

2024 -- S 3157

LC006267

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2024

SENATE RESOLUTION

RESPECTFULLY REQUESTING HEALTHSOURCE RI (HSRI) TO CONVENE A WORKING GROUP TO STUDY THE ISSUE OF AFFORDABILITY OF COVERAGE IN THE RHODE ISLAND HEALTH INSURANCE INDIVIDUAL MARKET AND TO PROVIDE RECOMMENDATIONS ON THE DESIGN OF A STATE-BASED PROGRAM TO PROVIDE AFFORDABILITY ASSISTANCE TO RHODE ISLANDERS ENROLLED IN PLANS THROUGH THE HSRI EXCHANGE

Introduced By: Senator Joshua Miller

Date Introduced: June 11, 2024

Referred To: Placed on the Senate Consent Calendar

1 WHEREAS, Many Rhode Islanders report serious challenges in accessing health care
2 services due to high and rising deductibles, out-of-pocket costs, and monthly health insurance
3 premiums; and

4 WHEREAS, According to the 2024 Rhode Island Market Summary published by the
5 Office of the Health Insurance Commissioner, Rhode Islanders enrolled in health insurance
6 coverage through the individual market pay higher cost sharing than Rhode Islanders enrolled in
7 health insurance coverage through the small or large group markets; and

8 WHEREAS, Research studies have demonstrated that higher cost sharing has been shown
9 to decrease consumers' utilization of needed medical services, including preventive care and
10 essential drugs; and

11 WHEREAS, Increases in consumer cost sharing are seen to influence adverse outcomes
12 for vulnerable populations, including the elderly, chronically ill, and low income; and

13 WHEREAS, HealthSource RI (HSRI) documented in its 2022 Health Information Survey
14 a 21 percent increase in out-of-pocket costs between 2020 and 2022, noting this was "the highest
15 reported out-of-pocket spending since the [HSRI] survey began in 2012"; and

16 WHEREAS, In the same HSRI 2022 Health Information Survey, 14.9 percent of Rhode
17 Islanders reported that, despite having health insurance coverage, they experienced problems

1 paying medical bills; and

2 WHEREAS, HSRI reports that after the end of the COVID-19 public health emergency,
3 at least 14,000 low- and middle-income Rhode Islanders who had retained Medicaid coverage
4 during the pandemic transitioned to HSRI individual market coverage where premiums and out-
5 of-pocket costs may result in individuals foregoing needed medical care or face unexpectedly
6 high bills for medical treatment; and

7 WHEREAS, The Kaiser Family Foundation has noted that “for people and families with
8 limited assets, even a relatively small unexpected medical expense can be unaffordable”; and

9 WHEREAS, Federal enhanced advance premium tax credits were established under the
10 2021 American Rescue Plan and extended by the 2022 Inflation Reduction Act, helping expand
11 health insurance premium affordability support for millions of Americans and helping reduce
12 uninsured rates in Rhode Island to an all-time low of 2.9 percent; and

13 WHEREAS, Federal enhanced advance premium tax credits are scheduled to expire in
14 December 2025, potentially jeopardizing years of coverage gains and making health insurance
15 unaffordable for many middle-income Rhode Islanders; and

16 WHEREAS, Without this federal support some Rhode Islanders could be expected to pay
17 up to 36 percent of their income simply to enroll into health insurance, thereafter facing
18 additional charges for out-of-pocket medical costs; and

19 WHEREAS, Other states have established successful state-based programs to lower
20 health insurance premiums and out-of-pocket health care costs for low- and middle-income
21 residents, including Massachusetts, Colorado, and Washington; and

22 WHEREAS, The urgency of the potential increase in health insurance premiums for
23 many middle-income Rhode Islanders, particularly those who have recently lost Medicaid
24 coverage held through the COVID-19 pandemic, necessitates immediate action to design a Rhode
25 Island state-based affordability program and the funding mechanism for such a program; now,
26 therefore be it

27 RESOLVED, That this Senate of the State of Rhode Island hereby respectfully requests
28 HealthSource RI (HSRI) to convene a working group to study the issue of affordability of
29 coverage in the Rhode Island health insurance individual market and to make recommendations
30 on the design of a state-based program to provide affordability assistance to Rhode Islanders
31 enrolled in plans through the HSRI exchange; and be it further

32 RESOLVED, That this Senate hereby requests that HSRI invites participation in this
33 working group from members of the Exchange Advisory Board established by § 42-157-7 of the
34 General Laws, and further invites additional participants to ensure meaningful participation from

1 each of the following groups: the Office of the Health Insurance Commissioner, the Executive
2 Office of Health and Human Services, health insurance carriers, health care providers (including
3 primary care providers, behavioral health care providers, and hospitals), health care consumers
4 and health care consumer advocacy organizations, and businesses which purchase or otherwise
5 provide health insurance coverage for their employees; and be it further

6 RESOLVED, That this Senate hereby requests that the working group considers and
7 issues recommendations regarding mechanisms that directly address both the monthly premium
8 cost of health insurance obtained through HSRI and the out-of-pocket costs paid by enrollees
9 upon receipt of health care services, currently addressed by federal advance premium tax credits
10 and cost-sharing reductions, respectively; and be it further

11 RESOLVED, That this Senate hereby requests that in its study and recommendations, the
12 working group specifically addresses the impact of the expiration of federal enhanced advance
13 premium tax credits established under the American Rescue Plan and extended by the Inflation
14 Reduction Act, which are currently expected to expire at the end of calendar year 2025; and be it
15 further

16 RESOLVED, That this Senate hereby requests that the working group delivers its
17 recommendations as to the design of such state-based affordability program based on a total
18 funding amount of \$20 million, and to additionally deliver recommendations as to how such
19 design would be modified if the total funding amount were to be halved (i.e. \$10 million) or
20 doubled (i.e. \$40 million); and be it further

21 RESOLVED, That this Senate hereby requests that the working group additionally
22 studies and reports to the Senate as to potential funding mechanisms which could be designed and
23 established to pay for such state-based affordability program and the positive and negative
24 attributes of each funding mechanism, including, but not limited to, state general revenue,
25 assessments on health insurance issuers, other assessments on health care industry entities, special
26 assessments, proceeds from existing or new excise taxes, funds from the Rhode Island Health
27 Insurance Mandate, and any federal funding source identified; and be it further

28 RESOLVED, That this Senate hereby requests that HSRI submits a report on the
29 recommendations delivered by the working group to the President of the Senate and the Governor
30 on or before January 31, 2025; and be it further

31 RESOLVED, That the Secretary of State be and hereby is authorized and directed to
32 transmit duly certified copies of this resolution to HealthSource RI, the Office of the Health
33 Insurance Commissioner, the Executive Office of Health and Human Services, and the Honorable

1 Daniel McKee, Governor of the State of Rhode Island.

=====
LC006267
=====