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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2025

A N A C T

RELATING TO INSURANCE -- ACCIDENT AND SICKNESS INSURANCE POLICIES

Introduced By: Senators Bissaillon, Tikoian, Lawson, Murray, DiMario, and Appollonio

Date Introduced: March 14, 2025

Referred To: Senate Health & Human Services

It is enacted by the General Assembly as follows:

1           SECTION 1. Section 27-18-54 of the General Laws in Chapter 27-18 entitled "Accident  
2   and Sickness Insurance Policies" is hereby amended to read as follows:

3           **27-18-54. Health insurance rates.**

4           No insurance company organized as a stock or mutual corporation which merges or  
5   consolidates with, acquires ownership or control or possession of twenty percent (20%) or greater  
6   of the operating assets of, or otherwise acquires control of a non-profit hospital service corporation  
7   organized under chapter 19 of this title, a non-profit medical service corporation organized under  
8   chapter 20 of this title or a health maintenance organization organized under chapter 41 of this title  
9   may: (1) file with any state agency for review or approval any proposed rate to be used by the  
10   company in the state, ~~or~~ (2) charge to any party in the state any rate or premium, which takes into  
11   account or reflects in any manner the value of any contribution, distribution or allocation the  
12   company expends or incurs in establishing or funding a charitable foundation organized to maintain  
13   or account for the assets of a non-profit hospital service corporation, non-profit medical service  
14   corporation or health maintenance organization, or (3) pay a rate that is less than the approved  
15   Medicaid rate set by the executive office of health and human services. For any rate that is to be  
16   charged to policy holders, regardless of whether the rate is subject to approval by a state agency  
17   under this or another chapter, the company shall at least thirty (30) days before implementing the  
18   rate submit under oath to the commissioner of insurance an accounting that documents the cost  
19   structure on which the rate is based and demonstrates the company's compliance with this section.

1           SECTION 2. Section 27-19-30.1 of the General Laws in Chapter 27-19 entitled "Nonprofit  
2 Hospital Service Corporations" is hereby amended to read as follows:

3           **27-19-30.1. Health insurance rates.**

4           No insurance company organized as a stock or mutual corporation that merges or  
5 consolidates with, acquires ownership or control or possession of twenty percent (20%) or greater  
6 of the operating assets of, or otherwise acquires control of a nonprofit hospital service corporation  
7 organized under this chapter, a nonprofit medical service corporation organized under chapter 20  
8 of this title, or a health maintenance organization organized under chapter 41 of this title, may: (1)  
9 File with any state agency for review or approval any proposed rate to be used by the company in  
10 the state, ~~or~~ (2) Charge to any party in the state any rate or premium that takes into account or  
11 reflects in any manner the value of any contribution, distribution, or allocation the company  
12 expends or incurs in establishing or funding a charitable foundation organized to maintain or  
13 otherwise account for the assets of a nonprofit hospital service corporation, nonprofit medical  
14 service corporation, or health maintenance organization, or (3) pay a rate that is less than the  
15 approved Medicaid rate set by the executive office of health and human services. For any rate that  
16 is to be charged to policyholders, regardless of whether the rate is subject to approval by a state  
17 agency under this or another chapter, the company shall at least thirty (30) days before  
18 implementing the rate submit under oath to the commissioner of insurance an accounting that  
19 documents the cost structure on which the rate is based and demonstrates the company's  
20 compliance with this section.

21           SECTION 3. Section 27-20-25.2 of the General Laws in Chapter 27-20 entitled "Nonprofit  
22 Medical Service Corporations" is hereby amended to read as follows:

23           **27-20-25.2. Health insurance rates.**

24           No insurance company organized as a stock or mutual corporation that merges or  
25 consolidates with; acquires ownership or control or possession of twenty percent (20%) or greater  
26 of the operating assets of; or acquires control of a nonprofit hospital service corporation organized  
27 under chapter 19 of this title, a nonprofit medical service corporation organized under this chapter,  
28 or a health maintenance organization organized under chapter 41 of this title may: (1) File with any  
29 state agency for review or approval any proposed rate to be used by the company in the state, ~~or~~  
30 (2) Charge to any party in the state any rate or premium, that takes into account or reflects in any  
31 manner the value of any contribution, distribution, or allocation the company expends or incurs in  
32 establishing or funding a charitable foundation organized to maintain or account for the assets of a  
33 nonprofit hospital service corporation, nonprofit medical service corporation, or health  
34 maintenance organization, or (3) pay a rate that is less than the approved Medicaid rate set by the

1 [executive office of health and human services](#). For any rate that is to be charged to policyholders,  
2 regardless of whether this rate is subject to approval by a state agency under this or another chapter,  
3 the company shall at least thirty (30) days before implementing the rate submit under oath to the  
4 commissioner of insurance an accounting that documents the cost structure on which the rate is  
5 based and demonstrates the company's compliance with this section.

6 SECTION 4. Section 27-41-27.2 of the General Laws in Chapter 27-41 entitled "Health  
7 Maintenance Organizations" is hereby amended to read as follows:

8 **27-41-27.2. Health insurance rates.**

9 No insurance company organized as a stock or mutual corporation that merges or  
10 consolidates with, acquires ownership or control or possession of twenty percent (20%) or greater  
11 of the operating assets of, or acquires control of a nonprofit hospital service corporation organized  
12 under chapter 19 of this title, a nonprofit medical service corporation organized under chapter 20  
13 of this title, or a health maintenance organization organized under chapter 41 of this title: (1) May  
14 file with any state agency for review or approval any proposed rate to be used by the company in  
15 the state, ~~or~~ (2) May charge to any party in the state any rate or premium, that takes into account or  
16 reflects in any manner the value of any contribution, distribution, or allocation the company  
17 expends or incurs in establishing or funding a charitable foundation organized to maintain or  
18 account for the assets of a nonprofit hospital service corporation, nonprofit medical service  
19 corporation, or health maintenance organization, or (3) pay a rate that is less than the approved  
20 Medicaid rate set by the executive office of health and human services. For any rate that is to be  
21 charged to policyholders, regardless of whether this rate is subject to approval by a state agency  
22 under this or another chapter, the company shall at least thirty (30) days before implementing the  
23 rate submit under oath to the commissioner of insurance an accounting that documents the cost  
24 structure on which the rate is based and demonstrates the company's compliance with this section.

25 SECTION 5. This act shall take effect on January 1, 2026.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
A N A C T  
RELATING TO INSURANCE -- ACCIDENT AND SICKNESS INSURANCE POLICIES

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- 1           This act would prohibit insurance companies from paying a rate that is less than the  
2 approved Medicaid rate set by the executive office of health and human services.  
3           This act would take effect on January 1, 2026.

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