



## Rhode Island Health Care Association

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Subject: Opposition to S 2926 – Prevailing Wage Expansion to Healthcare Facilities

Dear Chair Burke and Members of the Senate Labor & Gaming Committee,

On behalf of the Rhode Island Health Care Association (RIHCA), I write to express our opposition to S 2926, which would mandate the application of prevailing wage requirements to capital improvement projects at healthcare facilities.

While we respect the intent to support fair wages in the construction industry, this legislation would have serious unintended consequences for Rhode Island's nursing facilities and the residents they serve.

Rhode Island's long-term care sector is already operating under chronic Medicaid underfunding. Medicaid is the primary payer for the vast majority of nursing facility residents, yet reimbursement rates consistently fall short of the actual cost of care. As a result, facilities are forced to make difficult financial decisions simply to maintain operations and ensure access to essential services.

Against this backdrop, S 2926 would significantly increase the cost of capital improvement projects by imposing prevailing wage requirements on what are, in most cases, privately financed projects. This represents a substantial expansion of prevailing wage law beyond its traditional application to public works and into the healthcare sector without any corresponding funding support.

The practical effect of this policy will be to disincentivize or delay critical investments in nursing facilities. These are not optional projects - they include renovations, modernization efforts, and environmental upgrades that directly impact residents' quality of life, safety, and dignity. From updating resident rooms and common areas to improving infection control infrastructure, these capital improvements are essential to maintaining high-quality care environments.

At a time when policymakers are rightly focused on improving the quality of long-term care, this bill moves in the opposite direction. By increasing costs without addressing the underlying Medicaid funding gap, S 2926 would make it harder—not easier—for facilities to invest in the very improvements that enhance resident experience and outcomes.

If the state wishes to expand prevailing wage requirements into the healthcare sector, it must also be prepared to address the financial realities of that sector. Without meaningful Medicaid reimbursement reform that reflects the true cost of care and operations, this mandate is unsustainable.

*“Setting the 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.

This bill asks providers to do more with less – again - and the result will be fewer upgrades, fewer improvements, and ultimately a lower quality of life for the very residents we are all trying to protect.

For these reasons, we respectfully urge the Committee to oppose S 2926.

Thank you for your consideration and for your continued commitment to Rhode Island's most vulnerable residents.

Sincerely,

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

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