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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2014

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A N A C T

RELATING TO HEALTH AND SAFETY - THE RHODE ISLAND HEALTHCARE
AUTHORITY

Introduced By: Senators Goldin, Nesselbush, Cool Rumsey, Conley, and Miller

Date Introduced: February 27, 2014

Referred To: Senate Health & Human Services

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 23 of the General Laws entitled "HEALTH AND SAFETY" is hereby
2 amended by adding thereto the following chapter:

3 CHAPTER 93

4 THE RHODE ISLAND HEALTH CARE AUTHORITY

5 **23-93-1. Declaration of state policy. --** It is hereby declared to be the official state
6 policy to adopt an active purchaser health insurance and health services model which aggregates
7 all funding of such insurance and services, including, but not limited to, private insurance,
8 Medicaid, and Medicare, through HealthSource RI or its successor agency.

9 **23-93-2. Rhode Island health care authority established. --** (a) There is hereby
10 established an independent authority to be known as the Rhode Island healthcare authority,
11 sometimes referred to herein this chapter as "the authority." The authority shall be operated under
12 the leadership of an appointed health care commissioner.

13 (b) The governor shall appoint the health care commissioner with the advise and consent
14 of the senate. The health care commissioner shall chair the Rhode Island health care authority.
15 The governor shall make the appointment on an interim basis if necessary until the senate is in
16 session. The executive department shall provide any staff, space, and funding necessary for the
17 authority to accomplish its mandate.

18 (c) The Rhode Island health care authority shall consist of:

- 1 (1) The speaker of the house or designee;
- 2 (2) The senate president or designee;
- 3 (3) Two (2) health care consumers;
- 4 (4) One chief executive officer of a hospital, nominated from among the hospitals in
5 Rhode Island;
- 6 (5) One physician nominated from among the primary care specialty societies in Rhode
7 Island;
- 8 (6) One nurse or allied professional nominated from among nursing organizations in
9 Rhode Island;
- 10 (7) One chief executive officer of a health insurance company nominated from among the
11 Rhode Island companies;
- 12 (8) One representative of a labor union;
- 13 (9) One Representative of small business nominated from among Rhode Island small
14 businesses;
- 15 (10) One representative of large business nominated from among Rhode Island large
16 businesses;
- 17 (11) One representative of behavioral health provider nominated from the community
18 mental health providers;
- 19 (12) Two (2) health policy experts; and
- 20 (13) The secretary of the executive office of health and human services.
- 21 **23-93-3. Report from authority. --** (a) On or before January 2, 2016, and annually
22 thereafter, the health care authority shall provide to the general assembly and the governor of the
23 state of Rhode Island a report of all recommended legislative and/or regulatory actions that would
24 be required to:
- 25 (1) Present a state innovation waiver (SIW) to the federal government on behalf of the
26 state;
- 27 (2) Make HealthSourceRI the sole hub for securing insurance or health services coverage
28 for all Rhode Island residents;
- 29 (3) Aggregate all state, federal, and private medical funding for health insurance and/or
30 health care services including, but not limited to, Medicaid, Medicare, and self-insured plans
31 through HealthSourceRI or its successor entity;
- 32 (4) Provide alternatives to employer-based funding of private insurance that explicitly
33 dissociates private insurance funding from employment status and provides possible alternative to
34 funding of health insurance, one of which shall be funding through the payroll tax, inter alia;

1 (5) Promote the merger of all state agency functions which currently regulate insurance
2 or fund or provide health services into one health care authority, including, but not limited to, all
3 or part of the executive office of health and human services (EOHHS), the office of the health
4 insurance commissioner (OHIC), HealthSourceRI, the department of human services (DHS), the
5 department of health (DOH), the department of behavioral healthcare, developmental disabilities
6 and hospitals (BHDDH), and the department of administration (DOA), inter alia;

7 (6) Establish an annual global spending target for all health care expenditures in the state
8 based on CMS market basket or comparable benchmark, with explicit enforcement of compliance
9 by health care providers;

10 (7) Incrementally shift one hundred percent (100%) of all hospital revenue received from
11 a fee-for-service model to a global payment model over five (5) years;

12 (8) Establish a standard set of benefits to meet the health care needs of Rhode Island
13 residents; and

14 (9) Fund and staff the coordinated health planning and affordability council and charge it
15 to develop a comprehensive five (5) year state population health improvement plan. The goal of
16 the plan shall be to drive excellence in population health management and serve as the foundation
17 for a health care system that is affordable, accessible, and delivers high quality outcomes and
18 health promotion services in order to pursue the complete physical, mental and social well-being
19 of Rhode Islanders. The state population health improvement plan shall provide direction to the
20 health care authority and shall be developed every five (5) years.

21 (b) Annual reports submitted by the authority subsequent to the initial report shall
22 provide an update as to the above points, and with particular emphasis on the progress the state is
23 making in regard to adopting and implementing an active purchaser health insurance and health
24 services model which aggregates all funding of such insurance and services, including, but not
25 limited to, private insurance, Medicaid, and Medicare, through HealthSourceRI or its successor
26 agency.

27 **23-93-4. Plans not to be limited.** -- Nothing in this chapter shall be construed to limit the
28 choice and number of plans provided for the consumers.

29 **23-93-5. Severability.** -- If any provision of this chapter or the application of this chapter
30 to any person or circumstances is held invalid, the invalidity shall not affect other provisions or
31 applications of the chapter which can be given effect without the invalid provision or application,
32 and to this end the provisions of this chapter are declared to be severable.

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1 SECTION 2. 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 - THE RHODE ISLAND HEALTHCARE
AUTHORITY

1 This act would establish the Rhode Island healthcare authority. The authority would be
2 charged with overseeing that the state adopt and implement an active purchaser health insurance
3 and health services model which aggregates all funding of such insurance and services, including,
4 but not limited to, private insurance, Medicaid, and Medicare, through HealthSource RI or its
5 successor agency.

6 This act would take effect upon passage.

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