

2023 -- S 0530 SUBSTITUTE A

LC001403/SUB A

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2023

A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- THE HEALTHCARE SERVICES
FUNDING PLAN ACT

Introduced By: Senators Goodwin, and DiMario

Date Introduced: March 07, 2023

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 42-7.4-3 of the General Laws in Chapter 42-7.4 entitled "The
2 Healthcare Services Funding Plan Act" is hereby amended to read as follows:

3 **42-7.4-3. Imposition of healthcare services funding contribution.**

4 (a) Each insurer is required to pay the healthcare services funding contribution for each
5 contribution enrollee of the insurer at the time the contribution is calculated and paid, at the rate set
6 forth in this section.

7 (1) Beginning ~~January 1, 2016~~ July 1, 2023, the secretary shall set the healthcare services
8 funding contribution each fiscal year in an amount equal to: (i) The child immunization funding
9 requirement described in § 23-1-46; plus (ii) The adult immunization funding requirement
10 described in § 23-1-46; plus (iii) The children's health services funding requirement described in §
11 42-12-29; plus (iv) The psychiatry resource network funding requirement described in § 23-1-46.1
12 and all as divided by ~~(iv)~~(v) The number of contribution enrollees of all insurers.

13 (2) The contribution set forth herein shall be in addition to any other fees or assessments
14 upon the insurer allowable by law.

15 (b) The contribution shall be paid by the insurer; provided, however, a person providing
16 health benefits coverage on a self-insurance basis that uses the services of a third-party
17 administrator shall not be required to make a contribution for a contribution enrollee where the
18 contribution on that enrollee has been or will be made by the third-party administrator.

1 (c) The secretary shall create a process to facilitate the transition to the healthcare services
2 funding contribution method that: (i) assures adequate funding beginning July 1, 2016, (ii) reflects
3 that funding via the healthcare services funding contribution method initially will be for only a
4 portion of the state's fiscal year, and (iii) avoids duplicate liability for any insurer that made a
5 payment under the premium assessment method in effect prior to January 1, 2016, for a period for
6 which it would also be liable for a contribution under the healthcare services funding contribution
7 method as described in this chapter.

8 SECTION 2. Chapter 23-1 of the General Laws entitled "Department of Health" is hereby
9 amended by adding thereto the following section:

10 **23-1-46.1. Psychiatry resource network account (Effective July 1, 2023).**

11 (a) There is created within the general fund a restricted receipt account to be known as the
12 "PRN account." All money in the account shall be utilized by the department of health to effectuate
13 coverage for the following services: Existing Rhode Island lines including the PediPRN and
14 MomsPRN information lines together with any additional information line, referral service, or
15 hotline which is available to providers or residents in the state, and which is funded pursuant to
16 regulation adopted by the director of the department of health. Amounts collected pursuant to § 42-
17 7.4-3(a)(1)(iv) shall be deposited in the "PRN account." The funds shall be used solely for the
18 purposes of the "PRN account," and no other.

19 (b) Each year's psychiatry resource network funding requirement in § 42-7.4-3(a)(1)(iv)
20 shall be the amount:

21 (1) Projected by the department of health for the services in subsection (a) of this section;
22 plus

23 (2) A ten percent (10%) contingency for unexpected expenses; and after

24 (3) Deduction for any projected carryover of excess funds from prior assessments.

25 (c) The department of health shall submit to the general assembly an annual report on the
26 program and costs related to the program, on or before February 1 of each year. The department
27 shall make available to each insurer required to make a contribution pursuant to § 42-7.4-3, upon
28 its request, detailed information regarding the programs described in subsection (a) of this section
29 and the costs related to those programs.

30 (d) The "PRN account" shall be exempt from the indirect costs recovery provisions of §
31 35-4-27.

32 SECTION 3. Section 35-4-27 of the General Laws in Chapter 35-4 entitled "State Funds"
33 is hereby amended to read as follows:

34 **35-4-27. Indirect cost recoveries on restricted receipt accounts.**

1 Indirect cost recoveries of ten percent (10%) of cash receipts shall be transferred from all
2 restricted-receipt accounts, to be recorded as general revenues in the general fund. However, there
3 shall be no transfer from cash receipts with restrictions received exclusively: (1) From contributions
4 from nonprofit charitable organizations; (2) From the assessment of indirect cost-recovery rates on
5 federal grant funds; or (3) Through transfers from state agencies to the department of administration
6 for the payment of debt service. These indirect cost recoveries shall be applied to all accounts,
7 unless prohibited by federal law or regulation, court order, or court settlement. The following
8 restricted receipt accounts shall not be subject to the provisions of this section:

- 9 Executive Office of Health and Human Services
- 10 Organ Transplant Fund
- 11 HIV Care Grant Drug Rebates
- 12 Health System Transformation Project
- 13 Rhode Island Statewide Opioid Abatement Account
- 14 HCBS Support-ARPA
- 15 HCBS Admin Support-ARPA
- 16 Department of Human Services
- 17 Veterans' home — Restricted account
- 18 Veterans' home — Resident benefits
- 19 Pharmaceutical Rebates Account
- 20 Demand Side Management Grants
- 21 Veteran's Cemetery Memorial Fund
- 22 Donations — New Veterans' Home Construction
- 23 Department of Health
- 24 Pandemic medications and equipment account
- 25 Miscellaneous Donations/Grants from Non-Profits
- 26 State Loan Repayment Match
- 27 Healthcare Information Technology
- 28 [Healthcare services funding accounts for the psychiatry resource network \(PRN\)](#)
- 29 Department of Behavioral Healthcare, Developmental Disabilities and Hospitals
- 30 Eleanor Slater non-Medicaid third-party payor account
- 31 Hospital Medicare Part D Receipts
- 32 RICLAS Group Home Operations
- 33 Commission on the Deaf and Hard of Hearing
- 34 Emergency and public communication access account

1 Department of Environmental Management
2 National heritage revolving fund
3 Environmental response fund II
4 Underground storage tanks registration fees
5 De Coppet Estate Fund
6 Rhode Island Historical Preservation and Heritage Commission
7 Historic preservation revolving loan fund
8 Historic Preservation loan fund — Interest revenue
9 Department of Public Safety
10 E-911 Uniform Emergency Telephone System
11 Forfeited property — Retained
12 Forfeitures — Federal
13 Forfeited property — Gambling
14 Donation — Polygraph and Law Enforcement Training
15 Rhode Island State Firefighter’s League Training Account
16 Fire Academy Training Fees Account
17 Attorney General
18 Forfeiture of property
19 Federal forfeitures
20 Attorney General multi-state account
21 Forfeited property — Gambling
22 Department of Administration
23 OER Reconciliation Funding
24 Health Insurance Market Integrity Fund
25 RI Health Benefits Exchange
26 Information Technology Investment Fund
27 Restore and replacement — Insurance coverage
28 Convention Center Authority rental payments
29 Investment Receipts — TANS
30 OPEB System Restricted Receipt Account
31 Car Rental Tax/Surcharge-Warwick Share
32 Grants Management Administration
33 Executive Office of Commerce
34 Housing Resources Commission Restricted Account

1 Housing Production Fund
2 Department of Revenue
3 DMV Modernization Project
4 Jobs Tax Credit Redemption Fund
5 Legislature
6 Audit of federal assisted programs
7 Department of Children, Youth and Families
8 Children’s Trust Accounts — SSI
9 Military Staff
10 RI Military Family Relief Fund
11 RI National Guard Counterdrug Program
12 Treasury
13 Admin. Expenses — State Retirement System
14 Retirement — Treasury Investment Options
15 Defined Contribution — Administration - RR
16 Violent Crimes Compensation — Refunds
17 Treasury Research Fellowship
18 Business Regulation
19 Banking Division Reimbursement Account
20 Office of the Health Insurance Commissioner Reimbursement Account
21 Securities Division Reimbursement Account
22 Commercial Licensing and Racing and Athletics Division Reimbursement Account
23 Insurance Division Reimbursement Account
24 Historic Preservation Tax Credit Account
25 Marijuana Trust Fund
26 Social Equity Assistance Fund
27 Judiciary
28 Arbitration Fund Restricted Receipt Account
29 Third-Party Grants
30 RI Judiciary Technology Surcharge Account
31 Department of Elementary and Secondary Education
32 Statewide Student Transportation Services Account
33 School for the Deaf Fee-for-Service Account
34 School for the Deaf — School Breakfast and Lunch Program

- 1 Davies Career and Technical School Local Education Aid Account
- 2 Davies — National School Breakfast & Lunch Program
- 3 School Construction Services
- 4 Office of the Postsecondary Commissioner
- 5 Higher Education and Industry Center
- 6 IGT STEM Scholarships
- 7 Department of Labor and Training
- 8 Job Development Fund
- 9 Rhode Island Council on the Arts
- 10 Governors' Portrait Donation Fund
- 11 Statewide records management system account
- 12 SECTION 4. This act shall take effect on July 1, 2023.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO STATE AFFAIRS AND GOVERNMENT -- THE HEALTHCARE SERVICES
FUNDING PLAN ACT

1 This act would amend Rhode Island's existing healthcare services funding plan act by
2 adding an account relating to a new psychiatry resource network to fund Rhode Island's present
3 PediPRN and MomsPRN, as well as similar programs which may be added by regulation in the
4 future. It also adds an assessment to those previously authorized by the healthcare services funding
5 plan act for purposes of funding this new account.

6 This act would take effect on July 1, 2023.

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