



March 5, 2024

House Committee on Finance  
Rhode Island State House  
HouseFinance@rilegislature.gov

Re: **Testimony OPPOSING** Article 8, Section 4 and Article 10, Section 2 of Governor McKee's Proposed Budget,

Dear Chair Abney and Honorable Committee Members,

Thank you for the opportunity to submit this testimony opposing Article 8, Section 4 and Article 10, Section 2 of Governor McKee's Proposed Budget.

ABC-RI stands for the rights and interests of all Rhode Islanders residing in long-term care facilities. The above provisions in the governor's budget will harm these residents. In 2021, Governor McKee signed into law the Nursing Home Safe Staffing and Quality Care Act. Since then the law has never been enforced, despite Medicaid reimbursement increases and workforce growth. **Understaffing unquestionably harms residents, and these budget provisions absolutely gut the law passed to protect residents. They would misallocate funds, misrepresent staffing levels, and weaken oversight, ultimately putting residents at risk.**

Article 8's definition of "direct-care staff" includes administrators, supervisors, and other managerial personnel who spend little to no time providing direct resident care. This misclassification results in critical funding being diverted from those who provide essential hands-on care.

Additionally, the proposed Cost-of-Living Adjustment (COLA) increase of just 2.3% falls well below the legally required 4.2%. This shortfall disproportionately affects direct care staff, many of whom already struggle to make ends meet. When caregivers are underpaid, staff turnover rises, further disrupting care for residents and worsening our workforce shortage.

**Requested Changes to Article 8, Section 4:**

- Clearly define "direct-care staff" to **exclude** administrators, managers, and supervisors so that increased funding reaches the caregivers providing direct resident care.
- Raise the COLA adjustment to 4.2% to ensure fair wages and retain skilled caregivers.

Nursing homes must be transparent about their staffing levels to ensure residents receive adequate care. However, the current proposal inflates staffing ratios by including positions that do not provide hands-on care, such as social workers, activities coordinators, aides in training, and administrative staff. This deceptive practice allows facilities to appear fully staffed while residents continue to experience inadequate care.

**Requested Changes to Article 10, Section 2:**

- Ensure that “direct-care staff” only includes workers who provide hands-on resident care.
- Maintain strong enforcement measures, including financial penalties, to hold facilities accountable for meeting care standards.

A functional enforcement system is necessary to protect both residents and taxpayers. Yet, the proposed changes weaken accountability by reducing or eliminating fines for facilities that fail to comply with staffing requirements. Without meaningful financial consequences, there is little motivation for nursing homes to invest in improvements that directly impact residents' well-being.

These proposals contradict Governor McKee's promises to improve healthcare for Rhode Islanders. Instead of directing Medicaid funds toward resident care, they allow facilities to manipulate staffing ratios and evade accountability. With federal threats to Medicaid funding on the horizon, Rhode Island must take action to ensure every dollar is used responsibly.

We urge the committee to **reject the current language in Article 8, Section 4 and Article 10, Section 2 and adopt the necessary revisions** to protect Rhode Island's nursing home residents, uphold accountability, and safeguard the integrity of the state's Medicaid program.

Thank you for your time and attention, and for all of your work on behalf of all Rhode Islanders.

Sincerely,

Kathleen Gerard,  
ABC-RI