

CONCISE EXPLANATORY STATEMENT

In accordance with the Administrative Procedures Act, R.I. Gen. Laws § 42-35-2.6, the following is a concise explanatory statement:

AGENCY: Executive Office of Health and Human Services

DIVISION: Medicaid

RULE IDENTIFIER: 210-RICR-20-00-1

RULE TITLE: Medicaid Payments and Providers

REASON FOR RULEMAKING: This amendment makes changes to clarify the Medicaid provider enrollment and program integrity processes under the federal frameworks established in the Social Security Act and 42 C.F.R. Part 455. The purpose of this amendment is to promote program integrity and continuous quality improvement within the Medicaid program. The amendment primarily addresses federal requirements and audit findings and makes technical edits to improve clarity for the provider community. It also codifies and fully documents the existing processes and requirements to enroll and remain enrolled as a provider in the Medicaid program.

ANY FINDING REQUIRED BY LAW AS A PREREQUISITE TO THE EFFECTIVENESS OF THE RULE: N/A

TESTIMONY AND COMMENTS: Seven written comments were received. A public hearing was held on July 22, 2026. No testimony was received at the public hearing. Comments are summarized in the response to comments document.

CHANGE TO TEXT OF THE RULE: N/A

REGULATORY ANALYSIS:

This amendment increases the risk level for home care and pediatric private duty nursing (PDN) providers from moderate risk to high risk. It also elevates the risk level of the following provider types from limited to moderate risk: Adult Day Health, Center of Excellence, Certified Community Behavioral Health Clinic, Conflict-Free Case Management, Emergency Behavioral Health, home and center-based therapeutic services, Peer Recovery Services, and Psychiatric Residential Treatment Facility.

EOHHS has some discretion in determining risk level for these providers. However, this discretion is somewhat limited. If program integrity findings indicate a pattern of increased fraud, waste, and abuse within a certain provider type, the state is required to elevate the risk level. The alternative is to leave the risk level for these provider types unchanged, which places the Medicaid program at risk for failure to address program integrity trends under 42 C.F.R. Part 455. Additional discretionary changes include:

- Requiring fingerprints for managing employees of high-risk providers.
- Adding sanctionable violations to the regulations.
- Codifying other existing processes in regulation.

EOHHS estimates the cost of fingerprinting for new high-risk owners to be \$45 per owner, once every five (5) years, or a maximum of \$1,620 per year across all impacted providers. EOHHS estimates the cost for fingerprinting high-risk managing employees to be \$45 per managing employee, once every five (5) years, or a maximum of \$5,805 per year across all impacted providers. While there is no direct cost associated with site visits, EOHHS estimates the reallocation of staff time to facilitate site visits to be a maximum of \$55.50 per site visit, once every five (5) years, or a maximum of \$832.50 per year across all impacted providers.

These changes will reduce risk to the Medicaid program, consistent with several ongoing federal initiatives to strengthen program integrity. These changes are also expected to improve oversight and policy enforceability by adding clarification and specificity to program requirements. The minimal cost impact of these changes is justified by the cost avoidance to the state. EOHHS also expects any costs to providers to be offset by the significant revenue brought in by these providers via Medicaid billing, which includes administrative expenses.

For full regulatory analysis contact the agency point of contact.