

# **Governor's FY 2027 Budget: Requested Budget Amendments**

Staff Presentation to the House Finance Committee  
April 15, 2026

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# Introduction

- Governor has requested 6 amendments
  - All posted on Assembly & OMB websites
    - Some technical in nature
    - Many noted in hearings to date
- GBA # 6 - Rural Health Transformation Program
  - Omitted from budget with expectation of future proposal
    - Legislation and other changes to program use of known federal award\* during FY 2026 and FY 2027
  - \*pending CMS review & approval

# Summary

- Requested amendments implement the commitments already made to receive the grant
  - New Article – 7 policy changes
  - Article 8 – Medicaid resolution
    - Adds authority for Hospital-at-Home program
  - Article 1 – FY 2026 & FY 2027
    - New expenses & FTEs
      - 6 state agencies – includes funding for non-state awardees
      - Internal administrative compliance measures

# Rural Health Transformation Program

## Award

- H.R 1 \$50 billion over 5 years
  - Available to 50 states
  - All applied & awarded funding

## Purpose

- Address rural healthcare
- Improve access, quality, & sustainability
- Support technology innovation

## Funding

- Funding allocated in 2 ways
  - 50% distributed equally among all approved states
    - Each state would get \$500M - \$100M per year
  - 50% based on several factors – “workforce plan”
    - RI to get \$56M

# Roles in the Cooperative Agreement

## Federal - CMS

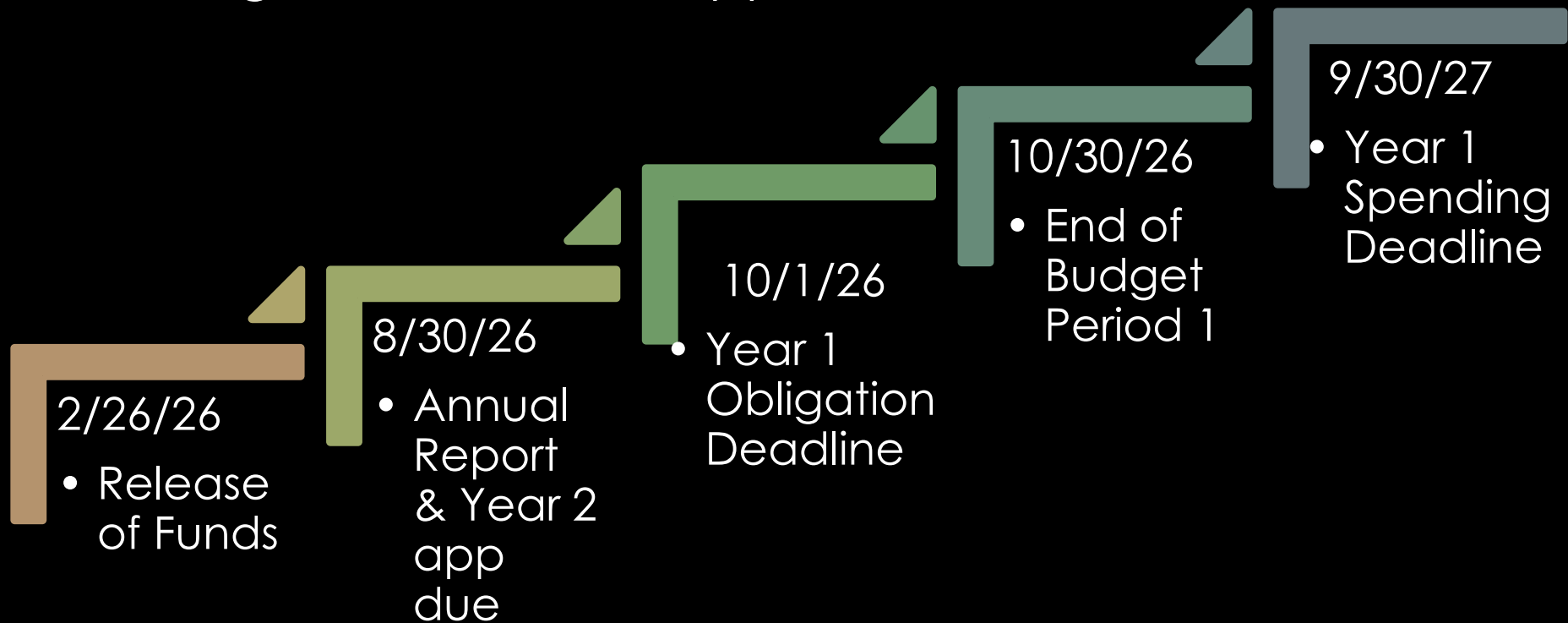
- Set overall goals & framework
- Approve, reject, or provide feedback on projects & award funds
- Release funding w/ approval of projects & budget narratives
- Review progress, provide feedback, & determine future funding; impose corrective action if deemed necessary

## State

- Develop projects to achieve goals in their own rural context
- Incorporate feedback & submit budget based on awarded funds
- Implement projects; develop reports on progress and spending
- Make program changes based on CMS feedback & implementation

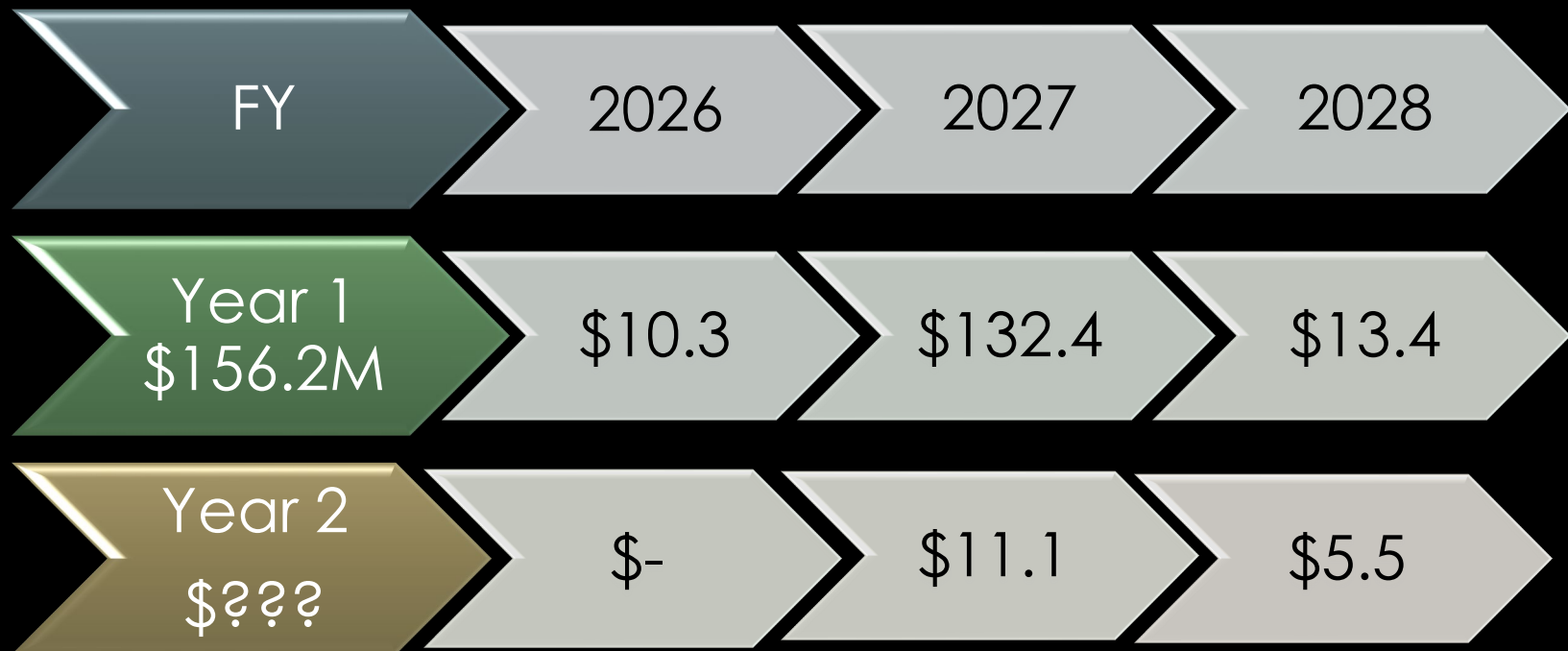
# Rural Health Transformation Program

- RI approved for \$156.2M in Year 1
  - Schedule of milestones provided by CMS
  - Progress and future applications are linked



# Rural Health Transformation Program

- GBA #6 identifies funding for FY 2026 to FY 2028
  - Year 2 – \$16.7M in state & related personnel costs only
    - \$11.1M not in GBA - will appear in FY 2027 revised



\$ in millions

# Rural RI Towns by County

## Kent

East Greenwich & West  
Greenwich

## Providence

Burrillville, Foster, Glocester,  
North Smithfield, Scituate &  
Smithfield

**Total Population  
<25,000**

**AND**

**Population Density  
< 1,000 per sq mi**

## Newport

Jamestown, Little  
Compton, Portsmouth &  
Tiverton

## Washington

Charlestown, Exeter,  
Hopkinton, New Shoreham(BI),  
Richmond & Westerly

# 13 Initiatives Match 5 Goals

2 - Sustainable  
Access

3 - Workforce  
Development

**1 - Make Rural  
America  
Healthy Again**

4 - Innovative  
Care

5 - Tech  
Innovation

# 13 Initiatives Match 5 Goals

Goal #1

**Make Rural America Healthy Again**

- #1 – Integrated Population Health Infrastructure  
**\$12.3M**
- #2 – Community Integrated & Mobile Health Services  
**\$5.6M**
- #3 – Expand Access to Community Resources  
**\$5.9M**
- #13 – Health Data & Workforce Tracking System  
**\$1.0M**

# 13 Initiatives Match 5 Goals

## Goal #2

## Sustainable Access

- #4 – EMS Health Access & Integration **\$8.4M**
- #5 – Hospital-at-Home Program **\$16.2M**
- #6 – Expanding BH Services **\$10.2M**
- #7 – Strengthen Oral Health Delivery **\$2.4M**
- #8 – Building Capacity - Block Island **\$2.7M**
- #9 – Narragansett Indian Tribe Health Care Delivery **\$1.0M**

# 13 Initiatives Match 5 Goals

Goal #3

## Workforce Development

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#10 – Rural Workforce Program **\$28.0M**

Goal #4

## Innovative Care

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#11 – Supporting Hospitals & Primary Care in Value-Based Payment Transition **\$32.3M**

Goal #5

## Technology Innovation

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#12 - Rural Health Information Technology Modernization Program **\$16.8M**

# Program Expenses

- Rural Health Transformation federal funds by state agency
  - EOHHS includes funding intended for sub-awardees
  - 29.0 new positions (9 new, 20 repurposed vacancies)

Agency	FY 2026	FY 2027	Total	FTE
EOHHS	\$5.6	\$68.8	\$74.5	7.8
DOH	2.3	26.3	28.6	13.4
DBR/OHIC	0.4	21.4	21.8	2.0
DLT	0.4	7.0	7.4	3.5
ELSEC	1.1	4.8	5.9	-
BHDDH	0.5	4.1	4.5	2.3
<b>Total*</b>	<b>\$10.3</b>	<b>\$132.4</b>	<b>\$142.7</b>	<b>29.0</b>

\$ in millions; \*pending CMS review and approval

# Program Expenses

Anticipated sub-awardees	Initiatives	Total - BP 1
Block Island Health Services	#8	\$2.8
Care Transformation (CTC) Collaborative	#11 Value Based Payments (VBP)	3.3
Hospital Association of RI (HARI)	#5 – Hospital at Home #11 VBP	20.1
RI League of Cities & Towns	#1 – CL Centers	2.2
Narragansett Indian Tribe	#9	1.1
RI Health Center Association	#10 –Workforce #11-VBP	2.8
<b>Total*</b>		<b>\$32.3</b>

\$ in millions; \*pending CMS review and approval

# Program Expenses

- RHTP federal funds by expense category
  - \$11.1M to be included in the FY 2027 revised budget
    - To align with federal rules on award use timing

All Agencies	FY 2026	FY 2027	Total
Salaries & Benefits	\$0.9	\$2.2	\$3.1
Contracted Services	2.8	34.4	37.3
Operating	1.0	5.3	6.3
Asst. & Grants	5.5	90.5	96.1
<b>Total*</b>	<b>\$10.3</b>	<b>\$132.4</b>	<b>\$142.7</b>

\$ in millions \*pending CMS review and approval

# Issues for Consideration

- Application required a sustainability plan starting FY 2032
  - RI includes the use of:
    - Medicaid/Medicare
    - Commercial Insurance
    - Federal block grants
  - Ongoing program support?
    - Community Learning Centers
- Coordination with current programs
  - CCBHC's
    - New 24/7 Behavioral Health Clinics
  - EOHHS programs supporting similar initiatives
    - Workforce development

# Acknowledged Challenges

## Timely Spending

- Hiring & procurement challenges – primary time barriers
- Potential difficulty in finding appropriate vendors for programs
- EOHHS, coordinating with DOA, looking for ways to mitigate procurement challenges

## Policy Requirements

- Administration to pursue, pass, and implement specific policy requirements

# 2026-H 7127- Articles

## RHTP Policy Actions & Proposals

RHTP Policy Actions & Proposals		
Article 8	Resolution	Hospital-at-Home Program
New Article	Sections 1-2	Pharmacists
	Section 3	Dental Hygienists
	Section 4	Nurse Licensure Compact
	Section 5	Physician Continuing Medical Education
	Section 6	Physician Assistance Licensure Compact
	Section 7	Interstate Medical Compact
	Section 8	Certificate of Need Process

# Rural Health Transformation Program – Implementation

- Policy enablers
  - Hospital-at-Home Program (Initiative #5)
  - Compact extensions and expansions
- Policy action commitments
  - Nutrition continuing education for physicians
  - New Physician Assistants Compact
  - Scope of Practice expansions
    - Pharmacists
    - Dental hygienists
  - Certificate of Need reform

# Hospital-at-Home Program

## Medicare Program

Hospital-level care at home

- Pandemic program
- Extended to 9/30/2030
- Hospitals need CMS waiver approval for the program

## 2024 Assembly

Pilot Program

- Hospital w/CMS approval for Medicare
- Kent Hospital
- Medicaid paid
  - 90 days after federal program ends
- Those already enrolled

## New Sect. 8

State Program

Any hospital with federal approval

- Kent Hospital
- RI Hospital
- Miriam Hospital
- Medicaid funded program
- **Goal 2 –Initiative #5**

# Continuing Medical Education (CME) – Physicians

## Current Law

- Along with biennial license renewal
  - Must have completed 40 hours of CME
    - Approved by DOH or RI Board of Medical Licensure & Discipline

## Section 5

- Requires that 1 hour of the 40 will be nutrition-related

# Licensure Compacts

Authorized Compacts	Status
<b>Nursing</b>	Implemented
Psychology	
Physical Therapy	Implementation Ongoing
<b>Interstate Medical (Physicians)</b>	
Social Worker	Not Implemented
Counseling	
Occupational Therapy	
Audiology	
Dietician	

- RI authorized to join several
  - Allows medical professionals to practice in all member states with only 1 license
  - Section 6
    - Model legislation to physician assistants (PA) compact
      - 23 states joined
      - As of 3/2026

# Licensure Compacts

## NURSE LICENSURE

### Current Law

- Expires 1/1/2027

### Section 4

- Extends to 1/1/2029

## INTERSTATE MEDICAL (PHYSICIANS)

### Current Law

- Physicians required to have FBI background check

### Section 7

- Prohibits providing criminal history to the Interstate Medical Compact

# Pharmacists – Practice Scope

## Current Law

- Can prescribe and dispense all short-term FDA-approved contraceptives

## Sections 1 & 2

- Expands to prescribing drugs, devices & lab tests
  - In accordance with FDA-approved labeling
    - Tobacco cessation products
    - Inhalers for COPD or asthma
    - Insulin & diabetes medication
    - Drugs to treat hypertension
- May order lab tests necessary to prescribe & manage drugs and devices
- Participation is voluntary

# Dental Hygienists – Practice Scope

## Current Law

- Expressly prohibits dental hygienist & public health dental hygienists from performing
  - Diagnosis & treatment planning procedures or duties

## Section 3

- Expressly authorizes dental hygienist & public health dental hygienists to
  - Perform dental hygiene assessment, diagnosis & treatment plan
  - Prescribe, administer and dispense fluoride supplements & topical treatments
  - Prescribe medication for purposes of dental disease

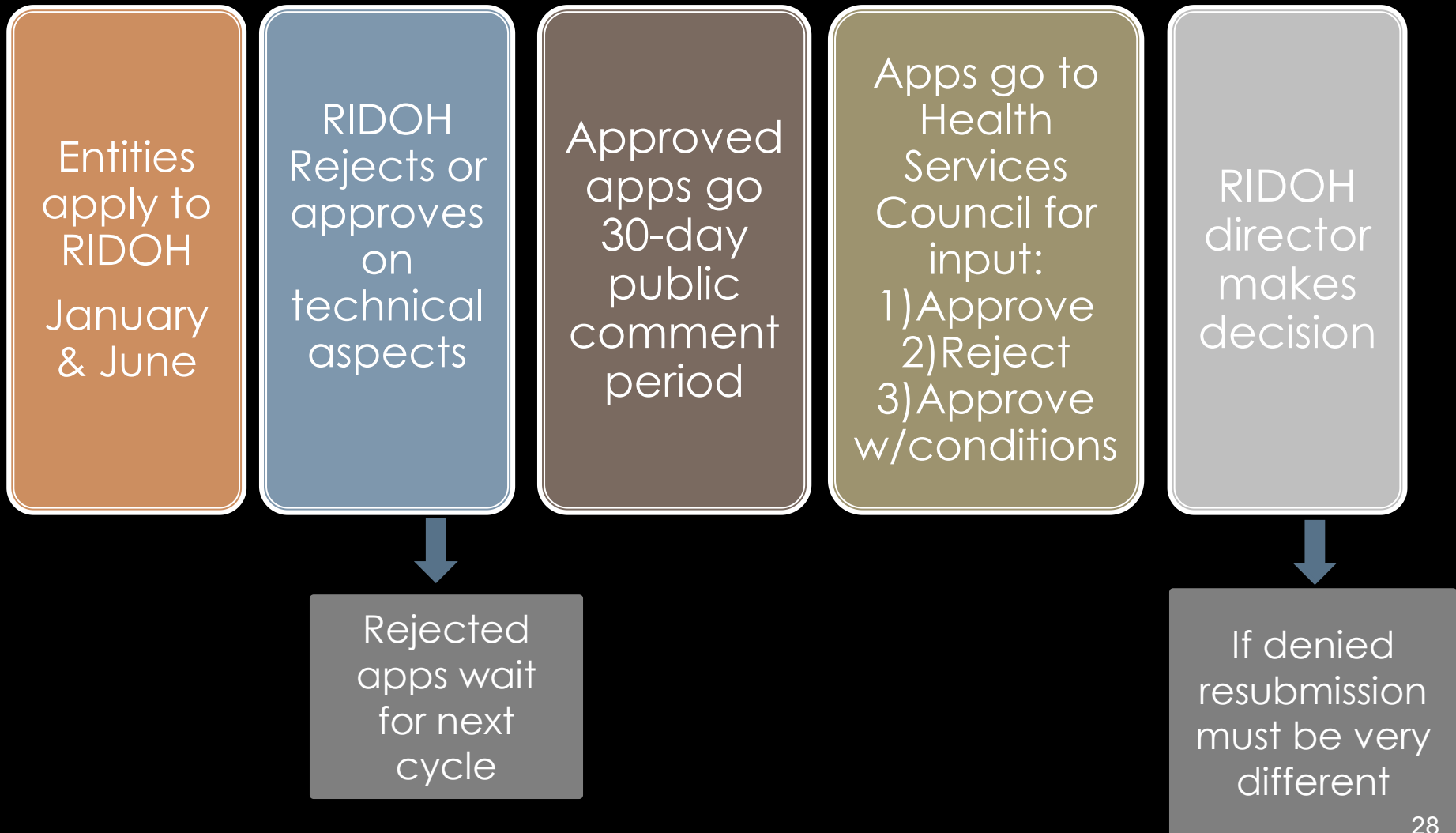
# Certificate of Need Process

- Health Services Council
  - Advisory body to the Department of Health
    - 12 appointed members
      - Governor, Speaker & Senate President – 4 each
  - Initial health care facility licensure
    - Organized Ambulatory Care Facilities, Kidney Dialysis Treatment Facilities, and birth centers
  - Implementation or procurement of new
    - Medical services
    - Equipment

# Certificate of Need

- Process
  - Requires health care providers to obtain approval before initiating certain health care services or facilities
    - Designed to prevent unnecessary duplication of expensive medical services & equipment
    - Review process must be open at least once a year
  - Certain exemptions
    - Equipment or facilities for research
    - Voter-approved bond issues for state healthcare facilities

# Certificate of Need



# Certificate of Need

## Current Law

- Defines:
  - Providers who must participate
  - New healthcare equipment
    - Exceeding \$3.1M in value
  - New or expanded tertiary or specialty care service – not to exceed 12 categories of service

## Section 8

- Limits who must participate by excluding
  - Home nursing care provider/Home Care
- Excludes ALL new healthcare equipment
- Amends services subject to CON
- Exempts state facilities
- **Similar to the 2025 Budget proposal, not adopted**

# Certificate of Need – New Article

- Amends definition of healthcare facility
  - Retaining only
    - Hospitals
    - Nursing facilities
    - Hospice provider
    - Inpatient rehabilitative hospital centers
    - Freestanding emergency-care facilities
  - Deleted
    - Home nursing care provider
    - Home care

# Certificate of Need – New Article

- New/expanded services include only
  - Cardiac catheterization
  - Open heart surgery
  - Organ transplantation
  - Linear accelerators
  - Neonatal intensive care services
- Excludes new healthcare equipment
- Capital construction expenditures increase threshold from \$7M to \$50M
  - Set at \$5.3M in July 2012 – indexed to CPI
- Exempts state health care projects from this review process

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