



**Testimony Re: House Bill 7127, Article 8, Governor's Budget**

**House Finance Committee**

**March 4, 2026**

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Mr. Chairman and members of the Committee, thank you for the opportunity to provide testimony on Budget Article 8.

**Rhode Island KIDS COUNT supports Article 8, Section 3, which would provide additional disproportionate share hospital (DSH) payments for Fiscal Year 2027.**

Rhode Islanders are losing access to many of the different options for health care due to actions by the federal government, including the loss of tax credits to offset the cost of marketplace insurance and new work reporting requirements for certain Medicaid enrollees. These changes affect children and families and will result in more uninsured Rhode Islanders.

We know that when parents are insured, children are more likely to be insured too. However, the opposite is true too. If parents lose their eligibility due to failure to comply with work reporting requirements, children will be less likely to maintain their coverage. Nearly [three quarters \(71%\) of RIte Care members who qualify based on family income were children under age 19.](#)

In October 2024, 2,250 children were enrolled in private health coverage through HealthSource RI, and 68% received financial assistance through a premium tax credit or cost-sharing reduction. These children are also at risk of becoming uninsured.

The benefits available to those who lose their health insurance coverage are limited, and the existing safety nets do not have the capacity to absorb this newly uninsured population. As a result, uninsured families will turn to emergency rooms and hospitals for care that can and should be treated in a non-emergency setting. For these reasons, we support Article 8, Section 3. We also recommend additional efforts to support the population of individuals targeted by these federal changes, including House Bill 8137, *The Rhode Island Protect Our Healthcare Act of 2026*.

**Rhode Island KIDS COUNT has some concerns about Article 8, Section 6(f), which would provide for updates to Medicaid provider reimbursement rates limited to half of the recommended increase or 100% of the Medicare rates identified in the Office of the Health Insurance Commissioner Social and**

**Human Services Programs Final Report and recommend fully implementing the proposed rate recommendations in the Fiscal Year 2027 budget.**

Section 6(f) of Article 8 provides for a phase-in of the rates recommended in the Office of the Health Insurance Commissioner (OHIC) report. While a phased approach spreads the fiscal impact of these increases over two years, it also decreases the impact of increasing rates on providers. Rhode Island is suffering from a primary care crisis and is facing a severe shortage of pediatric primary care providers. Phasing in the recommended rate increase over two years will not address the problem of this provider shortage in a timely fashion, and Rhode Island children and families need care now.

Over half of all Rhode Island children and [52% of children under age 3 were covered by Medicaid in 2024](#), and [Medicaid reimbursement rates for primary care](#) are substantially lower than neighboring states. To address the pediatric primary care crisis, we must increase reimbursement rates to attract and retain pediatric care providers.

For these reasons, we urge fully funding the rate recommendations in the OHIC report, as well as providing a stabilizing rate increase for pediatric care as described in House Bill 7693.

**Rhode Island KIDS COUNT would also like to voice some concerns about the section of Article 8, which codifies the FCCP policy of the Department of Children, Youth, and Families (DCYF) that provides critical prevention resources to children and families across the state.**

The FCCPs are a primary prevention resource for the state and provide resources from basic needs to behavioral intervention to addressing risk factors for neglect and abuse. FCCPs provide wraparound services that help support families at risk of entry into the child welfare or youth justice systems and help children remain safely at home in their communities. These services are tailored to the needs of the children and families that seek support.

Rhode Island KIDS COUNT would like to voice its concern for the proposed language of FCCP catchment areas in the budget, particularly the language that states “*Exactly one FCCP shall be permitted to operate in each region...*” Current FCCP providers can have multiple subcontracts for multiple regions and provide added coverage for this important primary prevention safety net. Restricting one FCCP provider to each region could decrease capacity to cover the whole region, increase waitlists for time sensitive services, and turn services intended to be tailored interventions into generic community prevention services.

We would also like to voice our concern about the proposed 8.5% reduction in FCCP flex funding within the FY 2027 budget. These funds are crucial to maintain as they are dedicated to unforeseen expenses related to the care of children in DCYF custody.

We appreciate the efforts of the Governor and the General Assembly to ensure that our state has a robust and comprehensive delivery system that meets the needs of children and families.