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LC003208
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2026

A N A C T

RELATING TO HEALTH AND SAFETY -- THE HOSPITAL CONVERSIONS ACT

Introduced By: Representatives Carson, Cortvriend, Fogarty, McGaw, Edwards,
Finkelman, Alzate, Donovan, Shallcross Smith, and Boylan
Date Introduced: January 23, 2026

Referred To: House Health & Human Services

It is enacted by the General Assembly as follows:

1 SECTION 1. Legislative findings. The general assembly finds and declares that:

2 (1) Birthing centers, including freestanding centers and hospital-operated birthing units,
3 play a critical role in ensuring safe, timely, and equitable access to maternal, perinatal, and newborn
4 care across Rhode Island.

5 (2) The closure or reduction of birthing centers has significant consequences for maternal
6 morbidity and mortality, newborn outcomes, emergency transport times, and regional healthcare
7 capacity.

8 (3) Rhode Island law does not require sufficient advance notice, public transparency, or
9 rigorous financial review before a birthing center is closed or its operations are significantly
10 reduced.

11 (4) Given ongoing consolidation within regional healthcare systems, it is essential that the
12 state receive complete and accurate financial information, including system-level data, to determine
13 whether a birthing center's closure is truly unavoidable.

14 (5) It is in the public interest to establish a strong review process requiring advance notice,
15 robust financial disclosure, community engagement, and independent analysis to protect Rhode
16 Island families, particularly in underserved and high-risk communities.

17 SECTION 2. Chapter 23-17.14 of the General Laws entitled "The Hospital Conversions
18 Act" is hereby amended by adding thereto the following section:

19 **23-17.14-18.1. The Rhode Island birthing center access, transparency, and financial**

1 **accountability act of 2026.**

2 (a) For purposes of this section:

3 (1) "Applicant" means the birthing center submitting an application pursuant to subsection
4 (d) of this section.

5 (2) "Birthing center" means any freestanding birthing center licensed under chapter 17 of
6 title 23, and any birthing unit, maternity unit, perinatal unit, or labor-and-delivery service operated
7 by a hospital or healthcare facility.

8 (3) "Closure" means the permanent cessation of all birthing services at a birthing center.

9 (4) "Closure application" means the application required by subsection (d) of this section.

10 (5) "Discontinuation of services" means the cessation of any prenatal, perinatal,
11 postpartum, or birthing-related service or program offered by a birthing center without complete
12 closure of the facility.

13 (6) "Significant reduction" or "significantly reduced" means:

14 (i) A reduction of twenty-five percent (25%) or more in capacity or annual volume;

15 (ii) A reduction in operating hours by twenty-five percent (25%) or more;

16 (iii) Elimination of labor, delivery, or postpartum services; or

17 (iv) Any relocation of birthing-related services outside the municipality in which the
18 service is currently located.

19 (b) No birthing center shall be closed, terminated, relocated, or significantly reduced
20 without the prior written approval of the director of the department of health.

21 (c) A facility proposing closure or significant reduction of a birthing center shall file a
22 closure application with the director of the department of health no fewer than one hundred eighty
23 (180) days prior to the proposed effective closure date. Notice shall also be provided to:

24 (1) The city or town council within the municipality in which the birthing center is located;

25 (2) The birthing center's patients and personnel;

26 (3) The patient advocacy groups within the state that support maternal and child health;

27 (4) All local EMS agencies;

28 (5) Local and state media outlets by written publication; and

29 (6) The speaker of the house and the president of the senate.

30 (d) Prior to the discontinuation or significant reduction of services at a birthing center, its
31 controlling officers shall provide a closure application to the director of the department of health,
32 the contents of which shall be a considered public record and posted on the department of health's
33 website. The closure application shall include:

34 (1) An access impact assessment that details:

- 1 (i) The number of beds within the impacted birthing unit;
- 2 (ii) The number of existing patients within the impacted birthing unit;
- 3 (iii) The number of employees and staff within the impacted birthing unit;
- 4 (iv) Affected healthcare services for traditionally underserved populations;
- 5 (v) Affected healthcare services for the affected community; and
- 6 (vi) Other licensed birthing centers in the affected community and the distance of those
- 7 facilities to the applicant's birthing center.
- 8 (2) A detailed evaluation of:
- 9 (i) Annual deliveries, prenatal visits, postpartum care, and newborn services;
- 10 (ii) Impact on high-risk pregnancies, low-income families, and Medicaid members;
- 11 (iii) EMS transport impacts; and
- 12 (iv) Projected changes in maternal morbidity and newborn outcomes.
- 13 (3) A patient transition plan, including:
- 14 (i) Protocols for laboring patient transfers;
- 15 (ii) EMS and hospital coordination;
- 16 (iii) Continuity plans for prenatal patients beyond twenty (20) weeks gestation;
- 17 (iv) Transfer agreements with receiving hospitals or birthing centers; and
- 18 (v) Protocols for the storage of and access to medical records.
- 19 (4) Workforce plan, including detailed descriptions of:
- 20 (i) Staffing levels;
- 21 (ii) Proposed layoff or reassignment plans; and
- 22 (iii) Transition plans for licensed midwives, doulas, nurses, and obstetric clinicians.
- 23 (5) Financial justification, certified by a certified public accountant, including:
- 24 (i) Five (5) years of audited financial statements for the birthing center and operating
- 25 hospital, if applicable, parent health system, and all controlled affiliates, subsidiaries, and
- 26 management entities;
- 27 (ii) Detailed service-level financials, including, revenues, expenses, and margins, volume
- 28 trends, overhead allocation methodology, and documentation of any staffing cuts, resource
- 29 reductions, or underinvestment contributing to financial decline;
- 30 (iii) Five (5) year forward projection, including, break-even analyses, capital investment
- 31 needs, labor costs, and sensitivity analyses for multiple scenarios; and
- 32 (iv) Parent system financial capacity review, including, reserves and unrestricted funds,
- 33 cash on hand, investments and endowment holdings, executive compensation, and intercompany
- 34 transfers or management fees.

1 (6) Comparative analysis of at least three (3) alternatives to closure including, but not
2 limited to, shared staffing models, partnerships with community providers or regional systems,
3 cross-subsidization by the parent system, and/or redesign or modernization; and

4 (7) The applicant's controlling officers shall certify that neither the birthing center nor
5 parent system engaged in actions that materially contributed to financial instability including, but
6 not limited to, understaffing, reduction of capital investment, curtailment of marketing or referral
7 pathways, diversion of patients, and/or failure to pursue available external funding.

8 (e) The director of the department of health shall deny a closure application that fails to
9 satisfy the requirements of this section.

10 (f) An independent expert, selected by the department of health and paid for by the
11 applicant, shall evaluate sustainability, feasible restructuring alternatives, and pathways to avoid
12 closure or significant reduction of services.

13 (g)(1) Within sixty (60) days of receiving the notice required by subsection (c) of this
14 section, the director of the department of health shall hold a public hearing. The applicant's
15 controlling officers shall attend the public hearing and members of the public shall be permitted to
16 participate and offer testimony; the director of the department of health shall provide twenty-one
17 (21) days written notice on the department of health's website of the date, time, and location of the
18 public hearing.

19 (2) Within thirty (30) days of receiving a closure application that satisfies the requirements
20 of subsection (d) of this section, the director of the department of health shall hold a public hearing.
21 The applicant's controlling officers shall attend the public hearing and members of the public shall
22 be permitted to participate and offer testimony; the director of the department of health shall
23 provide twenty-one (21) days written notice on the department of health's website of the date, time,
24 and location of the public hearing.

25 (h) The director of the department of health shall not approve an application submitted
26 pursuant to subsection (d) of this section unless the applicant demonstrates, by clear and convincing
27 evidence, that:

28 (1) The birthing center cannot reasonably be sustained through restructuring, alternative
29 staffing models, or system-level financial support;

30 (2) No feasible alternatives exist that would maintain safe and accessible birthing services;

31 (3) Closure shall not exacerbate maternal, newborn, racial, economic, or geographic
32 disparities; and

33 (4) Adequate, timely, and safe birthing access shall remain for the affected population.

34 (i) Notwithstanding any other provision in the general laws, the director of the department

1 of health shall have the sole authority to review all applications submitted under this section and
2 shall issue a written decision within ninety (90) days of the public hearing that follows the
3 applicant's submission of the completed closure application. The decision of the director of the
4 department of health shall approve, deny, or approve with conditions, the closure application.

5 (j) The department of health shall not amend a facility license issued pursuant to chapter
6 17 of title 23 to remove a birthing center unless the requirements of this section have been fulfilled.

7 (k) Failure to comply with the requirements of this section shall subject the entity required
8 to comply with the provisions of this section to civil penalties not to exceed twenty-five thousand
9 dollars (\$25,000) per violation. Each day of noncompliance shall constitute a separate violation.

10 (l) The department of health shall adopt rules and regulations to implement and enforce the
11 provisions of this section.

12 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 -- THE HOSPITAL CONVERSIONS ACT

- 1 This act would prohibit the closure or significant reduction of services of a birthing center
- 2 without notice, application, financial disclosure, public hearing, and approval by the department of
- 3 health.
- 4 This act would take effect upon passage.

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