



March 5, 2025

The Honorable Marvin L. Abney  
Chairman, House Committee on Finance  
By Email To: [HouseFinance@rilegislature.gov](mailto:HouseFinance@rilegislature.gov)  
Re: **Governor's Budget Article 8** (OHIC Primary Care Review)

Dear Chairman Abney:

RIPIN supports giving OHIC the authority and resources to analyze primary care reimbursement and make recommendations, but **we are concerned that the proposed language in Article 8 is not appropriately tailored to the primary care context.** Primary care is very different from social and human services. We believe that primary care is important enough to have a review process designed specifically for the sector, and that some amendments to this proposal would help it realize its ambitions of supporting a stable and sustainable primary care sector for Rhode Island.

RIPIN continues to applaud the General Assembly for its enactment of the landmark 2022 law tasking OHIC with a review of Medicaid social and human service programs and reimbursement rates. We also thank the McKee administration, especially OHIC, for its rigor and professionalism in completing that review, which resulted in significant investments into long-neglected social and human services. RIPIN is a huge believer in the power of a transparent and professional review process to provide policymakers with a reliable roadmap for investments. RIPIN is also a big believer in the necessity of investments into primary care.

The proposal as currently drafted, however, could be strengthened for the context of primary care in at least four ways. First, the current proposal delays OHIC's recommendations until September 2027, putting the first potential investments to result from the recommendations until 2028 at the earliest. **This schedule can and should be moved forward by one year.** The schedule as proposed is also challenging because it puts primary care on the same biennial review cycle as social and human services. It will be more efficient in the long run to have these two review processes (primary care and social/human services) on an alternating review cycle.

Second, the **current proposal only empowers OHIC to make recommendations with respect to Medicaid reimbursement rates.**<sup>1</sup> That structure might make sense for social and human services where Medicaid is the dominant payer, but it is misplaced in the context of primary care. The typical adult primary care practice receives less than 20% of its revenue from Medicaid. **Commercial insurance and Medicare play a far more important role in financing primary care than Medicaid does, yet the proposed framework largely ignores these other payers.** The proposal allows OHIC to look at commercial and other benchmarks, but does not task or empower OHIC to make recommendations as to these rates. OHIC has existing statutory powers and a historical role in regulating commercial insurance, including commercial insurance investments into primary care. That authority, role, and expertise should be integrated this new rate review proposal.

---

<sup>1</sup> In fact, the statute and guidance issued implementing the 2022 law limit the recommendations to Medicaid fee-for-service rates, not rates paid by Medicaid MCOs. See OHIC Bulletin 2022-3, Social and Human Service Review Scope, (Issued Sept. 7, 2022), at <https://ohic.ri.gov/sites/g/files/xkgbur736/files/2022-09/OHIC%20Bulletin%202022-3%209-7-22%20Final.pdf>. EOHHS did include MCO rates in its FY25 budget request, but the rate review statute did not require the agency to do so.

300 Jefferson Boulevard Suite 300 Warwick, RI 02888  
401.270.0101 | [info@ripin.org](mailto:info@ripin.org) | [ripin.org](http://ripin.org)





Third, **the current proposal likely excludes Federally-Qualified Health Centers (FQHCs) from its scope.** FQHCs (like Providence Community Health Center, Thundermist, etc.) provide primary care to half of the State's Medicaid population. But FQHCs have rates set through a different statutory framework, and OHIC guidance implementing their social and human service review considers "rates that are determined through statutorily mandated methodologies to be out of scope."<sup>2</sup> **The proposal should be amended to clearly include FQHCs in its scope.**

Fourth, **primary care providers receive a variety of revenue streams outside of fee-for-service reimbursement,** including ACO shared savings payments, quality bonuses, capitation, and care management payments. These alternative payment methodologies make up a large and growing share of primary care financing, and many policy experts and primary care leaders want to see that share continue to grow. Social and human services, in contrast, are largely paid on a fee-for-service basis, and the OHIC rate review process was designed accordingly. Any rate review process specifically designed for primary care would incorporate these alternative payment methodologies into its scope, and make recommendations about an appropriate balance of payment methodologies, not simply new fee-for-service rates.

RIPIN strongly supports giving OHIC authority to analyze primary care reimbursement and financing, and to make recommendations to strengthen the system. We hope that the statute granting OHIC this authority will be crafted for the specific context for primary care.

A rate review system tailored for primary care would:

- ✓ Develop recommendations by September of 2026 and every two years thereafter, on an alternating year schedule with the social and human service review;
- ✓ Use an "all-payer" lens, allowing understanding of the different roles played by Medicaid, commercial insurance, and Medicare;
- ✓ Leverage the State's authority in regulating commercial insurance, in addition to its role in financing Medicaid;
- ✓ Analyze and make recommendations not just about fee-for-service reimbursement levels, but also about alternative payment methodologies; and
- ✓ Not exclude from its scope a safety net provider system as important as FQHCs.

**Simply put, primary care has a different set of payers, different payment methodologies, different legal constraints, different policy levers, and different stakeholders than social and human services.** It deserves a process better designed to suit its unique needs. Thank you for your careful consideration of this testimony.

Sincerely,

/s/

Samuel Salganik, JD

Executive Director

[Salganik@ripin.org](mailto:Salganik@ripin.org)

---

<sup>2</sup> OHIC Bulletin 2022-3, Social and Human Service Review Scope, (Issued Sept. 7, 2022), page 2, at <https://ohic.ri.gov/sites/g/files/xkgbur736/files/2022-09/OHIC%20Bulletin%202022-3%209-7-22%20Final.pdf>