Rhode Island ranks 48th nationally and 5th in New England on this FPI sub-index

Rhode Island’s Medicaid system is very large and expensive, costing $2,512 for every man, woman, and child in the state (the 4th highest level in the country). On the 2016 FPI, Rhode Island is ranked a dismal 48th. Further, overall state Medicaid costs have skyrocketed beyond initial expectations due to increased enrollment levels.

However, Medicaid reform can work. Consider the reforms implemented just up I-95, where Maine Governor LePage (R) has been able to reduce Medicaid enrollment by 62,899 people, to 291,784 in 2015 from 354,683 in 2011.37 This 18 percent decline corresponded to greater self-sufficiency among those who left the program. As a result, Maine is ranked a much higher 35th on the Medicaid sub-index of the 2016 FPI.

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Government Burden

Rhode Island ranks 37th nationally and 4th in New England on this FPI sub-index

As a result of high Medicaid costs and other state spending, state and local taxes in Rhode Island are significantly above average and make it more difficult for families to achieve their own independence, self-reliance, and prosperity. In FY14, Rhode Island’s state and local tax burden (as a percentage of private sector personal income) was 11 percent higher than the national average (16.2 percent versus 14.6 percent). Adding insult to injury, Rhode Island’s tax burden between FY00 and FY14 grew faster than the national average (5 percent versus 4.4 percent).

Rhode Island ranks 37th on the government burden sub-index of the 2016 FPI (which includes both tax and spending measures).

Rhode Island’s state and local tax burden is 11% higher and is growing 14% faster than the national average.