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# STATE OF RHODE ISLAND

## IN GENERAL ASSEMBLY

## **JANUARY SESSION, A.D. 2026**

## AN ACT

RELATING TO HEALTH AND SAFETY -- HEALTH CARE AND SOCIAL SERVICES  
TRANSACTION REVIEW AND SIGNIFICANT EQUITY INVESTOR DISCLOSURE ACT

Introduced By: Representatives Casimiro, Giraldo, Donovan, Read, Spears, Shallcross  
Smith, Potter, and Hopkins  
Date Introduced: January 21, 2026

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Referred To: House Corporations

It is enacted by the General Assembly as follows:

## 1 SECTION 1. Legislative findings.

2 The general assembly finds that:

3 (1) Private equity and similar investment structures increasingly own or control entities  
4 delivering health care and essential social services in this state;

9 SECTION 2. Title 23 of the General Laws entitled "HEALTH AND SAFETY" is hereby  
10 amended by adding thereto the following chapter:

## CHAPTER 17.31

12 HEALTH CARE AND SOCIAL SERVICES TRANSACTION REVIEW AND SIGNIFICANT  
13 EQUITY INVESTOR DISCLOSURE ACT

14 **23-17.31-1. Short title.**

15 This chapter shall be known and may be cited as the “Health Care and Social Services  
16 Transaction Review and Significant Equity Investor Disclosure Act.”

## 17 23-17.31-2. Definitions.

## As used in this chapter:

1                   (1) "Control" means the power, directly or indirectly, to direct or cause the direction of the  
2                   management or policies of an entity, whether through ownership of voting securities, contract,  
3                   governance rights, management agreement, or otherwise.

4                   (2) "Covered care entity" means any of the following operating in this state:  
5                   (i) A healthcare facility or healthcare provider licensed, certified, or registered by the  
6                   department of health pursuant to title 23;

7                   (ii) A behavioral health organization, residential facility, program, or provider licensed,  
8                   certified, or funded by the department of behavioral healthcare, developmental disabilities, and  
9                   hospitals pursuant to title 40.1; or

10                   (iii) A residential facility, group home, residential treatment facility, or program licensed,  
11                   certified, or approved by the department of children, youth, and families pursuant to title 42.

12                   (3) "Management services organization" or "MSO" means an entity that provides  
13                   management, administrative, financial, or operational services to a covered care entity or provider  
14                   organization for compensation.

15                   (4) "Material change" means any merger, acquisition, consolidation, affiliation, purchase,  
16                   sale, transfer of assets, change in ownership, change in control, or other transaction that results in:

17                   (i) A change of ownership or control of a covered care entity; or  
18                   (ii) A transaction involving a significant equity investor that affects ownership,  
19                   governance, or control of a covered care entity, provider organization, or MSO.

20                   (5) "Private equity company" means any company or group of related entities that raises  
21                   or manages capital and acquires, directly or indirectly, an ownership interest in a covered care  
22                   entity, provider organization, or MSO for the purpose of investment or financial return, including  
23                   through affiliated funds or holding companies; provided, however, that this term shall not include  
24                   venture capital firms exclusively funding startups or other early-stage businesses.

25                   (6) "Provider organization" means any corporation, partnership, limited liability company,  
26                   association, or other entity that contracts with, employs, manages, or organizes one or more covered  
27                   care entities.

28                   (7) "Significant equity investor" means:  
29                   (i) Any private equity company with a direct or indirect ownership interest in a covered  
30                   care entity, provider organization, or MSO; or  
31                   (ii) Any investor or group of investors that holds, directly or indirectly, ten percent (10%)  
32                   or more of the equity, profits, or governance rights of a covered care entity, provider organization,  
33                   or MSO.

34                   **23-17.31-3. Notice of material change.**

1        (a) Except as provided in § 23-17.31-7, a party to a material change involving a covered  
2        care entity shall file written notice with the department of health and the department of attorney  
3        general not less than sixty (60) days prior to the effective date of the material change.

4 (b) The notice shall include:

5 (1) Identification of all parties and controlling persons or entities;

6 (2) A description of the transaction structure and related agreements;

7 (3) Post-transaction ownership, management, and governance structure; and

8 (4) Identification of any significant equity investor.

9                   (c) Filing under this section shall not constitute approval unless approval is otherwise  
10                  required by law.

### **23-17.31-4. Enhanced disclosures for significant equity investor transactions.**

12        (a) For any material change involving a significant equity investor, the department of  
13        health, in consultation with the department of attorney general and the applicable licensing agency,  
14        may require submission of additional information including, but not limited to:

### (1) Capital structure of the significant equity investor;

## (2) Ownership and management structure;

### (3) Sources and uses of transaction financing:

18 (4) Audited financial statements or equivalent financial information; and

19 (5) Management services, lease, or related-party agreements.

20                   (b) The departments may require periodic post-transaction reporting for a period not to  
21                   exceed five (5) years to assess impacts on service availability, cost, workforce stability, and  
22                   continuity of care.

### **23-17.31-5. Confidentiality.**

24 Confidential commercial or financial information submitted pursuant to this chapter shall  
25 be protected from public disclosure to the extent permitted by law; provided, however, that a public  
26 summary may be issued that omits such information.

### **23-17.31-6. Enforcement.**

28        (a) Failure to comply with this chapter shall be subject to a civil penalty not to exceed ten  
29        thousand dollars (\$10,000) per day, enforceable by the attorney general.

30                   (b) The department of health may promulgate rules and regulations in consultation with  
31                   other affected state agencies.

### **23-17.31-7. Coordination with existing law.**

33       (a) Nothing in this chapter shall be construed to modify, limit, or supersede chapter 17.14  
34       of title 23 (“the hospital conversions act”), which shall control where applicable.

1           (b) Compliance with any healthcare pre-merger notification rule and regulation adopted by  
2        the department of attorney general shall satisfy the notice requirements of this chapter to the extent  
3        the same information is required.

4           (c) The department of health, the department of attorney general, and any other licensing  
5        agency may permit concurrent filings and shall deem compliance with duplicative statutory or  
6        regulatory requirements satisfied.

7        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 HEALTH AND SAFETY -- HEALTH CARE AND SOCIAL SERVICES  
TRANSACTION REVIEW AND SIGNIFICANT EQUITY INVESTOR DISCLOSURE ACT

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- 1        This act would create and establish the health care and social services transaction review
- 2        and significant equity investor disclosure act to require advance notice and enhanced disclosure of
- 3        material changes involving significant equity investors to existing state licensing and approval
- 4        authorities.
- 5        This act would take effect upon passage.

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