Medicaid reimbursement rates. Instead of strengthening healthcare access, this budget:

- **Reduces the Medicaid rate increase to 2.3%**, making it harder to attract providers.
- **Eliminates \$18.3 million in outpatient and inpatient UPL funds**, reducing fee-for-service Medicaid reimbursement.
- **Shifts \$13.7 in DSH funds**, harming hospitals serving high volumes of vulnerable patients.
- **Raises hospital taxes by \$16.8 million to approximately \$230 million**, increasing expenses for hospitals.

These cuts jeopardize patient care and increase long-term costs by driving more patients to costly emergency rooms.

We urge the committee to reject Article 8 and look forward to working with you toward sustainable Medicaid funding that strengthens hospitals, protects patient access, and ensures long-term financial stability for Rhode Island's healthcare system.

Sincerely,

A handwritten signature in black ink, appearing to read "Lisa P. Tomasso", written over a faint horizontal line.

Lisa P. Tomasso
Senior Vice President

WORKFORCE



63,054



35,717

Jobs supported by hospitals
Hospital employees work in R.I.

ECONOMIC OUTPUT



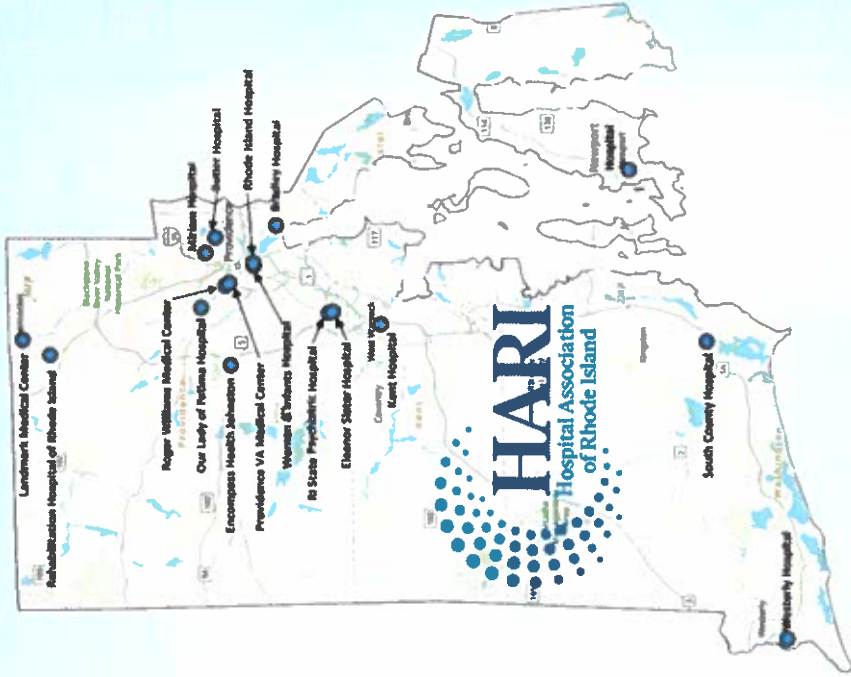
\$11.7 B
Total Economic Output



\$4.9 B
Income for R.I. families



\$779.3 M
State & Local Taxes



PATIENT CARE AND SERVICES



5.7 M

Outpatient Visits



104,000

Inpatient Discharges



369,016

ED Visits



10,009

Babies Born

CONSTRUCTION

