

2018 -- S 2785 SUBSTITUTE A

LC005098/SUB A/2

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2018

A N A C T

RELATING TO INSURANCE -- INDIVIDUAL HEALTH INSURANCE COVERAGE

Introduced By: Senators Miller, Coyne, DiPalma, Goldin, and Ruggerio

Date Introduced: April 05, 2018

Referred To: Senate Health & Human Services

It is enacted by the General Assembly as follows:

SECTION 1. Chapter 27-50 of the General Laws entitled "Small Employer Health Insurance Availability Act" is hereby amended by adding thereto the following section:

27-50-19. Small business health options program (SHOP) innovation waiver.

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

(b) The director of the department of administration, with assistance from the commissioner of health insurance (OHIC), is authorized to seek a waiver under Section 1332 of the Patient Protection and Affordable Care Act, Pub. L. No. 111-148, as amended by the Health Care and Education Reconciliation Act of 2010, Pub. L. No. 111-152, for the purpose of allowing businesses classified as self-employed and sole proprietors to purchase insurance in the small group market through the Health Source RI for Employers small business health options program (SHOP) and not be forced into the individual market. Submission of such a waiver application shall be contingent upon an assessment by OHIC of the costs and impacts.

SECTION 2. Chapter 27-18.5 of the General Laws entitled "Individual Health Insurance Coverage" is hereby amended by adding thereto the following section:

27-18.5-11. Essential health benefits.-- Individual.

1 (a) For the purposes of this title and/or chapter:

2 (1) “Essential Health Benefits” means the following general categories and the items and
3 services covered within the following ten (10) categories described in 42 USC § 18022 in force as
4 of January 1, 2017 and implementing regulations and guidance. The commissioner, in his/her
5 discretion, shall periodically define a benchmark plan that is prevalent in the employer-sponsored
6 health insurance market in Rhode Island and that includes at a minimum the following categories
7 of benefits:

8 (i) Ambulatory patient services;

9 (ii) Emergency services;

10 (iii) Hospitalization;

11 (iv) Maternity and newborn care;

12 (v) Mental health and substance use disorder services, including behavioral health
13 treatment;

14 (vi) Prescription drugs;

15 (vii) Rehabilitative and habilitative services and devices;

16 (viii) Laboratory services;

17 (ix) Preventive services, wellness services and chronic disease management; and

18 (x) Pediatric services, including oral and vision care;

19 (2) "Preventive services" means those services described in 42 USC § 300gg-13 in force
20 as of January 1, 2017 and implementing regulations and guidance. Preventive services shall be
21 covered without any cost sharing for the enrollee when delivered by in-network providers, as
22 those terms and obligations are therein described. The commissioner shall have the authority to
23 promulgate implementing regulations consistent with this chapter to ensure compliance with 26
24 USC § 223.

25 (b) A health insurance policy, subscriber contract, or health plan offered, issued, issued
26 for delivery, or issued to cover a resident of this state by a health insurance company licensed
27 pursuant to this title and/or chapter shall provide coverage of at least the ten (10) essential health
28 benefits categories set forth in this section and shall further provide preventive services from in-
29 network providers without applying any copayments, deductibles, coinsurance, or other cost
30 sharing, as set forth in this section. The commissioner shall have the authority to promulgate rules
31 and regulations for the implementation of this chapter, including the authority to not approve any
32 plan that they determine does not appropriately comply with or substantially provide for the
33 essential health benefits and preventive services without cost sharing requirements set forth in
34 this section.

1 SECTION 3. Chapter 27-50 of the General Laws entitled "Small Employer Health
2 Insurance Availability Act" is hereby amended by adding thereto the following section:

3 **27-50-18. Essential health benefits.-- Small employer.**

4 A health insurance policy, subscriber contract, or health plan offered, issued, issued for
5 delivery, or issued to cover a resident of this state by a health insurance company licensed
6 pursuant to this title and/or chapter shall provide coverage of at least the ten (10) essential health
7 benefits categories set forth at § 27-18.5-11 and shall further provide preventive services from in-
8 network providers without applying any copayments, deductibles, coinsurance, or other cost
9 sharing, set forth at § 27-18.5-11. The commissioner shall have the authority to promulgate rules
10 and regulations for the implementation of this chapter, including the authority to not approve any
11 plan that he/she determines does not appropriately comply with or substantially provide for the
12 essential health benefits and preventive services without cost sharing requirements set forth at §
13 27-18.5-11.

14 SECTION 4. Chapter 27-18.6 of the General Laws entitled "Large Group Health
15 Insurance Coverage" is hereby amended by adding thereto the following section:

16 **27-18.6-13. Essential health benefits.**

17 A health insurance policy, subscriber contract, or health plan offered, issued, issued for
18 delivery, or issued to cover a resident of this state by a health insurance company licensed
19 pursuant to this title and/or chapter shall provide coverage of at least the ten (10) essential health
20 benefits categories set forth at 27-18.5-11 and shall further provide preventive services from in-
21 network providers without applying any copayments, deductibles, coinsurance, or other cost
22 sharing, set forth at § 27-18.5-11. The commissioner shall have the authority to promulgate rules
23 and regulations for the implementation of this chapter, including the authority to not approve any
24 plan that he/she determines does not appropriately comply with or substantially provide for the
25 essential health benefits and preventive services without cost sharing requirements set forth at §
26 27-18.5-11.

27 SECTION 5. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO INSURANCE -- INDIVIDUAL HEALTH INSURANCE COVERAGE

1 This act would authorize the state to seek a waiver under the Affordable Care Act (ACA)
2 to allow qualified small business owners and sole proprietors to purchase insurance in the small
3 group market contingent on a cost and impact assessment by the office of the health insurance
4 commissioner (OHIC). This act would further provide that health insurance plans provide
5 coverage for essential health benefit categories and preventive services without cost sharing
6 which are consistent with the Rhode Island benchmark plan.

7 This act would take effect upon passage.

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