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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2026

A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- MEDICAID PROGRAM
FUNDING AND REALLOCATION OF ENROLLMENT SAVINGS

Introduced By: Senators Tikoian, and Ciccone

Date Introduced: May 27, 2026

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 Section 1. Legislative findings.

2 The general assembly finds and declares that:

3 (1) The General Assembly recognizes the importance of maintaining access to healthcare
4 services for Rhode Islanders and supporting a stable, functioning healthcare delivery system;

5 (2) Recent and anticipated federal policy changes are expected to reduce Medicaid
6 enrollment, resulting in a loss of coverage for thousands of Rhode Islanders;

7 (3) The loss of insurance coverage does not eliminate the need for healthcare services, but
8 shifts the cost of delivery of care to providers serving all patients regardless of ability to pay;

9 (4) Hospitals, community health centers, and other providers will continue to deliver
10 necessary care, resulting in increased uncompensated care and financial pressure on the healthcare
11 system;

12 (5) Reductions in Medicaid enrollment are expected to generate savings within the
13 Medicaid program;

14 (6) Aligning those savings with the continued demand for care supports provider stability
15 and access to services across the state; and

16 (7) Accordingly, any Medicaid program savings associated with enrollment reductions
17 shall be retained within the healthcare system and reinvested in providers through targeted increases
18 in reimbursement.

1 SECTION 2. Title 42 of the General Laws entitled "STATE AFFAIRS AND
2 GOVERNMENT" is hereby amended by adding thereto the following chapter:

3 CHAPTER 169

4 MEDICAID PROGRAM FUNDING AND REALLOCATION OF ENROLLMENT SAVINGS

5 **42-169-1. Definitions.**

6 As used in this chapter, "enrollment-driven savings" means the reduction in Medicaid
7 expenditures in the fiscal year ending June 30, 2028, attributable to decreases in enrollment, as
8 reflected in the estimates adopted at the May meeting of the Rhode Island caseload estimating
9 conference.

10 **42-169-2. Reallocation of savings.**

11 Notwithstanding any general or special law to the contrary:

12 (1) All enrollment-driven savings shall be retained within the Medicaid program and shall
13 not be used for deficit reduction or other purposes;

14 (2) Such savings shall be reallocated exclusively to increase Medicaid provider
15 reimbursement rates, including:

16 (i) Hospital inpatient services;

17 (ii) Hospital outpatient services;

18 (iii) Physician services; and

19 (iv) Federally qualified health center services; and

20 (3) Funds provided pursuant to this section shall be additive to existing Medicaid
21 reimbursement levels and shall not be used to supplant, replace, or offset existing appropriations,
22 rate structures, or payment methodologies in effect as of June 30, 2026.

23 **42-169-3. Implementation.**

24 The executive office of health and human services shall:

25 (1) Adjust Medicaid fee-for-service reimbursement rates as necessary;

26 (2) Amend managed care contracts and/or implement state directed payments to ensure that
27 rate increases are reflected in payments to providers, with a minimum provider pass-through rate
28 of not less than ninety percent (90%) of each rate increase, implemented within one hundred eighty
29 (180) days of the effective date of each rate adjustment; and

30 (3) Submit any required state plan amendments, waivers, or federal approvals to the
31 Centers for Medicare & Medicaid Services.

32 **42-169-4. Reporting and compliance.**

33 The executive office of health and human services shall submit an annual report to the
34 general assembly no later than October 31 of each year, covering the following:

1 (1) The calculation of enrollment-driven savings, including the methodology and actuarial
2 assumptions used;

3 (2) Provider rate adjustments implemented pursuant to this chapter, itemized by provider
4 type and care setting;

5 (3) The total amount of federal financial participation generated by rate investments made
6 under this chapter;

7 (4) The status of any required state plan amendments, waivers, or federal approvals,
8 including any approvals pending or denied by the Centers for Medicare & Medicaid Services; and

9 (5) Compliance by managed care organizations with the provider pass-through payment
10 requirements established under § 42-169-3(2).

11 SECTION 3. This act shall take effect on July 1, 2026.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- MEDICAID PROGRAM
FUNDING AND REALLOCATION OF ENROLLMENT SAVINGS

1 This act would provide that any Medicaid program savings associated with enrollment
2 reductions would be retained within the healthcare system and reinvested in providers through
3 targeted increases in reimbursement.

4 This act would take effect on July 1, 2026.

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