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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2021

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A N A C T

RELATING TO HEALTH AND SAFETY -- COMPREHENSIVE HEALTH INSURANCE  
PROGRAM

Introduced By: Senators Bell, Calkin, Mack, Anderson, Goldin, Quezada, Lawson,  
Mendes, Acosta, and DiMario

Date Introduced: February 10, 2021

Referred To: Senate Health & Human Services

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 42-14.5 of the General Laws entitled "The Rhode Island Health Care  
2 Reform Act of 2004 - Health Insurance Oversight" is hereby repealed in its entirety.

3 ~~CHAPTER 42-14.5~~

4 ~~The Rhode Island Health Care Reform Act of 2004—Health Insurance Oversight~~

5 ~~42-14.5-1. Health insurance commissioner.~~

6 ~~There is hereby established, within the department of business regulation, an office of the~~  
7 ~~health insurance commissioner. The health insurance commissioner shall be appointed by the~~  
8 ~~governor, with the advice and consent of the senate. The director of business regulation shall grant~~  
9 ~~to the health insurance commissioner reasonable access to appropriate expert staff.~~

10 ~~42-14.5-1.1. Legislative findings.~~

11 ~~The general assembly hereby finds and declares as follows:~~

12 ~~(1) A substantial amount of health care services in this state are purchased for the benefit~~  
13 ~~of patients by health care insurers engaged in the provision of health care financing services or is~~  
14 ~~otherwise delivered subject to the terms of agreements between health care insurers and providers~~  
15 ~~of the services.~~

16 ~~(2) Health care insurers are able to control the flow of patients to providers of health care~~  
17 ~~services through compelling financial incentives for patients in their plans to utilize only the~~  
18 ~~services of providers with whom the insurers have contracted.~~

1 ~~(3) Health care insurers also control the health care services rendered to patients through~~  
2 ~~utilization review programs and other managed care tools and associated coverage and payment~~  
3 ~~policies.~~

4 ~~(4) By incorporation or merger the power of health care insurers in markets of this state for~~  
5 ~~health care services has become great enough to create a competitive imbalance, reducing levels of~~  
6 ~~competition and threatening the availability of high quality, cost-effective health care.~~

7 ~~(5) The power of health care insurers to unilaterally impose provider contract terms may~~  
8 ~~jeopardize the ability of physicians and other health care providers to deliver the superior quality~~  
9 ~~health care services that have been traditionally available in this state.~~

10 ~~(6) It is the intention of the general assembly to authorize health care providers to jointly~~  
11 ~~discuss with health care insurers topics of concern regarding the provision of quality health care~~  
12 ~~through a committee established by an advisory to the health insurance commissioner.~~

13 **42-14.5-2. Purpose.**

14 ~~With respect to health insurance as defined in § 42-14-5, the health insurance commissioner~~  
15 ~~shall discharge the powers and duties of office to:~~

16 ~~(1) Guard the solvency of health insurers;~~

17 ~~(2) Protect the interests of consumers;~~

18 ~~(3) Encourage fair treatment of health care providers;~~

19 ~~(4) Encourage policies and developments that improve the quality and efficiency of health~~  
20 ~~care service delivery and outcomes; and~~

21 ~~(5) View the health care system as a comprehensive entity and encourage and direct~~  
22 ~~insurers towards policies that advance the welfare of the public through overall efficiency,~~  
23 ~~improved health care quality, and appropriate access.~~

24 **42-14.5-3. Powers and duties.**

25 ~~The health insurance commissioner shall have the following powers and duties:~~

26 ~~(a) To conduct quarterly public meetings throughout the state, separate and distinct from~~  
27 ~~rate hearings pursuant to § 42-62-13, regarding the rates, services, and operations of insurers~~  
28 ~~licensed to provide health insurance in the state; the effects of such rates, services, and operations~~  
29 ~~on consumers, medical care providers, patients, and the market environment in which the insurers~~  
30 ~~operate; and efforts to bring new health insurers into the Rhode Island market. Notice of not less~~  
31 ~~than ten (10) days of the hearing(s) shall go to the general assembly, the governor, the Rhode Island~~  
32 ~~Medical Society, the Hospital Association of Rhode Island, the director of health, the attorney~~  
33 ~~general, and the chambers of commerce. Public notice shall be posted on the department's website~~  
34 ~~and given in the newspaper of general circulation, and to any entity in writing requesting notice.~~

1           ~~(b) To make recommendations to the governor and the house of representatives and senate~~  
2 ~~finance committees regarding healthcare insurance and the regulations, rates, services,~~  
3 ~~administrative expenses, reserve requirements, and operations of insurers providing health~~  
4 ~~insurance in the state, and to prepare or comment on, upon the request of the governor or~~  
5 ~~chairpersons of the house or senate finance committees, draft legislation to improve the regulation~~  
6 ~~of health insurance. In making the recommendations, the commissioner shall recognize that it is~~  
7 ~~the intent of the legislature that the maximum disclosure be provided regarding the reasonableness~~  
8 ~~of individual administrative expenditures as well as total administrative costs. The commissioner~~  
9 ~~shall make recommendations on the levels of reserves, including consideration of: targeted reserve~~  
10 ~~levels; trends in the increase or decrease of reserve levels; and insurer plans for distributing excess~~  
11 ~~reserves.~~

12           ~~(c) To establish a consumer/business/labor/medical advisory council to obtain information~~  
13 ~~and present concerns of consumers, business, and medical providers affected by health insurance~~  
14 ~~decisions. The council shall develop proposals to allow the market for small business health~~  
15 ~~insurance to be affordable and fairer. The council shall be involved in the planning and conduct of~~  
16 ~~the quarterly public meetings in accordance with subsection (a). The advisory council shall develop~~  
17 ~~measures to inform small businesses of an insurance complaint process to ensure that small~~  
18 ~~businesses that experience rate increases in a given year may request and receive a formal review~~  
19 ~~by the department. The advisory council shall assess views of the health provider community~~  
20 ~~relative to insurance rates of reimbursement, billing, and reimbursement procedures, and the~~  
21 ~~insurers' role in promoting efficient and high quality health care. The advisory council shall issue~~  
22 ~~an annual report of findings and recommendations to the governor and the general assembly and~~  
23 ~~present its findings at hearings before the house and senate finance committees. The advisory~~  
24 ~~council is to be diverse in interests and shall include representatives of community consumer~~  
25 ~~organizations; small businesses, other than those involved in the sale of insurance products; and~~  
26 ~~hospital, medical, and other health provider organizations. Such representatives shall be nominated~~  
27 ~~by their respective organizations. The advisory council shall be co-chaired by the health insurance~~  
28 ~~commissioner and a community consumer organization or small business member to be elected by~~  
29 ~~the full advisory council.~~

30           ~~(d) To establish and provide guidance and assistance to a subcommittee ("the professional-~~  
31 ~~provider health plan work group") of the advisory council created pursuant to subsection (c),~~  
32 ~~composed of healthcare providers and Rhode Island licensed health plans. This subcommittee shall~~  
33 ~~include in its annual report and presentation before the house and senate finance committees the~~  
34 ~~following information:~~

- 1           ~~(1) A method whereby health plans shall disclose to contracted providers the fee schedules~~  
2 ~~used to provide payment to those providers for services rendered to covered patients;~~
- 3           ~~(2) A standardized provider application and credentials verification process, for the~~  
4 ~~purpose of verifying professional qualifications of participating healthcare providers;~~
- 5           ~~(3) The uniform health plan claim form utilized by participating providers;~~
- 6           ~~(4) Methods for health maintenance organizations, as defined by § 27-41-2, and nonprofit~~  
7 ~~hospital or medical service corporations, as defined by chapters 19 and 20 of title 27, to make~~  
8 ~~facility specific data and other medical service specific data available in reasonably consistent~~  
9 ~~formats to patients regarding quality and costs. This information would help consumers make~~  
10 ~~informed choices regarding the facilities and clinicians or physician practices at which to seek care.~~  
11 ~~Among the items considered would be the unique health services and other public goods provided~~  
12 ~~by facilities and clinicians or physician practices in establishing the most appropriate cost~~  
13 ~~comparisons;~~
- 14           ~~(5) All activities related to contractual disclosure to participating providers of the~~  
15 ~~mechanisms for resolving health plan/provider disputes;~~
- 16           ~~(6) The uniform process being utilized for confirming, in real time, patient insurance~~  
17 ~~enrollment status, benefits coverage, including co-pays and deductibles;~~
- 18           ~~(7) Information related to temporary credentialing of providers seeking to participate in the~~  
19 ~~plan's network and the impact of the activity on health plan accreditation;~~
- 20           ~~(8) The feasibility of regular contract renegotiations between plans and the providers in~~  
21 ~~their networks; and~~
- 22           ~~(9) Efforts conducted related to reviewing impact of silent PPOs on physician practices.~~
- 23           ~~(e) To enforce the provisions of Title 27 and Title 42 as set forth in § 42-14-5(d).~~
- 24           ~~(f) To provide analysis of the Rhode Island affordable health plan reinsurance fund. The~~  
25 ~~fund shall be used to effectuate the provisions of §§ 27-18.5-9 and 27-50-17.~~
- 26           ~~(g) To analyze the impact of changing the rating guidelines and/or merging the individual~~  
27 ~~health insurance market, as defined in chapter 18.5 of title 27, and the small employer health~~  
28 ~~insurance market, as defined in chapter 50 of title 27, in accordance with the following:-~~
- 29           ~~(1) The analysis shall forecast the likely rate increases required to effect the changes~~  
30 ~~recommended pursuant to the preceding subsection (g) in the direct pay market and small employer~~  
31 ~~health insurance market over the next five (5) years, based on the current rating structure and~~  
32 ~~current products.~~
- 33           ~~(2) The analysis shall include examining the impact of merging the individual and small-~~  
34 ~~employer markets on premiums charged to individuals and small employer groups.~~

1           ~~(3) The analysis shall include examining the impact on rates in each of the individual and~~  
2 ~~small employer health insurance markets and the number of insureds in the context of possible~~  
3 ~~changes to the rating guidelines used for small employer groups, including: community rating~~  
4 ~~principles; expanding small employer rate bonds beyond the current range; increasing the employer~~  
5 ~~group size in the small group market; and/or adding rating factors for broker and/or tobacco use.~~

6           ~~(4) The analysis shall include examining the adequacy of current statutory and regulatory~~  
7 ~~oversight of the rating process and factors employed by the participants in the proposed, new~~  
8 ~~merged market.~~

9           ~~(5) The analysis shall include assessment of possible reinsurance mechanisms and/or~~  
10 ~~federal high risk pool structures and funding to support the health insurance market in Rhode Island~~  
11 ~~by reducing the risk of adverse selection and the incremental insurance premiums charged for this~~  
12 ~~risk, and/or by making health insurance affordable for a selected at risk population.~~

13           ~~(6) The health insurance commissioner shall work with an insurance market merger task~~  
14 ~~force to assist with the analysis. The task force shall be chaired by the health insurance~~  
15 ~~commissioner and shall include, but not be limited to, representatives of the general assembly, the~~  
16 ~~business community, small employer carriers as defined in § 27-50-3, carriers offering coverage in~~  
17 ~~the individual market in Rhode Island, health insurance brokers, and members of the general public.~~

18           ~~(7) For the purposes of conducting this analysis, the commissioner may contract with an~~  
19 ~~outside organization with expertise in fiscal analysis of the private insurance market. In conducting~~  
20 ~~its study, the organization shall, to the extent possible, obtain and use actual health plan data. Said~~  
21 ~~data shall be subject to state and federal laws and regulations governing confidentiality of health~~  
22 ~~care and proprietary information.~~

23           ~~(8) The task force shall meet as necessary and include its findings in the annual report, and~~  
24 ~~the commissioner shall include the information in the annual presentation before the house and~~  
25 ~~senate finance committees.~~

26           ~~(h) To establish and convene a workgroup representing healthcare providers and health~~  
27 ~~insurers for the purpose of coordinating the development of processes, guidelines, and standards to~~  
28 ~~streamline healthcare administration that are to be adopted by payors and providers of healthcare~~  
29 ~~services operating in the state. This workgroup shall include representatives with expertise who~~  
30 ~~would contribute to the streamlining of healthcare administration and who are selected from~~  
31 ~~hospitals, physician practices, community behavioral health organizations, each health insurer, and~~  
32 ~~other affected entities. The workgroup shall also include at least one designee each from the Rhode~~  
33 ~~Island Medical Society, Rhode Island Council of Community Mental Health Organizations, the~~  
34 ~~Rhode Island Health Center Association, and the Hospital Association of Rhode Island. The~~

1 ~~workgroup shall consider and make recommendations for:~~

2 ~~(1) Establishing a consistent standard for electronic eligibility and coverage verification.~~

3 ~~Such standard shall:~~

4 ~~(i) Include standards for eligibility inquiry and response and, wherever possible, be~~

5 ~~consistent with the standards adopted by nationally recognized organizations, such as the Centers~~

6 ~~for Medicare and Medicaid Services;~~

7 ~~(ii) Enable providers and payors to exchange eligibility requests and responses on a system-~~

8 ~~to system basis or using a payor supported web browser;~~

9 ~~(iii) Provide reasonably detailed information on a consumer's eligibility for healthcare~~

10 ~~coverage; scope of benefits; limitations and exclusions provided under that coverage; cost sharing~~

11 ~~requirements for specific services at the specific time of the inquiry; current deductible amounts;~~

12 ~~accumulated or limited benefits; out of pocket maximums; any maximum policy amounts; and~~

13 ~~other information required for the provider to collect the patient's portion of the bill;~~

14 ~~(iv) Reflect the necessary limitations imposed on payors by the originator of the eligibility~~

15 ~~and benefits information;~~

16 ~~(v) Recommend a standard or common process to protect all providers from the costs of~~

17 ~~services to patients who are ineligible for insurance coverage in circumstances where a payor~~

18 ~~provides eligibility verification based on best information available to the payor at the date of the~~

19 ~~request of eligibility.~~

20 ~~(2) Developing implementation guidelines and promoting adoption of the guidelines for:~~

21 ~~(i) The use of the National Correct Coding Initiative code edit policy by payors and~~

22 ~~providers in the state;~~

23 ~~(ii) Publishing any variations from codes and mutually exclusive codes by payors in a~~

24 ~~manner that makes for simple retrieval and implementation by providers;~~

25 ~~(iii) Use of Health Insurance Portability and Accountability Act standard group codes,~~

26 ~~reason codes, and remark codes by payors in electronic remittances sent to providers;~~

27 ~~(iv) The processing of corrections to claims by providers and payors.~~

28 ~~(v) A standard payor denial review process for providers when they request a~~

29 ~~reconsideration of a denial of a claim that results from differences in clinical edits where no single,~~

30 ~~common standards body or process exists and multiple conflicting sources are in use by payors and~~

31 ~~providers.~~

32 ~~(vi) Nothing in this section, nor in the guidelines developed, shall inhibit an individual~~

33 ~~payor's ability to employ, and not disclose to providers, temporary code edits for the purpose of~~

34 ~~detecting and deterring fraudulent billing activities. The guidelines shall require that each payor~~

1 ~~disclose to the provider its adjudication decision on a claim that was denied or adjusted based on~~  
2 ~~the application of such edits and that the provider have access to the payor's review and appeal~~  
3 ~~process to challenge the payor's adjudication decision.~~

4 ~~(vii) Nothing in this subsection shall be construed to modify the rights or obligations of~~  
5 ~~payors or providers with respect to procedures relating to the investigation, reporting, appeal, or~~  
6 ~~prosecution under applicable law of potentially fraudulent billing activities.~~

7 ~~(3) Developing and promoting widespread adoption by payors and providers of guidelines~~  
8 ~~to:~~

9 ~~(i) Ensure payors do not automatically deny claims for services when extenuating~~  
10 ~~circumstances make it impossible for the provider to obtain a preauthorization before services are~~  
11 ~~performed or notify a payor within an appropriate standardized timeline of a patient's admission;~~

12 ~~(ii) Require payors to use common and consistent processes and time frames when~~  
13 ~~responding to provider requests for medical management approvals. Whenever possible, such time~~  
14 ~~frames shall be consistent with those established by leading national organizations and be based~~  
15 ~~upon the acuity of the patient's need for care or treatment. For the purposes of this section, medical~~  
16 ~~management includes prior authorization of services, preauthorization of services, precertification~~  
17 ~~of services, post-service review, medical necessity review, and benefits advisory;~~

18 ~~(iii) Develop, maintain, and promote widespread adoption of a single, common website~~  
19 ~~where providers can obtain payors' preauthorization, benefits advisory, and preadmission~~  
20 ~~requirements;~~

21 ~~(iv) Establish guidelines for payors to develop and maintain a website that providers can~~  
22 ~~use to request a preauthorization, including a prospective clinical necessity review; receive an~~  
23 ~~authorization number; and transmit an admission notification.~~

24 ~~(4) To provide a report to the house and senate, on or before January 1, 2017, with~~  
25 ~~recommendations for establishing guidelines and regulations for systems that give patients~~  
26 ~~electronic access to their claims information, particularly to information regarding their obligations~~  
27 ~~to pay for received medical services, pursuant to 45 C.F.R. 164.524.~~

28 ~~(i) To issue an anti-cancer medication report. Not later than June 30, 2014, and annually~~  
29 ~~thereafter, the office of the health insurance commissioner (OHIC) shall provide the senate~~  
30 ~~committee on health and human services, and the house committee on corporations, with: (1)~~  
31 ~~Information on the availability in the commercial market of coverage for anti-cancer medication~~  
32 ~~options; (2) For the state employee's health benefit plan, the costs of various cancer treatment~~  
33 ~~options; (3) The changes in drug prices over the prior thirty-six (36) months; and (4) Member~~  
34 ~~utilization and cost-sharing expense.~~

1 ~~(j) To monitor the adequacy of each health plan's compliance with the provisions of the~~  
2 ~~federal Mental Health Parity Act, including a review of related claims processing and~~  
3 ~~reimbursement procedures. Findings, recommendations, and assessments shall be made available~~  
4 ~~to the public.~~

5 ~~(k) To monitor the transition from fee for service and toward global and other alternative~~  
6 ~~payment methodologies for the payment for healthcare services. Alternative payment~~  
7 ~~methodologies should be assessed for their likelihood to promote access to affordable health~~  
8 ~~insurance, health outcomes, and performance.~~

9 ~~(l) To report annually, no later than July 1, 2014, then biannually thereafter, on hospital~~  
10 ~~payment variation, including findings and recommendations, subject to available resources.~~

11 ~~(m) Notwithstanding any provision of the general or public laws or regulation to the~~  
12 ~~contrary, provide a report with findings and recommendations to the president of the senate and the~~  
13 ~~speaker of the house, on or before April 1, 2014, including, but not limited to, the following~~  
14 ~~information:~~

15 ~~(1) The impact of the current, mandated healthcare benefits as defined in §§ 27-18-48.1,~~  
16 ~~27-18-60, 27-18-62, 27-18-64, similar provisions in chapters 19, 20 and 41 of title 27, and §§ 27-~~  
17 ~~18-3(c), 27-38.2-1 et seq., or others as determined by the commissioner, on the cost of health~~  
18 ~~insurance for fully insured employers, subject to available resources;~~

19 ~~(2) Current provider and insurer mandates that are unnecessary and/or duplicative due to~~  
20 ~~the existing standards of care and/or delivery of services in the healthcare system;~~

21 ~~(3) A state by state comparison of health insurance mandates and the extent to which~~  
22 ~~Rhode Island mandates exceed other states benefits; and~~

23 ~~(4) Recommendations for amendments to existing mandated benefits based on the findings~~  
24 ~~in (m)(1), (m)(2), and (m)(3) above.~~

25 ~~(n) On or before July 1, 2014, the office of the health insurance commissioner, in~~  
26 ~~collaboration with the director of health and lieutenant governor's office, shall submit a report to~~  
27 ~~the general assembly and the governor to inform the design of accountable care organizations~~  
28 ~~(ACOs) in Rhode Island as unique structures for comprehensive health care delivery and value-~~  
29 ~~based payment arrangements, that shall include, but not be limited to:~~

30 ~~(1) Utilization review;~~

31 ~~(2) Contracting; and~~

32 ~~(3) Licensing and regulation.~~

33 ~~(o) On or before February 3, 2015, the office of the health insurance commissioner shall~~  
34 ~~submit a report to the general assembly and the governor that describes, analyzes, and proposes~~



1 ~~recommendations to improve compliance of insurers with the provisions of § 27-18-76 with regard~~  
2 ~~to patients with mental health and substance use disorders.~~

3 ~~(p) To work to ensure the health insurance coverage of behavioral health care under the~~  
4 ~~same terms and conditions as other health care, and to integrate behavioral health parity~~  
5 ~~requirements into the office of the health insurance commissioner insurance oversight and health~~  
6 ~~care transformation efforts.~~

7 ~~(q) To work with other state agencies to seek delivery system improvements that enhance~~  
8 ~~access to a continuum of mental health and substance use disorder treatment in the state; and~~  
9 ~~integrate that treatment with primary and other medical care to the fullest extent possible.~~

10 ~~(r) To direct insurers toward policies and practices that address the behavioral health needs~~  
11 ~~of the public and greater integration of physical and behavioral health care delivery.~~

12 ~~(s) The office of the health insurance commissioner shall conduct an analysis of the impact~~  
13 ~~of the provisions of § 27-38.2-1(i) on health insurance premiums and access in Rhode Island and~~  
14 ~~submit a report of its findings to the general assembly on or before June 1, 2023.~~

15 **42-14.5-4. Actuary and subject matter experts.**

16 ~~The health insurance commissioner may contract with an actuary and/or other subject~~  
17 ~~matter experts to assist him or her in conducting the study required under subsection 42-14.5-3(g).~~  
18 ~~The actuary or other expert shall serve under the direction of the health insurance commissioner.~~  
19 ~~Health insurance companies doing business in this state, including, but not limited to, nonprofit~~  
20 ~~hospital service corporations and nonprofit medical service corporations established pursuant to~~  
21 ~~chapters 27-19 and 27-20, and health maintenance organizations established pursuant to chapter~~  
22 ~~27-41, shall be assessed according to a schedule of their direct writing of health insurance in this~~  
23 ~~state to pay for the compensation of the actuary. The amount assessed to all health insurance~~  
24 ~~companies doing business in this state for the study conducted under subsection 42-14.5-3(g) shall~~  
25 ~~not exceed a total of one hundred thousand dollars (\$100,000).~~

26 SECTION 2. Chapter 42-157 of the General Laws entitled "Rhode Island Health Benefit  
27 Exchange" is hereby repealed in its entirety.

28 **CHAPTER 42-157**

29 **Rhode Island Health Benefit Exchange**

30 **42-157-1. Establishment of exchange.**

31 ~~Purpose. The department of administration is hereby authorized to establish the Rhode~~  
32 ~~Island health benefit exchange, to be known as HealthSource RI, to exercise the powers and~~  
33 ~~authority of a state-based exchange which shall meet the minimum requirements of the federal act.~~

34 **42-157-2. Definitions.**

1           ~~As used in this section, the following words and terms shall have the following meanings,~~  
2 ~~unless the context indicates another or different meaning or intent:~~

3           ~~(1) "Director" means the director of the department of administration.~~

4           ~~(2) "Federal act" means the Federal Patient Protection and Affordable Care Act (Public~~  
5 ~~Law 111-148), as amended by the Federal Health Care and Education Reconciliation Act of 2010~~  
6 ~~(Public Law 111-152), and any amendments to, or regulations or guidance issued under, those acts.~~

7           ~~(3) "Health plan" and "qualified health plan" have the same meanings as those terms are~~  
8 ~~defined in § 1301 of the Federal Act.~~

9           ~~(4) "Insurer" means every medical service corporation, hospital service corporation,~~  
10 ~~accident and sickness insurer, dental service corporation, and health maintenance organization~~  
11 ~~licensed under title 27, or as defined in § 42-62-4.~~

12           ~~(5) "Secretary" means the secretary of the Federal Department of Health and Human~~  
13 ~~Services.~~

14           ~~(6) "Qualified dental plan" means a dental plan as described in § 1311(d)(2)(B)(ii) of the~~  
15 ~~Federal Act [42 U.S.C. § 18031].~~

16           ~~(7) "Qualified individuals" and "qualified employers" shall have the same meaning as~~  
17 ~~defined in federal law.~~

18           ~~**42-157-3. General requirements.**~~

19           ~~(a) The exchange shall make qualified health plans available to qualified individuals and~~  
20 ~~qualified employers. The exchange shall not make available any health benefit plan that has not~~  
21 ~~been certified by the exchange as a qualified health plan in accordance with federal law.~~

22           ~~(b) The exchange shall allow an insurer to offer a plan that provides limited scope dental~~  
23 ~~benefits meeting the requirements of § 9832(e)(2)(A) of the Internal Revenue Code of 1986 through~~  
24 ~~the exchange, either separately or in conjunction with a qualified health plan, if the plan provides~~  
25 ~~pediatric dental benefits meeting the requirements of § 1302(b)(1)(J) of the Federal Act [42 U.S.C.~~  
26 ~~§ 18022].~~

27           ~~(c) Any health plan that delivers a benefit plan on the exchange that covers abortion~~  
28 ~~services, as defined in 45 C.F.R. § 156.280(d)(1), shall comply with segregation of funding~~  
29 ~~requirements, as well as an annual assurance statement to the Office of the Health Insurance~~  
30 ~~Commissioner, in accordance with 45 C.F.R. §§ 156.680(e)(3) and (5).~~

31           ~~(d) At least one plan variation for individual market plan designs offered on the exchange~~  
32 ~~at each level of coverage, as defined by section 1302(d)(1) of the federal act [42 U.S.C. § 18022],~~  
33 ~~at which the carrier is offering a plan or plans, shall exclude coverage for abortion services as~~  
34 ~~defined in 45 C.F.R. § 156.280(d)(1). If the health plan proposes different rates for such plan~~

1 variations, each listed plan design shall include the associated rate. Except for Religious Employers  
2 (as defined in Section 6033(a)(3)(A)(i) of the Internal Revenue Code), employers selecting a plan  
3 under this religious exemption subsection may not designate it as the single plan for employees,  
4 but shall offer their employees full choice of small employer plans on the exchange, using the  
5 employer selected plan as the base plan for coverage. The employer is not responsible for payment  
6 that exceeds that designated for the employer selected plan.

7 (e) Health plans that offer a plan variation that excludes coverage for abortion services as  
8 defined in 45 C.F.R. § 156.280(d)(1) for a religious exemption variation in the small group market  
9 shall treat such a plan as a separate plan offering with a corresponding rate.

10 (f) An employer who elects a religious exemption variation shall provide written notice to  
11 prospective enrollees prior to enrollment that the plan excludes coverage for abortion services as  
12 defined in 45 C.F.R. § 156.280(d)(1). The carrier must include notice that the plan excludes  
13 coverage for abortion services as part of the Summary of Benefits and Coverage required by 42  
14 U.S.C. § 300gg-15.

#### 15 **42-157-4. Financing.**

16 (a) The department is authorized to assess insurers offering qualified health plans and  
17 qualified dental plans. To support the functions of the exchange, insurers offering qualified health  
18 plans and qualified dental plans must remit an assessment to the exchange each month, in a  
19 timeframe and manner established by the exchange, equal to three and one half percent (3.5%) of  
20 the monthly premium charged by the insurer for each policy under the plan where enrollment is  
21 through the exchange. Revenues from the assessment shall be deposited in a restricted receipt  
22 account for the sole use of the exchange and shall be exempt from the indirect cost recovery  
23 provisions of § 35-4-27.

24 (b) The general assembly may appropriate general revenue to support the annual budget  
25 for the exchange in lieu of or to supplement revenues raised from the assessment under subsection  
26 (a) of this section.

27 (c) If the director determines that the level of resources obtained pursuant to subsection (a)  
28 will be in excess of the budget for the exchange, the department shall provide a report to the  
29 governor, the speaker of the house, and the senate president identifying the surplus and detailing  
30 how the assessment established pursuant to subsection (a) may be offset in a future year to reconcile  
31 with impacted insurers and how any future supplemental or annual budget submission to the general  
32 assembly may be revised accordingly.

#### 33 **42-157-5. Regional purchasing, efficiencies, and innovation.**

34 To take advantage of economies of scale and to lower costs, the exchange is hereby

1 authorized to pursue opportunities to jointly negotiate, procure or otherwise purchase exchange  
2 services with or partner with another state or multiple states and to pursue a Federal Affordable  
3 Care Act 1332 Waiver.

4 **42-157-5.1. Small business health options program (SHOP) innovation waiver.**

5 (a) As small business owners and sole proprietors are the life blood of this state's economy,  
6 a recent change in the Federal Affordable Care Act effective on January 1, 2016, has caused  
7 irreparable harm to the economic well-being of small business owners and sole proprietors by  
8 requiring them to secure health insurance coverage on the individual market as opposed to securing  
9 health insurance coverage on the small group market.

10 (b) In an effort to reduce and/or eliminate the irreparable economic harm, the director of  
11 the department of administration, with assistance from the commissioner of health insurance, shall  
12 seek a waiver under Section 1332 of the Patient Protection and Affordable Care Act, Pub. L. No.  
13 111-148, as amended by the Health Care and Education Reconciliation Act of 2010, Pub. L. No.  
14 111-152, for the purpose of allowing businesses classified as self-employed and sole proprietors to  
15 purchase insurance in the small group market through the health source RI for employers SHOP  
16 program and not be forced into the individual market.

17 **42-157-6. Audit.**

18 (a) Annually, the exchange shall cause to have a financial and/or performance audit of its  
19 functions and operations performed in compliance with the generally accepted governmental  
20 auditing standards and conducted by the state office of internal audit or a certified public accounting  
21 firm qualified in performance audits.

22 (b) If the audit is not directly performed by the state office of internal audit, the selection  
23 of the auditor and the scope of the audit shall be subject to the approval of the state office of internal  
24 audit.

25 (c) The results of the audit shall be made public upon completion, posted on the  
26 department's website and otherwise made available for public inspection.

27 **42-157-7. Exchange advisory board.**

28 The exchange shall maintain an advisory board which shall be appointed by the director.  
29 The director shall consider the expertise of the members of the board and make appointments so  
30 that the board's composition reflects a range and diversity of skills, backgrounds and stakeholder  
31 perspectives.

32 **42-157-8. Reporting.**

33 HealthSource RI shall provide a monthly report to the chairpersons of the house finance  
34 committee and the senate finance committee by the fifteenth day of each month beginning in July

1 ~~2015. The report shall include, but not be limited to, the following information: actual enrollment~~  
2 ~~data by market and insurer, total new and renewed customers, number of paid customers, actual~~  
3 ~~average premium costs by market and insurer, number of enrollees receiving financial assistance~~  
4 ~~as defined in the Federal Act, as well as the number of inbound calls and the number of walk-ins~~  
5 ~~received. The data on inbound calls shall be segregated by type of call.~~

6 **42-157-9. Relation to other laws.**

7 ~~Nothing in this chapter, and no action taken by the exchange pursuant to this chapter, shall~~  
8 ~~be construed to preempt or supersede the authority of the health insurance commissioner to regulate~~  
9 ~~the business of insurance within this state, the director of the department of health to oversee the~~  
10 ~~licensure of healthcare providers, the certification of health plans under chapter 17.13 of title 23,~~  
11 ~~or the licensure of utilization review agents under chapter 17.13 of title 23, or the director of the~~  
12 ~~department of human services to oversee the provision of medical assistance under chapter 8 of~~  
13 ~~title 40. In addition to the provisions of this chapter, all insurers offering qualified health plans or~~  
14 ~~qualified dental plans in this state shall comply fully with all applicable health insurance laws and~~  
15 ~~regulations of this state.~~

16 **42-157-10. Severability.**

17 ~~The provisions of this chapter are severable, and if any provision hereof shall be held~~  
18 ~~invalid in any circumstances, any invalidity shall not affect any other provisions or circumstances.~~  
19 ~~This chapter shall be construed in all respects so as to meet any constitutional requirements. In~~  
20 ~~carrying out the purposes and provisions of this chapter, all steps shall be taken which are necessary~~  
21 ~~to meet constitutional requirements.~~

22 **42-157-11. Exemptions from the shared responsibility payment penalty.**

23 ~~(a) Establishment of program. The exchange shall establish a program for determining~~  
24 ~~whether to grant a certification that an individual is entitled to an exemption from the shared~~  
25 ~~responsibility payment penalty set forth in § 44-30-101(c) by reason of religious conscience or~~  
26 ~~hardship.~~

27 ~~(b) Eligibility determinations. The exchange shall make determinations as to whether to~~  
28 ~~grant a certification described in subsection (a) of this section. The exchange shall notify the~~  
29 ~~individual and the tax administrator for the Rhode Island department of revenue of the~~  
30 ~~determination in a time and manner as the exchange, in consultation with the tax administrator,~~  
31 ~~shall prescribe. In notifying the tax administrator, the exchange shall adhere to the data privacy and~~  
32 ~~data security standards adopted in accordance with 45 C.F.R. 155.260. The exchange shall only be~~  
33 ~~required to notify the tax administrator to the extent that the exchange determines the disclosure is~~  
34 ~~permitted under 45 C.F.R. 155.260.~~

1           ~~(c) Appeals. Any person aggrieved by the exchange's determination of eligibility for an~~  
2 ~~exemption under this section has the right to an appeal in accordance with the procedures contained~~  
3 ~~within chapter 35 of this title.~~

4           ~~**42-157-12. Special enrollment period for qualified individuals assessed a shared**~~  
5 ~~**responsibility payment penalty.**~~

6           ~~(a) Definitions. The following definition shall apply for purposes of this section:~~

7           ~~(1) "Special enrollment period" means a period during which a qualified individual who is~~  
8 ~~assessed a penalty in accordance with § 44-30-101 may enroll in a qualified health plan through~~  
9 ~~the exchange outside of the annual open enrollment period.~~

10          ~~(b) In the case of a qualified individual who is assessed a shared responsibility payment in~~  
11 ~~accordance with § 44-30-101 and who is not enrolled in a qualified health plan, the exchange must~~  
12 ~~provide a special enrollment period consistent with this section and the Federal Patient Protection~~  
13 ~~and Affordable Care Act (Public Law 111-148), as amended by the Federal Care and Reconciliation~~  
14 ~~Act of 2010 (Public Law 111-152), and any amendments to, or regulations or guidance issued~~  
15 ~~under, those acts.~~

16          ~~(c) Effective date. The exchange must ensure that coverage is effective for a qualified~~  
17 ~~individual who is eligible for a special enrollment period under this section on the first day of the~~  
18 ~~month after the qualified individual completes enrollment in a qualified health plan through the~~  
19 ~~exchange.~~

20          ~~(d) Availability and length of special enrollment period. A qualified individual has sixty~~  
21 ~~(60) days from the date he or she is assessed a penalty in accordance with § 44-30-101 to complete~~  
22 ~~enrollment in a qualified health plan through the exchange. The date of assessment shall be~~  
23 ~~determined in accordance with § 44-30-82.~~

24          ~~**42-157-13. Outreach to Rhode Island residents and individuals assessed a shared**~~  
25 ~~**responsibility payment penalty.**~~

26          ~~Outreach. The exchange, in consultation with the office of the health insurance~~  
27 ~~commissioner and the division of taxation, is authorized to engage in coordinated outreach efforts~~  
28 ~~to educate Rhode Island residents about the importance of health insurance coverage; their~~  
29 ~~responsibilities to maintain minimum essential coverage as defined in § 44-30-101; the penalties~~  
30 ~~for failure to maintain coverage; and information on the services available through the exchange.~~

31          ~~**42-157-14. Regulatory authority.**~~

32          ~~The exchange may promulgate regulations as necessary to carry out the purposes of this~~  
33 ~~chapter.~~

34          SECTION 3. Title 23 of the General Laws entitled "HEALTH AND SAFETY" is hereby

1 amended by adding thereto the following chapter:

2 CHAPTER 95

3 THE RHODE ISLAND COMPREHENSIVE HEALTH INSURANCE PROGRAM

4 **23-95-1. Legislative findings.**

5 (1) Health care is a human right, not a commodity available only to those who can afford  
6 it;

7 (2) Although the federal Affordable Care Act (ACA) allowed states to offer more people  
8 taxpayer subsidized private health insurance, the ACA has not provided universal, comprehensive,  
9 affordable coverage for all Rhode Islanders;

10 (i) In 2019, about four and three-tenths percent (4.3%) of Rhode Islanders forty three  
11 thousand (43,000), had no health insurance, causing about 43 (1 per 1,000 uninsured) unnecessary  
12 deaths each year;

13 (ii) An estimated forty-five percent (45%) of Rhode Islanders four hundred fifty thousand  
14 (450,000) are under-insured (e.g., not seeking health care because of high deductibles and co-pays);

15 (3) COVID-19 exacerbated and highlighted problems with the status quo health insurance  
16 system including:

17 (i) Coverage is too easily lost when health insurance is tied to jobs - between February and  
18 May, 2020, about 21,000 more Rhode Islanders lost their jobs and their health insurance;

19 (ii) Systemic racism is reinforced - Black and Hispanic/Latinx Rhode Islanders, more likely  
20 to be uninsured or underinsured, have suffered the highest rates of COVID-19 mortality and  
21 morbidity;

22 (iii) The fear of out-of-pocket costs for uninsured and underinsured puts everyone at risk  
23 because they avoid testing and treatment;

24 (4) The existing US health insurance system has failed to control the cost of health care  
25 and to provide universal access to health care in a system which is widely accepted to waste thirty  
26 percent (30%) of its revenues on activities that do not improve the health of Americans;

27 (5) Every industrialized nation in the world, except the United States, offers universal  
28 health care to its citizens and enjoys better health outcomes for less than two thirds (2/3) to one-  
29 half (1/2) the cost;

30 (6) Health care is rationed under our current multi-payer system, despite the fact that Rhode  
31 Island patients, businesses and taxpayers already pay enough to have comprehensive and universal  
32 health insurance under a single-payer system;

33 (7) About one-third (1/3) of every "health care" dollar spent in the U.S. is wasted on  
34 unnecessary administrative costs and excessive pharmaceutical company profits due to laws

1 preventing Medicare from negotiating prices and private health insurance companies lacking  
2 adequate market share to effectively negotiate prices;

3 (8) Private health insurance companies are incentivized to let the cost of health care rise  
4 because higher costs require health insurance companies to charge higher health insurance  
5 premiums, increasing companies' revenue and stock price;

6 (9) The health care marketplace is not an efficient market and because it represents only  
7 eighteen percent (18%) of the US domestic market, significantly restricts economic growth and  
8 thus the financial well-being of every American, including every Rhode Islander;

9 (10) Rhode Islanders cannot afford to keep the current multi-payer health insurance system:

10 (i) Between 1991 and 2014, health care spending in Rhode Island per person rose by over  
11 two hundred fifty percent (250%) rising much faster than income and greatly reducing disposable  
12 income;

13 (ii) It is estimated that by 2025, the cost of health insurance for an average family of four  
14 (4) will equal about one-half (1/2) of their annual income;

15 (iii) In the U.S., about two-thirds (2/3) of personal bankruptcies are medical cost-related  
16 and of these, about three-fourths (3/4) had health insurance at the onset of their medical problems;  
17 in no other industrialized country do people worry about going bankrupt over medical costs;

18 (11) Rhode Island private businesses bear most of the costs of employee health insurance  
19 coverage and spend significant time and money choosing from a confusing array of increasingly  
20 expensive plans which do not provide comprehensive coverage;

21 (12) Rhode Island employees and retirees lose significant wages and pensions as they are  
22 forced to pay higher amounts of health insurance and health care costs;

23 (13) Rhode Island's hospitals are under increasing financial distress i.e., closing, sold to  
24 out-of-state entities, attempting mergers largely due to health insurance reimbursement problems  
25 that other nations do not face and are fixed by a single-payer system;

26 (14) The state and its municipalities face enormous other post-employment benefits  
27 (OPEB) unfunded liabilities due mostly to health insurance costs;

28 (15) An improved Medicare-for-all-style single-payer program would, based on the  
29 performance of existing Medicare, eliminate fifty percent (50%) of the administrative waste in the  
30 current system of private insurance before other savings achieved through meaningful negotiation  
31 of prices and other savings are considered;

32 (16) The high costs of medical care could be lowered significantly if the state could  
33 negotiate on behalf of all its residents for bulk purchasing, as well as gain access to usage and price  
34 information currently kept confidential by private health insurers as "proprietary information;"



1           (17) Single payer health care would establish a true "free market" system where doctors  
2 compete for patients rather than health insurance companies dictating which patients are able to see  
3 which doctors and setting reimbursement rates;

4           (18) Health care providers would spend significantly less time with administrative work  
5 caused by multiple health insurance company requirements and barriers to care delivery and would  
6 spend significantly less for overhead costs because of streamlined billing;

7           (19) Rhode Island must act because there are currently no effective state or federal laws  
8 that can provide universal coverage and adequately control rising premiums, co-pays, deductibles  
9 and medical costs, or prevent private insurance companies from continuing to limit available  
10 providers and coverage;

11           (20) In 1962, Canada's successful single-payer program began in the province of  
12 Saskatchewan (with approximately the same population as Rhode Island) and became a national  
13 program within ten (10) years; and

14           (21) The proposed Rhode Island single payer program was studied by Professor Gerald  
15 Friedman at UMass Amherst in 2015 and he concluded that:

16           "Single-payer in Rhode Island will finance medical care with substantial savings compared  
17 with the existing multi-payer system of public and private insurers and would improve access to  
18 health care by extending coverage to the four percent (4%) of Rhode Island residents still without  
19 insurance under the Affordable Care Act and expanding coverage for the growing number with  
20 inadequate health care coverage. Single-payer would improve the economic health of Rhode Island  
21 by: increasing real disposable income for most residents; reducing the burden of health care on  
22 businesses and promoting increased employment; and shifting the costs of health care away from  
23 working and middle-class residents."

24           **23-95-2. Legislative purpose.**

25           It is the intent of the general assembly that this chapter establish a universal,  
26 comprehensive, affordable single-payer health care insurance program that will help control health  
27 care costs which shall be referred to as, "the Rhode Island comprehensive health insurance  
28 program" (RICHIP). The program will be paid for by consolidating government and private  
29 payments to multiple insurance carriers into a more economical and efficient improved Medicare-  
30 for-all style single-payer program and substituting lower progressive taxes for higher health  
31 insurance premiums, co-pays, deductibles and costs in excess of caps. This program will save  
32 Rhode Islanders from the current overly expensive, inefficient and unsustainable multi-payer health  
33 insurance system that unnecessarily prevents access to medically necessary health care.

34           **23-95-3. Definitions.**

1 As used in this chapter:

2 (1) "Affordable Care Act" or "ACA" means the Federal Patient Protection and Affordable  
3 Care Act (Pub. L. 111-148), as amended by the Federal Health Care and Education Reconciliation  
4 Act of 2010 (Pub. L. 111-152), and any amendments to, or regulations or guidance issued under,  
5 those acts.

6 (2) "Carrier" means either a private health insurer authorized to sell health insurance in  
7 Rhode Island or a health care service plan, i.e., any person who undertakes to arrange for the  
8 provision of health care services to subscribers or enrollees, or to pay for or to reimburse any part  
9 of the cost for those services, in return for a prepaid or periodic charge paid by or on behalf of the  
10 subscribers or enrollees, or any person, whether located within or outside of this state, who solicits  
11 or contracts with a subscriber or enrollee in this state to pay for or reimburse any part of the cost  
12 of, or who undertakes to arrange or arranges for, the provision of health care services that are to be  
13 provided wholly or in part in a foreign country in return for a prepaid or periodic charge paid by or  
14 on behalf of the subscriber or enrollee.

15 (3) "Dependent" has the same definition as set forth in Federal tax law (26 U.S.C. § 152).

16 (4) "Emergency and urgently needed services" has the same definition as set forth in the  
17 Federal Medicare law (42 CFR 422.113).

18 (5) "Federally matched public health program" means the state's Medicaid program under  
19 Title XIX of the Federal Social Security Act (42 U.S.C. Sec. 1396 et seq.) and the state's Children's  
20 Health Insurance Program (CHIP) under Title XXI of the Federal Social Security Act (42 U.S.C.  
21 Sec. 1397aa et seq.).

22 (6) "For-profit provider" means any health care professional or health care institution that  
23 provides payments, profits or dividends to investors or owners who do not directly provide health  
24 care.

25 (7) "Medicaid" or "medical assistance" means a program that is one of the following:

26 (i) The state's Medicaid program under Title XIX of the Federal Social Security Act (42  
27 U.S.C. Sec. 1396 et seq.); or

28 (ii) The state's Children's Health Insurance Program under Title XXI of the Federal Social  
29 Security Act (42 U.S.C. Sec. 1397aa et seq.).

30 (8) "Medically necessary" means medical, surgical or other services or goods (including  
31 prescription drugs) required for the prevention, diagnosis, cure, or treatment of a health-related  
32 condition including any such services that are necessary to prevent a detrimental change in either  
33 medical or mental health status. Medically necessary services must be provided in a cost-effective  
34 and appropriate setting and must not be provided solely for the convenience of the patient or service

1 provider. "Medically necessary" does not include services or goods that are primarily for cosmetic  
2 purposes; and does not include services or goods that are experimental, unless approved pursuant  
3 to § 23-95-6(b).

4 (9) "Medicare" means Title XVIII of the Federal Social Security Act (42 U.S.C. Sec. 1395  
5 et seq.) and the programs thereunder.

6 (10) "Qualified health care provider" means any individual who meets requirements set  
7 forth in § 24-95-7(a)(1).

8 (11) "Qualified Rhode Island resident" means any individual who is a "resident" as defined  
9 by §§ 44-30-5(a)(1) and (a)(2) or a dependent of that resident.

10 (12) "RICHIP" or "Rhode Island comprehensive health insurance program" means the  
11 affordable, comprehensive and effective health insurance program as set forth in this chapter.

12 (13) "RICHIP participant" means a qualified Rhode Island resident who is enrolled in  
13 RICHIP (and not disenrolled or disqualified) at the time they seek health care.

14 **23-95-4. Rhode Island health insurance program.**

15 (a) Organization. This chapter creates the Rhode Island comprehensive health insurance  
16 program (RICHIP), as an independent state government agency.

17 (b) Director. A director shall be appointed by the governor, with the advice and consent of  
18 the senate, to lead RICHIP and serve a term of four (4) years, subject to oversight by an executive  
19 board and input from an advisory committee, as set forth below. The director shall be compensated  
20 in accordance with the job title and job classification established by the division of human resources  
21 and approved by the general assembly. The duties of the director shall include:

22 (1) Employ staff and authorize reasonable expenditures, as necessary, from the RICHIP  
23 trust fund, to pay program expenses and to administer the program, including creation and oversight  
24 of RICHIP budgets;

25 (2) Oversee management of the RICHIP trust fund set forth in § 23-95-12(a) to ensure the  
26 operational well-being and fiscal solvency of the program, including ensuring that all available  
27 funds from all appropriate sources are collected and placed into the trust fund;

28 (3) Work with the executive board and an advisory committee of health care professionals  
29 and other stakeholders pursuant to §§ 23-95-4(c)(2) and 23-95-4(d)(2) to carry out the provisions  
30 of this chapter;

31 (4) Annually establish a RICHIP benefits package for participants, including a formulary  
32 and a list of other medically necessary goods, as well as a procedure for handling complaints and  
33 appeals relating to the benefits package, pursuant to § 23-95-6;

34 (5) Establish RICHIP provider reimbursement and a procedure for handling provider

- 1 complaints and appeals as set forth in § 23-95-9;
- 2 (6) Implement standardized claims and reporting procedures;
- 3 (7) Provide for timely payments to participating providers through a structure that is well  
4 organized and that eliminates unnecessary administrative costs, i.e., coordinate with the state  
5 comptroller to facilitate billing from and payments to providers using the state's computerized  
6 financial system, the Rhode Island financial and accounting network system (RIFANS);
- 7 (8) Coordinate with federal health care programs, including Medicare and Medicaid, to  
8 obtain necessary waivers and streamline federal funding and reimbursement;
- 9 (9) Monitor billing and reimbursements to detect inappropriate behavior by providers and  
10 patients and create prohibitions and penalties regarding bad faith or criminal RICHIP participation,  
11 and procedures by which they will be enforced;
- 12 (10) Support the development of an integrated health care database for health care planning  
13 and quality assurance and ensure the legally required confidentiality of all health records it  
14 contains;
- 15 (11) Determine eligibility for RICHIP and establish procedures for enrollment,  
16 disenrollment and disqualification from RICHIP, as well as procedures for handling complaints  
17 and appeals from affected individuals, as set forth in § 29-95-5;
- 18 (12) Create RICHIP expenditure, status, and assessment reports, including, but not limited  
19 to, annual reports with the following:
- 20 (i) Performance of the program;
- 21 (ii) Fiscal condition of the program;
- 22 (iii) Recommendations for statutory changes;
- 23 (iv) Receipt of payments from the federal government;
- 24 (v) Whether current year goals and priorities were met; and
- 25 (vi) Future goals and priorities.
- 26 (13) Review RICHIP collections and disbursements on at least a quarterly basis and  
27 recommend adjustments needed to achieve budgetary targets and permit adequate access to care;
- 28 (14) Review budget proposals from providers pursuant to § 23-95-11(b);
- 29 (15) Develop procedures for accommodating:
- 30 (i) Employer retiree health benefits for people who have been members of RICHIP but go  
31 to live as retirees out of the state;
- 32 (ii) Employer retiree health benefits for people who earned or accrued those benefits while  
33 residing in the state prior to the implementation of RICHIP and live as retirees out of the state; and
- 34 (iii) RICHIP coverage of health care services currently covered under the workers'

1 compensation system, including whether and how to continue funding for those services under that  
2 system and whether and how to incorporate an element of experience rating.

3 (16) No later than two (2) years after the effective date of this section, develop a proposal,  
4 consistent with the principles of this chapter, for provision and funding by the program of long-  
5 term care coverage.

6 (c) Executive board. There shall be an executive board that provides oversight of the  
7 RICHIP director.

8 (1) The members of the executive board shall be as follows:

9 (i) The governor, or designee;

10 (ii) The general treasurer, or designee;

11 (iii) The secretary of the executive office of health and human services, or designee;

12 (iv) The director of the Rhode Island department of health, or designee; and

13 (v) The Rhode Island state controller, or designee.

14 All designees shall have significant experience or familiarity with health insurance policy  
15 or finance.

16 (2) Duties. The executive board shall exercise oversight over the director to ensure that the  
17 provisions of this title are properly executed and may remove or replace the director. Meetings shall  
18 be convened at least quarterly by the governor. The executive board shall consider  
19 recommendations of the advisory committee and ensure the director responds appropriately. All  
20 decisions of the executive board shall be made by a majority vote of all members.

21 (d) Advisory Committee.

22 (1) Members. The members of the advisory committee shall be as follows:

23 (i) Three (3) physicians, all of whom shall be board certified in their fields, and two (2) of  
24 whom shall be primary care providers, to be appointed by the executive board;

25 (ii) Three (3) representatives of the community who represent diverse populations (e.g.,  
26 minorities, etc.), to be appointed by the executive board;

27 (iii) A professor of economics familiar with health care finance, to be appointed by the  
28 executive board;

29 (iv) The Medicaid director of the Rhode Island executive office of health and human  
30 services, or designee;

31 (v) The behavioral healthcare, developmental disabilities, and hospitals director of the  
32 Rhode Island executive office of health and human services, or designee;

33 (vi) The executive director of the Rhode Island Dental Association, or designee;

34 (vii) The president of the Rhode Island chapter of Physicians for a National Health

1 Program, or designee:

2 (viii) The executive director of the Rhode Island State Nurses Association, or designee;

3 (ix) The president of the Hospital Association of Rhode Island, or designee;

4 (x) The dean of the Brown School of Public Health, or designee;

5 (xi) The president of the Mental Health Association of Rhode Island, or designee;

6 (xii) The dean of the URI college of pharmacy, or designee;

7 (xiii) A representative of organized labor, to be appointed by the executive board;

8 (xiv) A representative of small business, which is a business that employs less than fifty

9 (50) people, to be appointed by the executive board; and

10 (xv) A representative of large business, which is a business that employs more than fifty

11 (50) people, to be appointed by the executive board.

12 (2) Duties. The advisory committee shall provide analyses and recommendations to the

13 executive board and director concerning any issues relating to the execution of this chapter, and

14 shall collect general concerns of RICHIP participants and providers. The committee shall prepare

15 a report after each committee meeting summarizing major issues presented and recommendations

16 for their resolution.

17 (3) Procedures. The committee shall adopt and publish its policies and procedures no later

18 than one hundred eighty (180) days after the first meeting. In addition:

19 (i) The director shall set the time, place and date for the initial meeting of the committee.

20 The initial meeting shall be scheduled not sooner than thirty (30) days nor later than ninety (90)

21 days after the appointment of the chairperson. Subsequent meetings shall occur as determined by

22 the committee, but not less than four (4) times annually.

23 (ii) The advisory committee shall elect a chair from among its members. The chairperson

24 may call additional meetings.

25 (iii) A quorum shall be at least one more than half (1/2) the number of the advisory

26 committee members. Vacancies shall not be counted when calculating the number needed for a

27 quorum.

28 (iv) Advisory committee members shall not receive a salary, but shall be reimbursed for

29 all necessary expenses incurred in the performance of their duties.

30 (v) The committee is subject to chapter 46 of title 42 (the "open meetings act");

31 (vi) A committee member shall be deemed to have abandoned office upon failure to attend

32 at least seventy-five percent (75%) of the committee meetings in one year, without excuse approved

33 by resolution of the committee.

34 (vii) Decisions at meetings of the committee shall be reached by majority vote of those

1 present in person and those present by electronic or telephonic means which permit, at a minimum,  
2 audio-video communication. Participation in a meeting pursuant to this subsection shall constitute  
3 presence at the meeting.

4 (4) Terms.

5 (i) The terms of the members shall be four (4) years from the date of appointment or until  
6 a successor has been appointed.

7 (ii) Of the initial members of the advisory committee: One-half (1/2) of the members shall  
8 serve initial terms of four (4) years; and one-half (1/2) of the members shall serve initial terms of  
9 two (2) years. The executive board will designate which members shall initially serve two (2) year  
10 terms.

11 (iii) After the initial terms, advisory committee members shall serve for a term of four (4)  
12 years.

13 (iv) Each vacancy on the committee shall be filled for the unexpired term by appointment  
14 in like manner as in case of expiration of the term of a member of the committee. A vacancy shall  
15 be filled by a representative from the same constituent group as the new member's predecessor.

16 **23-95-5. Coverage.**

17 (a) All qualified Rhode Island residents may participate in RICHIP. The director shall  
18 establish procedures to determine eligibility, enrollment, disenrollment and disqualification,  
19 including criteria and procedures by which RICHIP can:

20 (1) Identify, automatically enroll, and provide a RICHIP card to qualified Rhode Island  
21 residents;

22 (2) Process applications from individuals seeking to obtain RICHIP coverage for  
23 dependents after the implementation date;

24 (3) Ensure eligible residents are knowledgeable and aware of their rights to health care;

25 (4) Determine whether an individual should be disenrolled (e.g., for leaving the state);

26 (5) Determine whether an individual should be disqualified (e.g., for fraudulent receipt of  
27 benefits or reimbursements);

28 (6) Determine appropriate actions that should be taken with respect to individuals who are  
29 disenrolled or disqualified (including civil and criminal penalties); and

30 (7) Permit individuals to request review and appeal decisions to disenroll or disqualify  
31 them.

32 (b) Medicare and Medicaid eligible coverage under RICHIP shall be as follows:

33 (1) If all necessary federal waivers are obtained, qualified Rhode Island residents eligible  
34 for federal Medicare ("Medicare eligible residents") shall continue to pay required fees to the

1 federal government. RICHIP shall establish procedures to ensure that Medicare eligible residents  
2 shall have such amounts deducted from what they owe to RICHIP under § 23-95-12(h). RICHIP  
3 shall become the equivalent of qualifying coverage under Medicare part D and Medicare advantage  
4 programs, and as such shall be the vendor for coverage to RICHIP participants. RICHIP shall  
5 provide Medicare eligible residents benefits equal to those available to all other RICHIP  
6 participants and equal to or greater than those available through the federal Medicare program. To  
7 streamline the process, RICHIP shall seek to receive federal reimbursements for services and goods  
8 to Medicare eligible residents and administer all Medicare funds.

9 (2) If all necessary federal waivers are obtained, RICHIP shall become the state's sole  
10 Medicaid provider. RICHIP shall create procedures to enroll all qualified Rhode Island residents  
11 eligible for Medicaid ("Medicaid eligible residents") in the federal Medicaid program to ensure a  
12 maximum amount of federal Medicaid funds go to the RICHIP trust fund. RICHIP shall provide  
13 benefits to Medicaid eligible residents equal to those available to all other RICHIP participants.

14 (3) If all necessary federal waivers are not granted from the Medicaid or Medicare  
15 programs operated under Title XVIII or XIX of the Social Security Act, the Medicaid or Medicare  
16 program for which a waiver is not granted shall act as the primary insurer for those eligible for such  
17 coverage, and RICHIP shall serve as the secondary or supplemental plan of health insurance  
18 coverage. Until such time as a waiver is granted, the plan shall not pay for services for persons  
19 otherwise eligible for the same health care benefits under the Medicaid or Medicare program. The  
20 director shall establish procedures for determining amounts owed by Medicare and Medicaid  
21 eligible residents for supplemental RICHIP coverage and the extent of such coverage.

22 (4) The director may require Rhode Island residents to provide information necessary to  
23 determine whether the resident is eligible for a federally matched public health program or for  
24 Medicare, or any program or benefit under Medicare.

25 (5) As a condition of eligibility or continued eligibility for health care services under  
26 RICHIP, a qualified Rhode Island resident who is eligible for benefits under Medicare shall enroll  
27 in Medicare, including Parts A, B, and D.

28 (c) Veterans. RICHIP shall serve as the secondary or supplemental plan of health insurance  
29 coverage for military veterans. The director shall establish procedures for determining amounts  
30 owed by military veterans who are qualified residents for such supplemental RICHIP coverage and  
31 the extent of such coverage.

32 (d) This chapter does not create any employment benefit, nor require, prohibit, or limit the  
33 providing of any employment benefit.

34 (e) This chapter does not affect or limit collective action or collective bargaining on the



1 part of a health care provider with their employer or any other lawful collective action or collective  
2 bargaining.

3 **23-95-6. Benefits.**

4 (a) This chapter shall provide insurance coverage for services and goods (including  
5 prescription drugs) deemed medically necessary by a qualified health care provider and that is  
6 currently covered under:

7 (1) The Federal Medicare program (Social Security Act title XVIII) parts A, B and D;

8 (2) The Federal Medicaid program except that long-term care shall be available only to  
9 those who currently qualify for Medicaid coverage;

10 (3) The state's Children's Health Insurance Program; and

11 (4) All essential health benefits mandated by the Affordable Care Act as of January 1, 2017,  
12 including, services and goods within the following categories:

13 (i) Primary and preventive care;

14 (ii) Approved dietary and nutritional therapies;

15 (iii) Inpatient care;

16 (iv) Outpatient care;

17 (v) Emergency and urgently needed care;

18 (vi) Prescription drugs and medical devices;

19 (vii) Laboratory and diagnostic services;

20 (viii) Palliative care;

21 (ix) Mental health services;

22 (x) Oral health, including dental services, periodontics, oral surgery, and endodontics;

23 (xi) Substance abuse treatment services;

24 (xii) Physical therapy and chiropractic services;

25 (xiii) Vision care and vision correction;

26 (xiv) Hearing services, including coverage of hearing aids;

27 (xv) Podiatric care;

28 (xvi) Comprehensive family planning, reproductive, maternity, and newborn care; and

29 (xvii) Short-term rehabilitative services and devices.

30 (b) Additional coverage. The director shall create a procedure in consultation with the  
31 RICHIP advisory committee that may permit additional medically necessary goods and services  
32 beyond that provided by federal laws cited herein and within the areas set forth in § 23-95-5, if the  
33 coverage is for services and goods deemed medically necessary based on credible scientific  
34 evidence published in peer-reviewed medical literature generally recognized by the relevant

1 medical community, physician specialty society recommendations, and the views of physicians  
2 practicing in relevant clinical areas and any other relevant factors. The director shall create  
3 procedures for handling complaints and appeals concerning the benefits package.

4 (c) Restrictions shall not apply. In order for RICHIP participants to be able to receive  
5 medically necessary goods and services, this chapter shall override any state law that restricts the  
6 provision or use of state funds for any medically necessary goods or services, including those  
7 related to family planning and reproductive health care.

8 (d) Medically necessary goods:

9 (1) Prescription drug formulary:

10 (i) In general. The director shall work with the executive office of health and human  
11 services (EOHHS) Rhode Island pharmacy & therapeutics committee to establish a prescription  
12 drug formulary system, which shall comply with §§ 24-95-6(a)(4)(i) through (a)(4)(xvii) and  
13 encourage best-practices in prescribing and discourage the use of ineffective, dangerous, or  
14 excessively costly medications when better alternatives are available.

15 (ii) Promotion of generics. The formulary under this subsection shall promote the use of  
16 generic medications to the greatest extent possible.

17 (iii) Formulary updates and petition rights. The formulary under this subsection shall be  
18 updated frequently and the director shall create a procedure for patients and providers to make  
19 requests and appeal denials to add new pharmaceuticals or to remove ineffective or dangerous  
20 medications from the formulary.

21 (iv) Use of off-formulary medications. The director shall promulgate rules regarding the  
22 use of off-formulary medications which allow for patient access but do not compromise the  
23 formulary.

24 (v) Approved devices and equipment. The director shall work with the executive office of  
25 health and human services (EOHHS) Rhode Island pharmacy and therapeutics committee to  
26 promulgate a list of medically necessary goods that shall be covered by RICHIP and comply with §§  
27 24-95-6(a)(4)(i) through (a)(4)(xvii).

28 (vi) Bulk purchasing. The director shall seek and implement ways to obtain goods at the  
29 lowest possible cost, including bulk purchasing agreements.

30 **23-95-7. Providers.**

31 (a) Rhode Island providers.

32 (1) Licensing. Participating providers must meet state licensing requirements in order to  
33 participate in RICHIP. No provider whose license is under suspension or has been revoked may  
34 participate in the program.

1           (2) Participation. All providers may participate in RICHIP by providing items on the  
2 RICHIP benefits list for which they are licensed. Providers may elect either to participate fully, or  
3 not at all, in the program.

4           (3) For-profit providers. For-profit providers may continue to offer services and goods in  
5 Rhode Island, but are prohibited from charging patients more than RICHIP reimbursement rates  
6 for covered services and goods and must notify qualified Rhode Island residents when the services  
7 and goods they offer will not be reimbursed fully under RICHIP.

8           (b) Out-of-state providers. Except for emergency and urgently needed service, as set forth  
9 in § 23-95-7(d), RICHIP shall not pay for health care services obtained outside of Rhode Island  
10 unless the following requirements are met:

11           (1) The patient secures a written referral from a qualified Rhode Island physician prior to  
12 seeking such services; and

13           (2) The referring physician determines that the services are not available in the state or  
14 cannot be performed within the state at the level of expertise that would provide medically  
15 necessary care.

16           (c) Out-of-state provider reimbursement. The program shall pay out-of-state health care  
17 providers an amount not to exceed RICHIP rates as set forth in § 23-95-9(a). RICHIP participants  
18 are responsible for paying out-of-state providers for costs in excess of RICHIP reimbursements.  
19 The RICHIP participant is responsible for paying all costs of out-of-state services that fail to meet  
20 the requirements of §§ 23-95-7(b)(1) and (b)(2).

21           (d) Out-of-state emergency provider reimbursement. The program shall pay for emergency  
22 and urgently needed services and goods that are obtained by the RICHIP participant anywhere  
23 outside of Rhode Island to the same extent allowed if such services or goods were provided in  
24 Rhode Island in accordance with § 23-95-9. RICHIP participants are responsible for paying out-of-  
25 state emergency providers for costs in excess of RICHIP reimbursements.

26           (e) Out-of-state residents.

27           (1) In general. Rhode Island providers who provide any services to individuals who are not  
28 RICHIP participants shall not be reimbursed by RICHIP and must seek reimbursement from those  
29 individuals or other sources.

30           (2) Emergency care exception. Nothing in this chapter shall prevent any individual from  
31 receiving or any provider from providing emergency health care services and goods in Rhode  
32 Island. The director shall adopt rules to provide reimbursement; however, the rules shall reasonably  
33 limit reimbursement to protect the fiscal integrity of RICHIP. The director shall implement  
34 procedures to secure reimbursement from any appropriate third-party funding source or from the

1 individual to whom the emergency services were rendered.

2 **23-95-8. Cross border employees.**

3 (a) State residents employed out-of-state. If an individual is employed out-of-state by an  
4 employer that is subject to Rhode Island state law, the employer and employee shall be required to  
5 pay the payroll taxes as to that employee as if the employment were in the state. If an individual is  
6 employed out-of-state by an employer that is not subject to Rhode Island state law, the employee  
7 health coverage provided by the out-of-state employer to a resident working out-of-state shall serve  
8 as the employee's primary plan of health coverage, and RICHIP shall serve as the employee's  
9 secondary plan of health coverage. The director shall establish procedures for determining amounts  
10 owed by residents employed out-of-state for such supplemental secondary RICHIP coverage and  
11 the extent of such coverage.

12 (b) Out-of-state residents employed in the state. The payroll tax set forth in § 23-95-12(i)  
13 shall apply to any out-of-state resident who is employed or self-employed in the state. However,  
14 such out-of-state residents shall be able to take a credit for amounts they spend on health benefits  
15 for themselves that would otherwise be covered by RICHIP if the individual were a RICHIP  
16 participant. The out-of-state resident's employer shall be able to take a credit against such payroll  
17 taxes regardless of the form of the health benefit (e.g., health insurance, a self-insured plan, direct  
18 services, or reimbursement for services), to ensure that the revenue proposal does not relate to  
19 employment benefits in violation of the Federal Employee Retirement Income Security Act  
20 ("ERISA") law. For non-employment-based spending by individuals, the credit shall be available  
21 for and limited to spending for health coverage (not out-of-pocket health spending). The credit shall  
22 be available without regard to how little is spent or how sparse the benefit. The credit may only be  
23 taken against the payroll taxes set forth in § 23-95-12(i). Any excess amount may not be applied to  
24 other tax liability. For employment-based health benefits, the credit shall be distributed between  
25 the employer and employee in the same proportion as the spending by each for the benefit. The  
26 employer and employee may each apply their respective portion of the credit to their respective  
27 portion of the payroll taxes set forth in § 23-95-12(i). If any provision of this clause or any  
28 application of it shall be ruled to violate ERISA, the provision or the application of it shall be null  
29 and void and the ruling shall not affect any other provision or application of this section or this  
30 chapter.

31 **23-95-9. Provider reimbursement.**

32 (a) Rates for services. RICHIP reimbursements to providers shall match the highest  
33 reimbursement rates offered by Medicare or Medicaid to Rhode Island qualified residents that are  
34 in effect at the time services and goods are provided. If the director determines that there are no

1 such federal reimbursement rates or that such rates are significantly different from those in  
2 neighboring states, the director shall set additional or alternative rates in consultation with the  
3 RICHIP advisory committee such that rates of reimbursement are fair and reasonable. The director  
4 in consultation with the RICHIP advisory committee shall review the rates at least annually and  
5 shall establish procedures by which complaints about reimbursement rates may be reviewed and  
6 appealed.

7 (b) Rates for goods. The prices to be paid to providers for medically necessary goods (e.g.,  
8 prescription drugs, approved devices and equipment) shall be established annually by the director  
9 in consultation with the advisory committee.

10 (c) Billing and payments. Providers shall submit billing for services to RICHIP participants  
11 in the form of electronic invoices entered into RIFANS, the state's computerized financial system.  
12 The director shall coordinate the manner of processing and payment with the office of accounts and  
13 control and the RIFANS support team within the division of information technology. Payments  
14 shall be made by check or electronic funds transfer in accordance with terms and procedures  
15 coordinated by the director and the office of accounts and control and consistent with the fiduciary  
16 management of the RICHIP trust fund.

17 (d) Provider restrictions. Providers who accept any payment from RICHIP may not bill any  
18 patient for any covered benefit. Providers cannot use any of their operating budgets for expansion,  
19 profit, excessive executive income, marketing, or major capital purchases or leases.

20 **23-95-10. Private insurance companies.**

21 (a) Non-duplication. It is unlawful for a private health insurer to sell health insurance  
22 coverage to qualified Rhode Island residents that duplicates the benefits provided under this  
23 chapter. Nothing in this chapter shall be construed as prohibiting the sale of health insurance  
24 coverage for any additional benefits not covered by this chapter, including additional benefits that  
25 an employer may provide to employees or their dependents, or to former employees or their  
26 dependents (e.g., multiemployer plans can continue to provide wrap-around coverage for any  
27 benefits not provided by RICHIP).

28 (b) Displaced employees. Re-education and job placement of persons employed in Rhode  
29 Island-located enterprises who have lost their jobs as a result of this chapter shall be managed by  
30 the Rhode Island department of labor and training or an appropriate federal retraining program.

31 The director may provide funds from RICHIP or funds otherwise appropriated for this  
32 purpose for retraining and assisting job transition for individuals employed or previously employed  
33 in the fields of health insurance, health care service plans, and other third-party payments for health  
34 care or those individuals providing services to health care providers to deal with third-party payers

1 for health care, whose jobs may be or have been ended as a result of the implementation of the  
2 program, consistent with applicable laws.

3 **23-95-11. Budgeting.**

4 (a) Operating budget. Annually, the director shall create an operating budget for the  
5 program that includes the costs for all benefits set forth in § 23-95-5 and the costs for RICHIP  
6 administration. The director shall determine appropriate reimbursement rates for benefits pursuant  
7 to § 23-95-9(a). The operating budget shall be reviewed by the advisory committee and approved  
8 by the executive board prior to submission to the governor and general assembly.

9 (b) Capital expenditures. The director shall work with the advisory committee,  
10 representatives from state entities involved with provider capital expenditures (e.g., the Rhode  
11 Island department of administration office of capital projects, the Rhode Island Health and  
12 Educational Building Corporation, etc.), and providers to help ensure that capital expenditures  
13 proposed by providers, including amounts to be spent on construction and renovation of health  
14 facilities and major equipment purchases, will address health care needs of RICHIP participants.  
15 To the extent that providers are seeking to use RICHIP funds for capital expenditures, the director  
16 shall have the authority to approve or deny such expenditures.

17 (c) Prohibition against co-mingling operations and capital improvement funds. It is  
18 prohibited to use funds under this chapter that are earmarked:

19 (1) For operations for capital expenditures; or

20 (2) For capital expenditures for operations.

21 **23-95-12. Financing.**

22 (a) RICHIP trust fund. There shall be established a RICHIP trust fund into which funds  
23 collected pursuant to this chapter are deposited and from which funds are distributed. All money  
24 collected and received shall be used exclusively to finance RICHIP. The governor or general  
25 assembly may provide funds to the RICHIP trust fund, but may not remove or borrow funds from  
26 the RICHIP trust fund.

27 (b) Revenue proposal. After consulting with the RICHIP advisory committee and gaining  
28 approval of the RICHIP executive board, the director shall submit to the governor and the general  
29 assembly a revenue plan and, if required, legislation (referred to collectively in this section as the  
30 "revenue proposal") to provide the revenue necessary to finance RICHIP. The initial revenue  
31 proposal shall be submitted for the fiscal year commencing the year after this this chapter is enacted  
32 and annually, thereafter. The basic structure of the initial revenue proposal will be based on a  
33 consideration of:

34 (1) Anticipated savings from a single payer program;

- 1           (2) Government funds available for health care;  
2           (3) Private funds available for health care; and  
3           (4) Replacing current regressive health insurance payments made to multiple health  
4 insurance carriers with progressive contributions to a single payer (RICHIP) in order to make health  
5 care insurance affordable and remove unnecessary barriers to health care access.

6           Subsequent proposals shall adjust the RICHIP contributions, based on projections from the  
7 total RICHIP costs in the previous year, and shall include a five (5) year plan for adjusting RICHIP  
8 contributions to best meet the goals set forth in this section and § 23-95-2.

9           (c) Anticipated savings. It is anticipated that RICHIP will lower health care costs by:

10          (1) Eliminating payments to private health insurance carriers;

11          (2) Reducing paperwork and administrative expenses for both providers and payers created  
12 by the marketing, sales, eligibility checks, network contract management, issues associated  
13 multiple benefit packages, and other administrative waste associated with the current multi-payer  
14 private health insurance system;

15          (3) Allowing the planning and delivery of a public health strategy for the entire population  
16 of Rhode Island;

17          (4) Improving access to preventive health care; and

18          (5) Negotiating on behalf of the state for bulk purchasing of medical supplies and  
19 pharmaceuticals.

20          (d) Federal funds. The director shall seek and obtain waivers and other approvals relating  
21 to Medicaid, the Children's Health Insurance Program, Medicare, the ACA, and any other relevant  
22 federal programs so that:

23          (1) Federal funds and other subsidies for health care that would otherwise be paid to the  
24 state and its residents and health care providers, would be paid by the federal government to the  
25 state and deposited into the RICHIP trust fund;

26          (2) Programs would be waived and such funding from federal programs in Rhode Island  
27 would be replaced or merged into RICHIP so it can operate as a single payer program;

28          (3) Maximum federal funding for health care is sought even if any necessary waivers or  
29 approvals are not obtained and multiple sources of funding with RICHIP trust fund monies are  
30 pooled, so that RICHIP can act as much as possible like a single payer program to maximize  
31 benefits to Rhode Islanders; and

32          (4) Federal financial participation in the programs that are incorporated into RICHIP are  
33 not jeopardized.

34          (e) State funds. State funds that would otherwise be appropriated to any governmental

1 agency, office, program, instrumentality, or institution for services and benefits covered under  
2 RICHIP shall be directed into the RICHIP trust fund. Payments to the fund pursuant to this section  
3 shall be in an amount equal to the money appropriated for those purposes in the fiscal year  
4 beginning immediately preceding the effective date of this chapter.

5 (f) Private funds. Private grants (e.g., from nonprofit corporations) and other funds  
6 specifically ear-marked for health care (e.g., from litigation against tobacco companies, opioid  
7 manufacturers, etc.), shall also be put into the RICHIP trust fund.

8 (g) Assignments from RICHIP participants. Receipt of health care services under the plan  
9 shall be deemed an assignment by the RICHIP participant of any right to payment for services from  
10 a policy of insurance, a health benefit plan or other source. The other source of health care benefits  
11 shall pay to the fund all amounts it is obligated to pay to, or on behalf of, the RICHIP participant  
12 for covered health care services. The director may commence any action necessary to recover the  
13 amounts due.

14 (h) Replacing current health insurance payments with progressive contributions. Instead of  
15 making health insurance payments to multiple carriers (i.e., for premiums, co-pays, deductibles,  
16 and costs in excess of caps) for limited coverage, individuals and entities subject to Rhode Island  
17 taxation pursuant to § 44-30-1 shall pay progressive contributions to the RICHIP trust fund  
18 (referred to collectively in this section as the "RICHIP contributions") for comprehensive coverage.  
19 These RICHIP contributions shall be set and adjusted over time to an appropriate level to:

20 (1) Cover the actual cost of the program;

21 (2) Ensure that higher brackets of income subject to specified taxes shall be assessed at a  
22 higher marginal rate than lower brackets; and

23 (3) Protect the economic welfare of small businesses, low-income earners and working  
24 families through tax credits or exemptions.

25 (i) Contributions based on earned income. The amounts currently paid by employers and  
26 employees for health insurance shall initially be replaced by a ten percent (10%) payroll tax, based  
27 on the projected average payroll of employees over three (3) previous calendar years. The employer  
28 shall pay eighty percent (80%) and the employee shall pay twenty percent (20%) of this payroll  
29 tax, except that an employer may agree to pay all or part of the employee's share. Self- employed  
30 individuals shall initially pay one-hundred percent (100%) of the payroll tax. The ten percent (10%)  
31 initial rate will be adjusted by the director so that higher brackets of income subject to these taxes  
32 shall be assessed at a higher marginal rate than lower brackets and so that small businesses and  
33 lower income earners receive a credit or exemption.

34 (j) Contributions based on unearned income. There shall be a progressive contribution



1 based on unearned income, i.e., capital gains, dividends, interest, profits, and rents. Initially, the  
2 unearned income RICHIP contributions shall be equal to ten percent (10%) of such unearned  
3 income. The ten percent (10%) initial rate may be adjusted by the director to allow for a graduated  
4 progressive exemption or credit for individuals with lower unearned income levels.

5 **23-95-13. Implementation.**

6 (a) State laws and regulations.

7 (1) In general. The director shall work with the executive board and receive such assistance  
8 as may be necessary from other state agencies and entities to examine state laws and regulations  
9 and to make recommendations necessary to conform such laws and regulations to properly  
10 implement the RICHIP program. The director shall report recommendations to the governor and  
11 the general assembly.

12 (2) Anti-trust laws. The intent of this chapter is to exempt activities provided for under this  
13 chapter from state antitrust laws and to provide immunity from federal antitrust laws through the  
14 state action doctrine.

15 (b) The director shall complete an implementation plan to provide health care coverage for  
16 qualified residents in accordance with this chapter within six (6) months of the effective date.

17 (c) Severability. If any provision or application of this chapter shall be held to be invalid,  
18 or to violate or be inconsistent with any applicable federal law or regulation, that shall not affect  
19 other provisions or applications of this chapter which can be given effect without that provision or  
20 application; and to that end, the provisions and applications of this chapter are severable.

21 SECTION 4. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
A N A C T  
RELATING TO HEALTH AND SAFETY -- COMPREHENSIVE HEALTH INSURANCE  
PROGRAM

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1           This act would repeal the "Rhode Island Health Care Reform Act of 2004 – Health  
2 Insurance Oversight" as well as the "Rhode Island Health Benefit Exchange." This act would also  
3 establish a universal, comprehensive, affordable single-payer health care insurance program and  
4 help control health care costs, which would be referred to as, "the Rhode Island Comprehensive  
5 Health Insurance Program" (RICHIP). The program would be paid for by consolidating  
6 government and private payments to multiple insurance carriers into a more economical and  
7 efficient improved Medicare-for-all style single-payer program and substituting lower  
8 progressive taxes for higher health insurance premiums, co-pays, deductibles and costs due to  
9 caps. This program will save Rhode Islanders from the current overly expensive, inefficient and  
10 unsustainable multi- payer health insurance system that unnecessarily prevents access to  
11 medically necessary health care.

12           This act would take effect upon passage.

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