



Rhode Island Health Care Association

57 KILVERT STREET, SUITE 200, WARWICK, RI 02886-1009 (401) 732-9333
FAX (401) 739-3103 www.rihca.com

**Written Testimony in Opposition to S.2492 – Rhode Island Healthcare Transaction
Oversight Act
Before the Senate Judiciary Committee
Chairman Matthew LaMountain and Members of the Committee**

May 7, 2026

Chairman LaMountain and Members of the Committee:

My name is John Gage, President and CEO of the Rhode Island Health Care Association (RIHCA), representing approximately 80 percent of the state’s nursing facilities. On behalf of our members, I write in strong opposition to S.2492.

This legislation is premised on the idea that Rhode Island lacks the tools necessary to evaluate and oversee changes in healthcare ownership and control. That premise is simply incorrect.

Rhode Island already has a comprehensive, rigorous, and time-tested framework in place through the Department of Health’s Change in Effective Control (CEC) process. Any proposed transfer of ownership of a nursing facility—whether involving operations, the real estate that houses the facility, or material changes in management agreements—is subject to extensive review by the Department of Health, a formal recommendation by the Health Services Council, and a final determination by the Director of the Department of Health.

This is not a superficial review. It requires detailed financial disclosures, ownership transparency, operational plans, and ongoing scrutiny. It is deliberative, it is thorough, and it is already designed to evaluate the very factors this bill seeks to address.

Just as importantly, the Office of the Attorney General is already an integral part of this process. The Attorney General routinely reviews CEC applications, requests additional information, raises concerns, and provides input to both the Department of Health and the Health Services Council. That coordination is not hypothetical—it is standard practice.

S.2492 does not fill a gap in oversight. It duplicates it.

What this bill would do is layer on an entirely new and parallel approval structure—complete with a 180-day advance notice requirement, duplicative document submissions, a new cost and market impact review process, and broad discretionary authority to approve, condition, or deny transactions based on overlapping and, in many cases, already-evaluated criteria.

The result will not be better oversight. It will be delay, uncertainty, and deterrence.

In a state where nursing facilities are already operating under significant financial strain—driven largely by chronic Medicaid underfunding—the ability to attract qualified, responsible buyers is critical. Facilities at risk depend on timely transactions to stabilize operations, preserve jobs, and maintain access to care for residents.

Stabilize Operations. Preserve Jobs. Pace in Nursing Home Care
A non-profit organization of proprietary and non-proprietary long term health care facilities dedicated to improving health care of the convalescent and chronically ill of all ages. An equal opportunity employer.

Imposing a duplicative, open-ended review process that extends timelines, increases costs, and introduces regulatory unpredictability will inevitably discourage those potential buyers from entering the Rhode Island market.

And that has real consequences.

Fewer transactions mean fewer opportunities to rescue struggling facilities. Fewer rescues mean more closures. And more closures mean reduced access to care for Rhode Islanders—particularly seniors and Medicaid beneficiaries who rely on nursing facilities every day.

There is also a profound irony embedded in this proposal that should not be overlooked.

The very agencies this bill seeks to further empower—the Office of the Attorney General and the Department of Health—already had full authority and exercised that authority when they reviewed and approved the sale of Roger Williams Medical Center and Our Lady of Fatima Hospital to Prospect Medical Holdings in 2014.

That transaction went through the existing oversight process for hospitals. It was reviewed. It was approved.

And yet, despite that approval, both hospitals ultimately faced significant financial distress and instability.

The lesson from that experience is not that we need more layers of process. The lesson is that no regulatory framework—no matter how expansive—can fully insulate the healthcare system from broader financial realities, market pressures, and operational challenges.

What we can do, however, is avoid making those challenges worse.

S.2492 does exactly that by creating barriers to investment and slowing the very transactions that can help sustain access to care. It substitutes duplication for effectiveness and process for progress.

Rhode Island does not need a second, overlapping approval regime. It needs to fully utilize and respect the one it already has.

For these reasons, RIHCA respectfully urges the Committee to oppose S.2492.

Closing:

We already have the authority, the oversight, and the process—what this bill adds is delay, duplication, and a direct threat to the stability of Rhode Island’s healthcare system.

Sincerely,

A handwritten signature in blue ink, appearing to read "John E. Gage", with a long horizontal line extending to the right.

John E. Gage, MBA, NHA
President & CEO
Rhode Island Health Care Association