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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2026

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A N A C T

RELATING TO HUMAN SERVICES -- CHILDREN'S MEDICAID TRANSFORMATION
INFRASTRUCTURE FUND ACT

Introduced By: Representatives Dawson, Read, Noret, Serpa, Fellela, Messier, Kazarian,
Bennett, Spears, and Caldwell

Date Introduced: April 03, 2026

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. The general assembly finds that:

2 (1) The State of Rhode Island is undertaking a Medicaid transformation initiative for
3 children's community-based providers, scheduled to begin implementation on or about January 1,
4 2027;

5 (2) Said transformation will require providers to meet new standards related to care
6 coordination, data reporting, accountability, and service integration;

7 (3) Many community-based providers currently lack the administrative, technological, and
8 workforce infrastructure necessary to meet these new requirements;

9 (4) The state has previously recognized the importance of infrastructure investment in
10 implementing Medicaid reforms, including through the Certified Community Behavioral Health
11 Clinic (CCBHC) program;

12 (5) Providing targeted infrastructure funding will ensure continuity of services, protect
13 access to care, and improve outcomes for children and families; and

14 (6) The purpose of this act is to establish a dedicated fund to support children's community-
15 based providers in building the infrastructure necessary to successfully implement Medicaid
16 transformation.

17 SECTION 2. Title 40 of the General Laws entitled "HUMAN SERVICES" is hereby
18 amended by adding thereto the following chapter:

1 CHAPTER 8.16

2 CHILDREN'S MEDICAID TRANSFORMATION INFRASTRUCTURE FUND ACT

3 **40-8.16-1. Title.**

4 This chapter shall be known and may be cited as the "Children's Medicaid Transformation
5 Infrastructure Fund Act."

6 **40-8.16-2. Establishment of fund.**

7 (a) There is hereby established within the department of children, youth and families
8 (DCYF) a restricted receipt account to be known as the "Children's Medicaid Transformation
9 Infrastructure Fund."

10 (b) The fund shall consist of:

11 (1) Appropriations from the general assembly;

12 (2) Federal funds including, but not limited to, Medicaid administrative matching funds,
13 state fiscal recovery funds, or other federal sources; and

14 (3) Any other public or private funds made available to implement or administer the
15 purposes of this chapter.

16 (c) The sum of five million dollars (\$5,000,000) is hereby appropriated for fiscal year 2027
17 to fund this program.

18 **40-8.16-3. Administration.**

19 (a) DCYF shall administer the fund in coordination with the executive office of health and
20 human services (EOHHS).

21 (b) DCYF is authorized to:

22 (1) Establish program guidelines, eligibility criteria, and reporting requirements;

23 (2) Provide technical assistance to applicants and grantees;

24 (3) Enter into contracts or grant agreements with eligible entities; and

25 (4) Monitor compliance and evaluate outcomes.

26 (c) DCYF may phase funding over multiple stages, including planning, implementation,
27 and readiness phases.

28 **40-8.16-4. Eligible entities.**

29 (a) Eligible entities shall include nonprofit and community-based organizations that:

30 (1) Provide services to children and families and are enrolled in or eligible to enroll in the
31 Rhode Island Medicaid program; or

32 (2) Contract with or are designated by DCYF or EOHHS.

33 (b) Priority may be given to organizations that:

34 (1) Serve high-need or underserved populations;

1 [\(2\) Demonstrate participation in Medicaid transformation initiatives; or](#)

2 [\(3\) Provide critical safety net services.](#)

3 **40-8.16-5. Allowable uses of funds.**

4 [Funds awarded under this program shall be used solely for infrastructure and capacity-](#)
5 [building activities necessary to comply with Medicaid transformation requirements including, but](#)
6 [not limited to:](#)

7 [\(1\) Workforce recruitment, retention, and training;](#)

8 [\(2\) Development or enhancement of data systems, including electronic health records and](#)
9 [reporting tools;](#)

10 [\(3\) Care coordination infrastructure and partnership development;](#)

11 [\(4\) Administrative and financial system upgrades necessary for new payment models;](#)

12 [\(5\) Quality improvement and compliance systems;](#)

13 [\(6\) Facility improvements necessary to expand service access; and](#)

14 [\(7\) Other costs approved by DCYF that directly support readiness for Medicaid](#)
15 [transformation.](#)

16 **40-8.16-6. Funding determination and distribution.**

17 [\(a\) DCYF shall establish a methodology to award funds based on demonstrated need and](#)
18 [documented costs associated with Medicaid transformation readiness.](#)

19 [\(b\) Applicants shall be required to submit:](#)

20 [\(1\) A detailed budget outlining projected infrastructure costs;](#)

21 [\(2\) A readiness or gap assessment identifying current capacity and required improvements;](#)

22 [and](#)

23 [\(3\) A plan for achieving compliance with Medicaid transformation requirements.](#)

24 [\(c\) Awards may be scaled based on:](#)

25 [\(1\) The size and scope of the provider organization;](#)

26 [\(2\) The population served;](#)

27 [\(3\) The extent of infrastructure gaps; and](#)

28 [\(4\) The demonstrated cost of achieving compliance.](#)

29 **40-8.16-7. Reporting and accountability.**

30 [\(a\) DCYF shall require periodic reporting from grantees, including:](#)

31 [\(1\) Use of funds;](#)

32 [\(2\) Progress toward infrastructure development; and](#)

33 [\(3\) Readiness to meet Medicaid transformation requirements.](#)

34 [\(b\) DCYF shall submit an annual report to the governor and the general assembly no later](#)

1 [than January 31 of each year, detailing:](#)

2 [\(1\) Funds awarded and expended;](#)

3 [\(2\) Types of infrastructure investments made;](#)

4 [\(3\) Measurable outcomes achieved; and](#)

5 [\(4\) Recommendations for future funding or program modifications.](#)

6 **40-8.16-8. Rules and regulations.**

7 [DCYF is authorized to promulgate rules and regulations necessary to implement the](#)

8 [provisions of this chapter.](#)

9 SECTION 3. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO HUMAN SERVICES -- CHILDREN'S MEDICAID TRANSFORMATION
INFRASTRUCTURE FUND ACT

1 This act would establish a fund to support children's community-based providers'
2 infrastructure changes necessary and related to the state's Medicaid transformation initiative. This
3 act would appropriate five million dollars (\$5,000,000) for fiscal year 2027 to fund the program.

4 This act would take effect upon passage.

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