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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2022

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A N A C T

RELATING TO INSURANCE -- NONPROFIT HOSPITAL SERVICE CORPORATIONS--
RATE REVIEW ACT

Introduced By: Representatives Casey, Kennedy, Edwards, Cassar, Kislak, Casimiro,
Speakman, Williams, Kazarian, and Hawkins

Date Introduced: May 05, 2022

Referred To: House Corporations

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 27-19-6 of the General Laws in Chapter 27-19 entitled "Nonprofit
2 Hospital Service Corporations" is hereby amended to read as follows:

3 **27-19-6. Rates charged subscribers -- Reserves.**

4 (a) ~~Public hearings~~ General: The rates proposed to be charged or a rating formula proposed
5 to be used by any corporation organized under this chapter to employers, the state or any political
6 subdivision of the state, or individuals, shall be filed by the corporation at the office of the health
7 insurance commissioner (the "commissioner"). ~~Within sixty (60) days after receipt of the~~
8 ~~application, the commissioner, or his or her designee shall hold a hearing on all rates proposed for~~
9 ~~health insurance coverage offered in the individual market as defined in § 27-18.5-2 upon not less~~
10 ~~than ten (10) days written notice prior to the hearing. With regard to any other rates subject to the~~
11 ~~commissioner's jurisdiction the commissioner, or his or her designee, may hold a hearing upon not~~
12 ~~less than ten (10) days written notice prior to the hearing. The notice shall be published by the~~
13 ~~commissioner in a newspaper or newspapers having aggregate general circulation throughout the~~
14 ~~state at least ten (10) days prior to the hearing. The notice shall contain a description of the rates~~
15 ~~proposed to be charged and a copy of the notice shall be sent to the applicant and to the department~~
16 ~~of the attorney general. In addition, the applicant shall provide by mail, at least ten (10) days prior~~
17 ~~to the hearing, notice of the proposed rate increase for health insurance coverage offered in the~~
18 ~~individual market as defined in § 27-18.5-2 to all subscribers subject to the proposed rate increase.~~

1 (b) Public hearings: Within ten (10) days after receipt of a filing, the commissioner shall
2 determine, subject to the provisions of subsection (f) of this section, whether they intend to hold a
3 public meeting or a public hearing at which time notice of such determination shall be sent to the
4 insurance advocacy unit of the attorney general. Any such public hearing shall commence within
5 sixty (60) days after receipt of the application, upon not less than ten (10) days written notice prior
6 to the hearing, published by the commissioner in a newspaper or newspapers having aggregate
7 general circulation throughout the state, at least ten (10) days prior to the hearing. The notice shall
8 contain a description of the rates proposed to be charged and a copy of the notice shall be sent to
9 the applicant and to the department of the attorney general. In the event there is a public hearing,
10 the attorney general may engage the services of any expert or consultant necessary to assist in
11 reviewing the filing, including having the ability to seek additional relevant information from the
12 filer. All public hearings held pursuant to this section shall be held in accordance with the
13 provisions of chapter 35 of title 42.

14 ~~(b)~~(c) Filings with the Attorney General's Office: The applicant shall provide a copy of the
15 filing on all rates proposed for health insurance coverage offered in the individual market as defined
16 in § 27-18.5-2 to the ~~Insurance Advocacy Unit of the Attorney General's Office~~ insurance advocacy
17 unit of the attorney general's office simultaneously with the filing at the office of the health
18 insurance commissioner.

19 ~~(e)~~(d) Procedures: ~~At any hearing held under this section, the applicant shall be required to~~
20 ~~establish that the rates proposed to be charged or the rating formula to be used are consistent with~~
21 ~~the proper conduct of its business and with the interest of the public.~~

~~Rates proposed to be charged by any corporation organized under this chapter shall be~~
23 ~~sufficient to maintain total reserves in a dollar amount sufficient to pay claims and operating~~
24 ~~expenses for not less than one month. Those reserves shall be computed as of each December 31st,~~
25 ~~and a report setting forth the computation shall be submitted to the commissioner together with the~~
26 ~~corporation's Rhode Island annual statement to the commissioner. Any documents presented in~~
27 ~~support of a filing of proposed rates under this section shall be made available for inspection by~~
28 ~~any party entitled to participate in a hearing or admitted as an intervenor in a hearing or such~~
29 ~~conditions as the commissioner may prescribe provided under this section at a time and at a place~~
30 ~~as the commissioner may deem reasonable. The commissioner, or his or her designee, upon the~~
31 ~~hearing, may administer oaths, examine and cross-examine witnesses, receive oral and~~
32 ~~documentary evidence, and shall have the power to subpoena witnesses, compel their attendance,~~
33 ~~and require the production of books, papers, records, correspondence, or other documents which~~
34 ~~he or she deems relevant. The commissioner shall issue a decision as soon as is reasonably possible~~

1 ~~following the completion of the hearing. The decision may approve, disapprove, or modify the rates~~
2 ~~proposed to be charged by the applicant. Applicants requesting changes in rates shall underwrite~~
3 ~~the reasonable expenses of the commissioner in connection with the hearing, including any costs~~
4 ~~related to advertisements, stenographic reporting, and expert witnesses fees.~~

5 (1) The applicant shall be required to establish that the rates proposed to be charged are
6 consistent with the proper conduct of its business and with the interest of the public.

7 (2) Any documents presented in support of a filing of proposed rates under this section
8 shall be made available for public examination at a time and place that the commissioner may deem
9 reasonable.

10 (3) If a public hearing is held pursuant to subsection (b) of this section, the commissioner,
11 or designee, upon the hearing, may administer oaths, examine and cross-examine witnesses, receive
12 oral and documentary evidence, and shall have the power to subpoena witnesses, compel their
13 attendance, and require the production of books, papers, records, correspondence, or other
14 documents which they deem relevant. Any designee who shall conduct a hearing pursuant to this
15 section shall report their findings, in writing, to the commissioner, within a reasonable time
16 following the conclusion of the hearing, with a recommendation for approval, disapproval, or
17 modification of the rates proposed to be charged by the applicant. The commissioner shall make
18 and issue a decision not later than ten (10) days following the issuance of the recommended decision
19 or, if the commissioner hears the application without the appointment of a designee, as soon as is
20 reasonably possible following the completion of the hearing on the proposed rate change. The
21 decision may approve, disapprove, or modify the rates proposed to be charged by the applicant.

22 ~~(d)~~(e) The term "designee," as used in this section, shall mean a person who is impartial; a
23 member in good standing of the Rhode Island bar; and a person who is sufficiently acquainted with
24 the rules of evidence as used in the superior court of the state so as to enable that person to conduct
25 a hearing as designee of the commissioner. The reasonable per diem cost of the designee, as
26 appointed by the commissioner, shall be paid by the applicant requesting changes in the rates.

27 (f) Notwithstanding any provision of this section to the contrary, the commissioner shall
28 hold a public hearing in any instance where the applicant covers ten thousand (10,000) or more
29 enrolled individuals in the individual market, and the rates proposed in the filing for the annual rate
30 increase for products offered in the individual market produce an overall average rate increase of
31 ten percent (10%) or more. The commissioner shall require that any filing for a rate increase for
32 products offered in the individual market shall include the calculation of the "overall, average-rate
33 increase" in order to determine whether a public hearing is required.

34 (1) For the purposes of this section, the calculation of the "overall, average-rate increase"

1 shall be based on the overall average increase percent weighted by member premiums, excluding
2 the effects of age scale increases. To calculate the overall, average-rate increase, the applicant shall
3 multiply the proposed rate increase by product, times the total monthly renewing premium for each
4 product, and then divide the product by the sum of monthly renewing premiums for all products.
5 The commissioner shall require this calculation to be provided as part of the applicant's individual
6 market rate filing.

7 (g) In the event that subsection (f) of this section, in combination with § 42-62-13(b), would
8 result in more than one public hearing in any given calendar year, the commissioner may defer one
9 or more public hearing(s) for an applicant resulting from subsection (f) of this section or § 42-62-
10 13(b) until the subsequent calendar year, with the provision that one of the deferred applicants shall
11 be required to have a public hearing in the subsequent year, whether or not the applicants' filing
12 satisfies the requirements of subsection (f) of this section or § 42-62-13(b) in that subsequent
13 calendar year.

14 (h) The commissioner shall notify the attorney general of the filing(s) to be deferred and
15 the attorney general shall be given the opportunity to provide written comments and
16 recommendations to the commissioner regarding any such filing(s) deferred in accordance with
17 subsection (g) of this section.

18 (i) Notwithstanding any other provision of law to the contrary, the filing of proposed rates
19 or a rating formula, and the holding and conducting of any public hearing in connection with these
20 proposed rates or rating formula, shall be held in accordance with the provisions of chapter 35 of
21 title 42.

22 (j) Public comment. Whether or not a public hearing is held pursuant to subsection (f) of
23 this section, the commissioner shall solicit public comment regarding the rates proposed to be
24 charged. Public comment shall be solicited upon not less than ten (10) days written notice prior to
25 the date that either:

- 26 (1) A public meeting at which verbal comments may be provided; or
27 (2) That written comment must be received by the commissioner.

28 The notice shall contain a description of the rates proposed to be charged, or the formula
29 proposed to be used, and a copy of the notice shall be sent to the applicant and to the insurance
30 advocacy unit of the department of the attorney general. The attorney general shall be permitted to
31 conduct discovery in relation to the actuarial analysis and actuarial assumptions of the filer
32 regarding any filing in the individual market as defined in § 27-18.5-2. Any documents presented
33 in support of the filing under this section shall be made available for public examination at a time
34 and place that the commissioner may deem reasonable.

1 (k) The applicant shall bear reasonable expenses of the commissioner in connection with a
2 filing made pursuant to this section, including any costs related to advertisements, stenographic
3 reporting, and expert fees, regardless of whether a public hearing is held. The applicant shall bear
4 reasonable expenses of the attorney general in relation to any public hearing conducted pursuant to
5 this section. The applicant shall bear reasonable expenses of the attorney general in relation to any
6 filing in the individual market that is not subject to a public hearing.

7 SECTION 2. Section 27-20-6 of the General Laws in Chapter 27-20 entitled "Nonprofit
8 Medical Service Corporations" is hereby amended to read as follows:

9 **27-20-6. Rates charged subscribers -- Reserves -- Hearing by commissioner.**

10 (a) ~~Public hearings~~ General: The rates proposed to be charged or a rating formula proposed
11 to be used by any corporation organized under this chapter to its subscribers, employers, the state
12 or any political subdivision of the state, or individuals, shall be filed by the corporation at the office
13 of the health insurance commissioner (the "commissioner"). ~~Within sixty (60) days after receipt of~~
14 ~~the application, the commissioner, or his or her designee, shall hold a hearing on all rates proposed~~
15 ~~for health insurance coverage offered in the individual market as defined in § 27-18.5-2 upon not~~
16 ~~less than ten (10) days written notice prior to the hearing. With regard to any other rates or rating~~
17 ~~formula subject to the commissioner's jurisdiction the commissioner, or his or her designee, may~~
18 ~~hold a hearing upon not less than ten (10) days written notice prior to the hearing. The notice shall~~
19 ~~be published by the commissioner in a newspaper or newspapers having aggregate general~~
20 ~~circulation throughout the state at least ten (10) days prior to the hearing. The notice shall contain~~
21 ~~a description of the rates proposed to be charged and a copy of the notice shall be sent to the~~
22 ~~applicant and to the department of the attorney general. In addition, the applicant shall provide by~~
23 ~~mail, at least ten (10) days prior to the hearing, notice of the proposed rate increase for health~~
24 ~~insurance coverage offered in the individual market as defined in § 27-18.5-2 to all subscribers~~
25 ~~subject to the proposed rate increase.~~

26 (b) Public hearings: Within ten (10) days after receipt of a filing, the commissioner shall
27 determine, subject to the provisions of subsection (f) of this section, whether they intend to hold a
28 public meeting or a public hearing at which time notice of such determination shall be sent to the
29 insurance advocacy unit of the attorney general. Any such public hearing shall commence within
30 sixty (60) days after receipt of the application, upon not less than ten (10) days written notice prior
31 to the hearing, published by the commissioner in a newspaper or newspapers having aggregate
32 general circulation throughout the state, at least ten (10) days prior to the hearing. The notice shall
33 contain a description of the rates proposed to be charged and a copy of the notice shall be sent to
34 the applicant and to the department of the attorney general. In the event there is a public hearing,

1 the attorney general may engage the services of any expert or consultant necessary to assist in
2 reviewing the filing, including having the ability to seek additional relevant information from the
3 filer. All public hearings held pursuant to this section shall be held in accordance with the
4 provisions of chapter 35 of title 42.

5 ~~(b)~~(c) Filings with the Attorney General's Office: The applicant shall provide a copy of the
6 filing on all rates proposed for health insurance coverage offered in the individual market as defined
7 in § 27-18.5-2 or for a Medicare supplement policy as defined in § 27-18.2-1 to the ~~Insurance~~
8 ~~Advocacy Unit of the Attorney General's Office~~ insurance advocacy unit of the attorney general's
9 office simultaneously with the filing at the office of the health insurance commissioner.

10 ~~(e)~~(d) Procedures: ~~At any hearing held under this section, the applicant shall be required to~~
11 ~~establish that the rates proposed to be charged or the rating formula proposed to be used are~~
12 ~~consistent with the proper conduct of its business and with the interest of the public.~~

13 ~~Rates proposed to be charged by any corporation organized under this chapter shall~~
14 ~~maintain total reserves in a dollar amount sufficient to pay claims and operating expenses for not~~
15 ~~less than one month. Those reserves shall be computed as of each December 31st, and a report~~
16 ~~setting forth the computation shall be submitted to the commissioner together with the corporation's~~
17 ~~Rhode Island annual statement to the insurance commissioner of the state of Rhode Island. Any~~
18 ~~documents presented in support of a filing of proposed rates under this section shall be made~~
19 ~~available for inspection by any party entitled to participate in a hearing or admitted as an intervenor~~
20 ~~in a hearing on such conditions as the commissioner may prescribe provided pursuant to this section~~
21 ~~at a time and at a place as the commissioner may deem reasonable. The commissioner, or his or her~~
22 ~~designee, upon the hearing, may administer oaths, examine and cross-examine witnesses, receive~~
23 ~~oral and documentary evidence, and shall have the power to subpoena witnesses, compel their~~
24 ~~attendance, and require the production of books, papers, records, correspondence, or other~~
25 ~~documents which the director deems relevant. The commissioner shall issue a decision as soon as~~
26 ~~is reasonably possible following completion of the hearing. The decision may approve, disapprove,~~
27 ~~or modify the rates proposed to be charged by the applicant. Applicants requesting changes in rates~~
28 ~~shall underwrite the reasonable expenses of the commissioner in connection with the hearing,~~
29 ~~including any costs related to advertisements, stenographic reporting, and expert witnesses fees.~~

30 (1) The applicant shall be required to establish that the rates proposed to be charged are
31 consistent with the proper conduct of its business and with the interest of the public.

32 (2) Any documents presented in support of a filing of proposed rates under this section
33 shall be made available for public examination at a time and place that the commissioner may deem
34 reasonable.

1 (3) If a public hearing is held pursuant to subsection (b) of this section, the commissioner,
2 or designee, upon the hearing, may administer oaths, examine and cross-examine witnesses, receive
3 oral and documentary evidence, and shall have the power to subpoena witnesses, compel their
4 attendance, and require the production of books, papers, records, correspondence, or other
5 documents which they deem relevant. Any designee who shall conduct a hearing pursuant to this
6 section shall report their findings, in writing, to the commissioner, within a reasonable time
7 following the conclusion of the hearing, with a recommendation for approval, disapproval, or
8 modification of the rates proposed to be charged by the applicant. The commissioner shall make
9 and issue a decision not later than ten (10) days following the issuance of the recommended decision
10 or, if the commissioner hears the application without the appointment of a designee, as soon as is
11 reasonably possible following the completion of the hearing on the proposed rate change. The
12 decision may approve, disapprove, or modify the rates proposed to be charged by the applicant.

13 ~~(d)~~(e) The term "designee," as used in this section, shall mean a person who is impartial; a
14 member in good standing of the Rhode Island bar; and a person who is sufficiently acquainted with
15 the rules of evidence as used in the superior court of the state so as to enable that person to conduct
16 a hearing as designee of the commissioner. The reasonable per diem cost of the designee, as
17 appointed by the commissioner, shall be paid by the applicant requesting changes in the rates.

18 (f) Notwithstanding any provision of this section to the contrary, the commissioner shall
19 hold a public hearing in any instance where the applicant covers ten thousand (10,000) or more
20 enrolled individuals in the individual market, and the rates proposed in the filing for the annual rate
21 increase for products offered in the individual market produce an overall average rate increase of
22 ten percent (10%) or more. The commissioner shall require that any filing for a rate increase for
23 products offered in the individual market shall include the calculation of the "overall, average-rate
24 increase" in order to determine whether a public hearing is required.

25 (1) For the purposes of this section, the calculation of the "overall, average-rate increase"
26 shall be based on the overall, average-increase percent weighted by member premiums, excluding
27 the effects of age scale increases. To calculate the overall, average-rate increase, the applicant shall
28 multiply the proposed rate increase by product, times the total monthly renewing premium for each
29 product, and then divide the product by the sum of monthly renewing premiums for all products.
30 The commissioner shall require this calculation to be provided as part of the applicant's individual
31 market rate filing.

32 (g) In the event that subsection (f) of this section, in combination with § 42-62-13(b), would
33 result in more than one public hearing in any given calendar year, the commissioner may defer one
34 or more public hearing(s) for an applicant resulting from subsection (f) of this section or § 42-62-

1 13(b) until the subsequent calendar year, with the provision that one of the deferred applicants shall
2 be required to have a public hearing in the subsequent year, whether or not the applicants' filing
3 satisfies the requirements of subsection (f) of this section or § 42-62-13(b) in that subsequent
4 calendar year.

5 (h) The commissioner shall notify the attorney general of the filing(s) to be deferred and
6 the attorney general shall be given the opportunity to provide written comments and
7 recommendations to the commissioner regarding any such filing(s) deferred in accordance with
8 subsection (g) of this section.

9 (i) Notwithstanding any other provision of law to the contrary, the filing of proposed rates
10 or a rating formula, and the holding and conducting of any public hearing in connection with these
11 proposed rates or rating formula, shall be held in accordance with the provisions of chapter 35 of
12 title 42.

13 (j) Public comment. Whether or not a public hearing is held pursuant to subsection (f) of
14 this section, the commissioner shall solicit public comment regarding the rates proposed to be
15 charged. Public comment shall be solicited upon not less than ten (10) days written notice prior to
16 the date that either:

17 (1) A public meeting at which verbal comments may be provided; or

18 (2) That written comment must be received by the commissioner.

19 The notice shall contain a description of the rates proposed to be charged, or the formula
20 proposed to be used, and a copy of the notice shall be sent to the applicant and to the insurance
21 advocacy unit of the department of the attorney general. The attorney general shall be permitted to
22 conduct discovery in relation to the actuarial analyses and actuarial assumptions of the filer
23 regarding any filing in the individual market as defined in § 27-18.5-2. Any documents presented
24 in support of the filing under this section shall be made available for public examination at a time
25 and place that the commissioner may deem reasonable.

26 (k) The applicant shall bear reasonable expenses of the commissioner in connection with a
27 filing made pursuant to this section, including any costs related to advertisements, stenographic
28 reporting, and expert fees, regardless of whether a public hearing is held. The applicant shall bear
29 reasonable expenses of the attorney general in relation to any public hearing conducted pursuant to
30 this section. The applicant shall bear reasonable expenses of the attorney general in relation to any
31 filing in the individual market that is not subject to a public hearing.

32 SECTION 3. Section 42-62-13 of the General Laws in Chapter 42-62 entitled
33 "Catastrophic Health Insurance Plan Act" is hereby amended to read as follows:

34 **42-62-13. Rates charged.**

1 (a) ~~The rates proposed to be charged or a rating formula proposed to be used by any insurer~~
2 ~~or health maintenance organization under this section to employers, the state or any political~~
3 ~~subdivision of the state, or individuals, shall be filed by the insurer or health maintenance~~
4 ~~organization at the office of the director of business regulation. This section does not apply to any~~
5 ~~entity subject to § 27-19-1 et seq., and/or § 27-20-1 et seq. The rates proposed to be charged by~~
6 ~~those entities shall be governed by the provisions of § 27-19-1 et seq., and/or § 27-20-1 et seq.~~
7 ~~Within sixty (60) days after receipt of the application, the director, or the director's designee, may~~
8 ~~hold a hearing upon not less than ten (10) days' written notice prior to the hearings. The notice shall~~
9 ~~contain a description of the rates proposed to be charged, and a copy of the notice shall be sent to~~
10 ~~the applicant and to the consumer protection unit of the department of attorney general. At any~~
11 ~~hearing held under this section, the applicant shall be required to establish that the rates proposed~~
12 ~~to be charged or the rating formula proposed to be used are consistent with the proper conduct of~~
13 ~~its business and with the interest of the public. Any documents presented in support of a filing of~~
14 ~~proposed rates under this section shall be made available for public examination at any time and~~
15 ~~place that the director may deem reasonable. The director, or the director's designee, upon that~~
16 ~~hearing may administer oaths, examine and cross-examine witnesses, receive oral and documentary~~
17 ~~evidence, and shall have the power to subpoena witnesses, compel their attendance and require the~~
18 ~~production of all books, papers, records, correspondence, or other documents which he or she~~
19 ~~deems relevant. Any designee who shall conduct a hearing pursuant to this section shall report his~~
20 ~~or her findings in writing to the director within eighty (80) days of the filing with a recommendation~~
21 ~~for approval, disapproval, or modification of the rates proposed to be charged by the applicant. The~~
22 ~~recommended decision shall become part of the record. The director shall make and issue a decision~~
23 ~~not later than ten (10) days following the issuance of the recommended decision or, if the director~~
24 ~~hears the application without the appointment of a designee, as soon as is reasonably possible~~
25 ~~following the completion of the hearing on the proposed rate change. The decision may approve,~~
26 ~~disapprove, or modify the rates proposed to be charged by the applicant. Insurers requesting~~
27 ~~changes in rates shall underwrite the reasonable expenses of the department of business regulation~~
28 ~~in connection with the hearing, including any costs related to advertisements, stenographic~~
29 ~~reporting, and expert witnesses fees. Notwithstanding any other provisions of law, the filing of~~
30 ~~proposed rates or a rating formula and the holding and conduct of any hearings in connection with~~
31 ~~these proposed rates or rating formula shall be pursuant to this section.~~

32 (b) ~~Whenever the term "designee" is used in this section, it shall mean a person who is~~
33 ~~impartial, a member in good standing of the Rhode Island bar and a person who is sufficiently~~
34 ~~acquainted with the rules of evidence as used in the superior court of the state so as to enable that~~

1 ~~person to conduct a hearing as designee of the director. The reasonable per diem cost of the designee~~
2 ~~as appointed by the director shall be paid by the insurers requesting changes in the rates.~~ The rates
3 proposed to be charged, or a rating formula proposed to be used, by any health insurer, dental
4 insurer, or health maintenance organization subject to title 27, to employers, the state or any
5 political subdivision of the state, or individuals, shall be filed at the office of the health insurance
6 commissioner (the "commissioner"). The rates proposed to be used by any health insurer, dental
7 insurer, or health maintenance organization in the individual market as defined in § 27-18.5-2 shall
8 be filed at the office of the health insurance commissioner and simultaneously with the attorney
9 general's insurance advocacy unit. The applicant shall be required to establish that the rates
10 proposed to be charged, or the rating formula proposed to be used, are consistent with the proper
11 conduct of its business and with the interest of the public. Within ten (10) days after receipt of the
12 filing, the commissioner shall determine, subject to subsection (b) of this section, whether they
13 intend to hold a public meeting or a public hearing at which time notice of such determination shall
14 be sent to the insurance advocacy unit of the attorney general. In the event there is a public hearing,
15 the attorney general may engage the services of any expert or consultant necessary to assist in
16 reviewing the filing, including having the ability to seek additional relevant information from the
17 filer. Any such public hearing shall commence within sixty (60) days after receipt of the filing. The
18 commissioner, or designee, may hold a hearing upon not less than ten (10) days prior written notice
19 to the public in a newspaper or newspapers having aggregate general circulation throughout the
20 state. The notice shall contain a description of the rates proposed to be charged, and a copy of the
21 notice shall be sent to the applicant and to the insurance advocacy unit of the department of attorney
22 general. Any documents presented in support of the filing under this section shall be made available
23 for public examination at any time and place that the commissioner may deem reasonable.

24 (b) Notwithstanding any provision of this section to the contrary, the commissioner shall
25 hold a public hearing in any instance where the applicant covers ten thousand (10,000) or more
26 enrolled individuals in the individual market, and the rates proposed in the filing for the annual rate
27 increase for products offered in the individual market produce an overall average rate increase of
28 ten percent (10%) or more. The commissioner shall require that any filing for a rate increase for
29 products offered in the individual market shall include the calculation of the "overall average-rate
30 increase" in order to determine whether a public hearing is required.

31 (1) For the purposes of this section, the calculation of the "overall, average-rate increase"
32 shall be based on the overall average increase percent weighted by member premiums, excluding
33 the effects of age scale increases. To calculate the overall average-rate increase, the applicant shall
34 multiply the proposed rate increase by product times the total monthly renewing premium for each

1 product, and then divide the product by the sum of monthly renewing premiums for all products.
2 The commissioner shall require this calculation to be provided as part of the applicant's individual
3 market rate filing.

4 (c) In the event that subsection (b) of this section, in combination with §§ 27-19-6(f) and
5 27-20-6(f), would result in more than one public hearing in any given calendar year, the
6 commissioner may defer one or more public hearing(s) for applicant(s) resulting from subsection
7 (b) of this section or §§ 27-19-6(f) and 27-20-6(f) until the subsequent calendar year, with the
8 provision that one of the deferred applicants shall be required to have a public hearing in the
9 subsequent year whether or not it satisfies the requirements of subsection (b) of this section or §§
10 27-19-6(f) and 27-20-6(f) for that subsequent calendar year.

11 (d) The commissioner shall notify the attorney general of the filing(s) to be deferred and
12 the attorney general shall be given the opportunity to provide written comments and
13 recommendations to the commissioner regarding any such filing(s) that is deferred in accordance
14 with subsection (c) of this section.

15 (e) Public Hearings. If a public hearing is held pursuant to subsection (b) of this section,
16 the commissioner, or designee, upon that hearing may administer oaths, examine and cross-
17 examine witnesses, receive oral and documentary evidence, and shall have the power to subpoena
18 witnesses, compel their attendance, and require the production of all books, papers, records,
19 correspondence, or other documents which they deem relevant. The public hearing shall be held in
20 accordance with the provisions of chapter 35 of title 42. Any designee who shall conduct a hearing
21 pursuant to this section shall report their findings in writing to the commissioner, within a
22 reasonable time following the conclusion of the hearing, with a recommendation for approval,
23 disapproval, or modification of the rates proposed to be charged by the applicant. The
24 recommended decision shall become part of the record. The commissioner shall make and issue a
25 decision not later than ten (10) days following the issuance of the recommended decision or, if the
26 commissioner hears the application without the appointment of a designee, as soon as is reasonably
27 possible following the completion of the hearing on the proposed rate change. The decision may
28 approve, disapprove, or modify the filing.

29 (f) Notwithstanding any other provisions of law to the contrary, the filing of proposed rates,
30 or a rating formula, and the holding and conducting of any public hearing in connection with these
31 proposed rates, or rating formula, of any health insurer, dental insurer, or health maintenance
32 organization subject to title 27 shall be held in accordance with the provisions of chapter 35 of title
33 42.

34 (g) Whenever the term "designee" is used in this section, it shall mean a person who is

1 impartial, a member in good standing of the Rhode Island bar and a person who is sufficiently
2 acquainted with the rules of evidence as used in the superior court of the state in order to enable
3 that person to conduct a hearing as designee of the director. The reasonable per diem cost of the
4 designee as appointed by the director shall be paid by the insurers requesting changes in the rates.

5 (h) Public comment. Whether or not a public hearing is held pursuant to subsection (b) of
6 this section, the commissioner shall solicit public comment regarding the rates proposed to be used.
7 Public comment shall be solicited upon not less than ten (10) days written notice prior to the date
8 that either:

9 (1) A public meeting at which verbal comments may be provided; or

10 (2) That written comment must be received by the commissioner.

11 The notice shall contain a description of the rates proposed to be charged, and a copy of
12 the notice shall be sent to the applicant and to the insurance advocacy unit of the department of
13 attorney general. The attorney general shall be permitted to conduct discovery in relation to the
14 actuarial analysis and actuarial assumptions of the filer regarding any filing in the individual market
15 as defined in § 27-18.5-2. Any documents presented in support of the filing under this section shall
16 be made available for public examination at a time and place that the commissioner may deem
17 reasonable.

18 (i) The applicant shall bear reasonable expenses of the commissioner in connection with a
19 filing made pursuant to this section, including any costs related to advertisements, stenographic
20 reporting, and expert fees, regardless of whether a public hearing is held. The applicant shall bear
21 reasonable expenses of the attorney general in relation to any public hearing conducted pursuant to
22 this section. The applicant shall bear reasonable expenses of the attorney general in relation to any
23 filing in the individual market that is not subject to a public hearing.

24 SECTION 4. This act shall take effect on January 1, 2023.

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LC005844
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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO INSURANCE -- NONPROFIT HOSPITAL SERVICE CORPORATIONS--
RATE REVIEW ACT

1 This act would create a uniform rate review procedure for rates proposed to be changed or
2 rating formulas proposed to be used by nonprofit hospital service corporations, nonprofit medical
3 services corporations and the catastrophic health insurance plan, requiring public hearings or public
4 meetings with the applicant bearing the reasonable expenses of the filing. This act would not limit
5 the appeal rights of any person or entity that had the right to appeal a final decision of the
6 commissioner under the applicable provisions of titles 27 and 42 relating to health insurance.

7 This act would take effect on January 1, 2023.

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