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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2015

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A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT - CATASTROPHIC HEALTH  
INSURANCE PLAN ACT

Introduced By: Senators Nesselbush, Lombardi, Pichardo, Ottiano, and Sheehan

Date Introduced: March 03, 2015

Referred To: Senate Health & Human Services

(Attorney General)

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 42-62-13 of the General Laws in Chapter 42-62 entitled  
2 "Catastrophic Health Insurance Plan Act" is hereby amended to read as follows:  
3 **42-62-13. Rates charged.** -- (a) The rates proposed to be charged or a rating formula  
4 proposed to be used by any insurer or health maintenance organization ~~under this section~~ subject  
5 to title 27 of the general laws to employers, the state or any political subdivision of the state, or  
6 individuals, shall be filed by the insurer or health maintenance organization at the office of the  
7 ~~director of business regulation~~ health insurance commissioner. The applicant shall provide a copy  
8 of the filing on all rates and/or rating formulas proposed for health insurance coverage offered in  
9 the individual market as defined in § 27-18.5-2 to the insurance advocacy unit of the attorney  
10 general's office simultaneously with the filing at the office of the health insurance commissioner.  
11 This section does not apply to any entity subject to § 27-19-1 et seq., and/or § 27-20-1 et seq. The  
12 rates proposed to be charged by those entities shall be governed by the provisions of § 27-19-1 et  
13 seq., and/or § 27-20-1 et seq. Within sixty (60) days after receipt of the application, the ~~director~~  
14 commissioner, or the ~~director's~~ commissioner's designee, shall hold a public hearing pursuant to §  
15 42-35-1 et seq. for all rate filings for individuals as defined in § 27-18.5-2 and may hold a hearing  
16 pursuant to § 42-35-1 et seq. upon not less than ten (10) days' written notice prior to the hearings  
17 for other rate filings. The notice shall be published by the commissioner in a newspaper or  
18 newspapers having aggregate general circulation throughout the state at least ten (10) days prior

1 to the hearing and shall contain a description of the rates proposed to be charged, and a copy of  
2 the notice shall be sent to the applicant and to the ~~consumer protection~~ insurance advocacy unit of  
3 the department of attorney general. In addition, the applicant shall provide by mail, at least ten  
4 (10) days prior to the hearing, notice of the proposed rate increase for health insurance coverage  
5 offered in the individual market as defined in § 27-18.5-2 to all subscribers subject to the  
6 proposed rate increase. At any hearing held under this section, the applicant shall be required to  
7 establish that the rates proposed to be charged or the rating formula proposed to be used are  
8 consistent with the proper conduct of its business and with the interest of the public. Any  
9 documents presented in support of a filing of proposed rates under this section shall be made  
10 available for public examination at any time and place that the ~~director~~ commissioner may deem  
11 reasonable. The ~~director~~ commissioner, or the ~~director's~~ commissioner's designee, upon that  
12 hearing may administer oaths, examine and cross-examine witnesses, receive oral and  
13 documentary evidence, and shall have the power to subpoena witnesses, compel their attendance  
14 and require the production of all books, papers, records, correspondence, or other documents  
15 which he or she deems relevant. Any designee who shall conduct a hearing pursuant to this  
16 section shall report his or her findings in writing to the ~~director~~ commissioner within eighty (80)  
17 days of the filing with a recommendation for approval, disapproval, or modification of the rates  
18 proposed to be charged by the applicant. The recommended decision shall become part of the  
19 record. The ~~director~~ commissioner shall make and issue a decision not later than ten (10) days  
20 following the issuance of the recommended decision or, if the ~~director~~ commissioner hears the  
21 application without the appointment of a designee, as soon as is reasonably possible following the  
22 completion of the hearing on the proposed rate change. The decision may approve, disapprove, or  
23 modify the rates proposed to be charged by the applicant. Insurers requesting changes in rates  
24 shall underwrite the reasonable expenses of the ~~department of business regulation~~ office of the  
25 health insurance commissioner in connection with the hearing, including any costs related to  
26 advertisements, stenographic reporting, and expert witnesses fees. Notwithstanding any other  
27 provisions of law, the filing of proposed rates or a rating formula and the holding and conduct of  
28 any hearings in connection with these proposed rates or rating formula shall be pursuant to this  
29 section.

30 (b) Whenever the term "designee" is used in this section, it shall mean a person who is  
31 impartial, a member in good standing of the Rhode Island bar and a person who is sufficiently  
32 acquainted with the rules of evidence as used in the superior court of the state so as to enable that  
33 person to conduct a hearing as designee of the ~~director~~ commissioner. The reasonable per diem  
34 cost of the designee as appointed by the ~~director~~ commissioner shall be paid by the insurers

1 requesting changes in the rates.

2 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 STATE AFFAIRS AND GOVERNMENT - CATASTROPHIC HEALTH  
INSURANCE PLAN ACT

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- 1           This act would require a public hearing for all insurers or health maintenance
- 2 organizations who propose rates for health insurance coverage in the individual market.
- 3           This act would take effect upon passage.

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