



**Testimony Re: H8404 - Relating To Human Services -- Children's
Medicaid Transformation Infrastructure Fund Act
House Finance Committee
May 5, 2026
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Mr. Chairman and members of the Committee, thank you for the opportunity to provide testimony today. Rhode Island KIDS COUNT would like to voice its support for House Bill 8404. We would like to thank Representative Dawson for sponsoring this important bill and Representatives Read, Noret, Serpa, Fellela, Messier, Kazarian, Bennett, Spears, and Caldwell for co-sponsoring. This bill would establish a fund to support children's community-based provider infrastructure changes necessary and related to the state's Medicaid transformation initiative.

We would like to thank the General Assembly for their investment in children, youth, and families that address the longstanding underfunding of the community service array. When the system is underfunded, our most vulnerable suffer. It takes a strong system of services and supports provided by both DCYF and community providers to have the array of services families need. Continued investment is required to allow DCYF to meet its mission -- prioritizing prevention and home-based services, having children's needs met in the least restrictive setting, and reducing out-of-state placements. Sufficient funding to support the DCYF community service array must be prioritized so the needs of children and families are met before unnecessary escalation and the need for higher end care.

Our community-based providers are at a very critical moment as they prepare for a transition to dual billing Medicaid and DCYF. While this Medicaid billing transformation process is required, to date community-based provider organizations have not been offered any financial support to make this significant transition. Transitioning to Medicaid billing is not a simple administrative shift. It requires investment in compliance systems, staff training, billing infrastructure, technology upgrades, and in many cases, changes to service models which cannot afford the upfront costs.

Rhode Island is currently in a federal consent decree with the United States Department of Justice related to the hospitalization of children with behavioral health disabilities in state care. This consent decree calls for a behavioral health system to be redeveloped out of DCYF to build a more robust, community-based children's behavioral health system -- one designed specifically to meet the unique developmental needs of children and families timely and effectively. If community-based providers are required to redirect funding to front the cost of required infrastructure upgrades, this will put them

at a disadvantage in meeting the needs of vulnerable children and youth and being in compliance with the federal Consent Decree.

To ensure integrated, accessible, and responsive services for children and families, children's community-based providers need financial support to take on this transition.

A Medicaid Infrastructure Fund would provide critical, time-limited resources to help them build the capacity necessary to successfully participate in Medicaid and DCYF dual billing. This is not only an investment in individual providers -- it is an investment in the strength, diversity, and accessibility of the entire service system. This will ensure that children receive the support they need in accessing needed and timely care, remain in compliance with the federal consent decree, and ensure successful participation in the required dual billing system.

Thank you for the opportunity to provide testimony, and we urge passage.