Executive Summary

Rhode Island's Medicaid program represents the state's largest public investment, representing over one-third of total state budget spending. Medicaid provides a critical safety net for nearly three in ten Rhode Islanders and fuels the state's healthcare sector. However, sustaining this massive program poses a critical fiscal challenge. Medicaid spending consistently outpaces state revenue growth, and is projected to continue growing faster than revenues, despite new federal eligibility restrictions and falling enrollment.

Key Findings

- Rhode Island ranks **10th highest nationally for the share of residents enrolled Medicaid** (28.5% in 2024)—the highest in New England.
- In 2024, the Ocean state ranked 12th highest for total Medicaid expenditures per $1,000 of personal income—**5th highest for state-funded spending**—despite having relatively moderate expenditures per Medicaid enrollee (23rd highest).
- Policy choices, including **high income eligibility ceilings and a broad range of optional adult benefits**, drive Rhode Island's Medicaid expenditures.
- Spending is heavily concentrated on specific Medicaid populations: **Elders and Adults with Disabilities represent just 16% of enrollees but consume 49% of benefit funding**.
- State spending for **Rhode Island's Medicaid program is projected to grow by 24.1% from SFY 2027 through FY 2031**—an average annual increase of 6.0%—far exceeding the expected growth in revenues (2.2% annually).
- **Long-term services and supports represent the state's largest future cost driver. Developmental disability services and home-based personal care** (including home health and personal care attendant supports) are **projected to increase by 41.1% and 42.0%**, respectively, between SFY 2027 and SFY 2031.
- **Expenditure growth is projected to persist despite state estimates that over 30,000 Rhode Islanders will lose coverage** under new federal rules. Concentrated among primarily lower-cost adults, disenrollments will have minimal impact on **rising costs driven by high-acuity long-term care and health sector inflation**.
- **While Rhode Island has strong national rankings for health outcomes and high insurance coverage rates, there are significant access constraints.** Field audits found appointment booking success rates fell below 20% for primary care, pediatrics, and outpatient behavioral health.

Recommendations

- Control the overall trajectory of Medicaid spending
- Modernize network standards to expand access to care
- Enhance public data transparency and managed care oversight
- Expand high-quality jobs and private insurance coverage