

Testimony relating to HB-5076 – Budget Article 8, Section 8
Support for Primary Care Rate Review
House Committee on Finance
March 5, 2025
Divya Nair, Senior Policy Analyst, Economic Progress Institute

The Economic Progress Institute supports expanding Rhode Island’s biennial review process to include primary care services as outlined in Article 8, Section 8 of HB-5076.

Rhode Islanders need accessible health care. Unfortunately, Rhode Island is facing a crisis of shortage with primary care providers, including pediatricians, family medicine doctors, and generalists. This shortage currently leaves approximately one in four to one in two Rhode Island adults - around 200,000 to 400,000 people - without access to primary care.¹ To meet the demand, an estimated 300 *additional* physicians are needed to provide care to *all* Rhode Islanders.² However, 348 primary care physicians in Rhode Island are nearing retirement age. Including primary care services in the biennial rate review would help address this crisis in primary care by tackling key issues such as workforce retention, recruitment, and compensation.

The Office of the Health Insurance Commissioner (OHIC) recommends increasing insurance payments to primary care providers to bring them more in line with other medical specialties and to remain competitive with neighboring states.³ Medicaid payment rates in Rhode Island are *25% lower* than that in Massachusetts and Connecticut. Compared to Medicare and private insurers, Medicaid pays *lower* rates to doctors. Low Medicaid reimbursement rates translate into lower access to care for patients.⁴ However, the proposed review process applies only to Medicaid *fee-for-services* rates. Most primary care providers, however, are reimbursed through managed care rather than fee-for-service. Thus, Rhode Island still needs a comprehensive and effective plan to address the primary care shortage by also reviewing managed care and commercial rates, as this budget article alone will do little to resolve the PCP shortage.

Access to healthcare is especially critical for children, as it has been shown to reduce infant mortality, childhood deaths, and instances of low birthweight.⁵ In Rhode Island, over half of children are covered by Medicaid, making it a crucial component of pediatric care. According to the Rhode Island chapter of the American Academy of Pediatrics,

¹ [Rhode Island Faces Worsening Crisis in the Shortage of Primary Care Physicians, RI PBS, 2024](#)

² [Hundreds more physicians needed to address RI primary care shortage, experts say, WPRI, 2025](#)

³ [Primary Care in Rhode Island: Current Status and Policy Recommendations, Office of the Health Insurance Commissioner, 2023](#)

⁴ [Child Health and Access to Medical Care, 2016](#)

⁵ [Children Need Health Insurance - So Do Their Parents, CLASP, 2017](#)

one in four pediatricians in the state is expected to retire in the next six years. Currently, *more than half* of the pediatric primary care offices are not accepting new patients, except for newborns or siblings of current patients.

Affordable and accessible health care is essential to build a strong economy and thriving communities. The shortage of primary care services and providers leaves too many Rhode Island families, children, and working adults without the medical care they need. By incorporating primary care services into the state's biennial rate review process, Rhode Island can take a crucial step towards closing the gap in services and building a pipeline for future providers. We also urge the Committee to consider ways to integrate rate reviews for managed care and commercial programs to effectively address the primary care crisis in Rhode Island.