

2023 -- H 5985

LC001832

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2023

A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- RHODE ISLAND HEALTH
BENEFIT EXCHANGE

Introduced By: Representatives Nardone, Morales, P. Morgan, Rea, Noret, Chippendale,
Vella-Wilkinson, and Cortvriend

Date Introduced: March 01, 2023

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 42-157-2 and 42-157-5.1 of the General Laws in Chapter 42-157
2 entitled "Rhode Island Health Benefit Exchange" are hereby amended to read as follows:

3 **42-157-2. Definitions.**

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

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

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

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

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

15 (5) "Secretary" means the secretary of the Federal Department of Health and Human
16 Services.

17 (6)(i) "Small employer" or "small business owner" means, any person, firm, corporation,
18 partnership, association, political subdivision, or self-employed individual that is actively engaged

1 in business including, but not limited to, a business or a corporation organized under chapter 6 of
2 title 7 ("Rhode Island Nonprofit Corporation act"), or a similar act of another state that, on at least
3 fifty percent (50%) of its working days during the preceding calendar quarter, employed no more
4 than one hundred (100) eligible employees, with a normal work week of thirty (30) or more hours,
5 the majority of whom were employed within this state, and is not formed primarily for purposes of
6 buying health insurance and in which a bona fide employer-employee relationship exists. In
7 determining the number of eligible employees, companies that are affiliated companies, or that are
8 eligible to file a combined tax return for purposes of taxation by this state, shall be considered one
9 employer.

10 (ii) Subsequent to the issuance of a health benefit plan to a small employer and for the
11 purpose of determining continued eligibility, the size of a small employer shall be determined
12 annually. Except as otherwise specifically provided, provisions of this chapter that apply to a small
13 employer shall continue to apply at least until the plan anniversary following the date the small
14 employer no longer meets the requirements of this definition.

15 (iii) The term small employer includes a self-employed individual.

16 ~~(6)~~(7) "Qualified dental plan" means a dental plan as described in § 1311(d)(2)(B)(ii) of
17 the Federal Act [42 U.S.C. § 18031].

18 ~~(7)~~(8) "Qualified individuals" and "qualified employers" shall have the same meaning as
19 defined in federal law.

20 **42-157-5.1. Small business health options program (SHOP) innovation waiver.**

21 (a) As small business owners, as defined in § 42-157-2, and sole proprietors are the life
22 blood of this state's economy, a recent change in the Federal Affordable Care Act effective on
23 January 1, 2016, has caused irreparable harm to the economic well-being of small business owners
24 and sole proprietors by requiring them to secure health insurance coverage on the individual market
25 as opposed to securing health insurance coverage on the small group market.

26 (b) In an effort to reduce and/or eliminate the irreparable economic harm, the director of
27 the department of administration, with assistance from the commissioner of health insurance, shall
28 seek a waiver under Section 1332 of the Patient Protection and Affordable Care Act, Pub. L. No.
29 111-148, as amended by the Health Care and Education Reconciliation Act of 2010, Pub. L. No.
30 111-152, for the purpose of allowing businesses classified as self-employed and sole proprietors to
31 purchase insurance in the small group market through the health source RI for employers SHOP
32 program and not be forced into the individual market.

1 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

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- 1 This act would define a small employer as an employer with maximum of one hundred
- 2 (100) employees.
- 3 This act would take effect upon passage.

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