

LC004164

**IN GENERAL ASSEMBLY**

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RELATING TO STATE AFFAIRS AND GOVERNMENT -- RHODE ISLAND INDIVIDUAL  
MARKET AFFORDABILITY ACT OF 2026

Referred To: Senate Health & Human Services

18           (4) "Cost-sharing reduction" means the program set forth in 42 U.S.C. § 18071 by which

1 certain individuals eligible to purchase health insurance coverage through the exchange are entitled  
2 to purchase a plan with an adjusted actuarial value to lower out-of-pocket expenses.

3 (5) "Director" means the director of the Rhode Island health benefits exchange.

4 (6) "Exchange" means the Rhode Island health benefits exchange established within the  
5 department of administration by § 42-157-1.

6 (7) "Federal poverty line" has the same meaning as "poverty line" as set forth in 42 U.S.C.  
7 § 9902(2).

8 (8) "Health insurance carrier" or "carrier" has the same meaning as set forth in § 27-18.5-  
9 2.

10 (9) "Health insurance coverage" has the same meaning as set forth in § 27-18.5-2.

11 (10) "Household income" has the same meaning as set forth in 26 U.S.C. § 36B(d)(2) in  
12 effect as of January 1, 2026.

13 (11) "Individual market" has the same meaning as set forth in § 27-18.5-2.

14 (12) "Office of the health insurance commissioner" means the entity established by § 42-  
15 14.5-1 within the department of business regulation.

16 (13) "Original ACA premium assistance amount" means the collective amount of premium  
17 assistance provided by the federal premium tax credits utilizing the applicable percentages of  
18 household income established in the version of 26 U.S.C. § 36B(b)(3)(A)(i) in effect on July 3,  
19 2025.

20 (14) "Premium assistance credit amount" has the same meaning as set forth in 26 U.S.C. §  
21 36(B)(b)(1), effective January 1, 2026.

22 (15) "Premium tax credit" means the refundable tax credit available, pursuant to federal  
23 law, to assist certain individuals in purchasing health insurance coverage through the exchange.

24 (16) "Program" means the individual market affordability program established by § 42-  
25 157.2-3.

26 (17) "Program fund" or "fund" means the fund established by § 42-157.2-4.

27 (18) "State" means the State of Rhode Island.

28 **42-157.2-3. Establishment of the Rhode Island individual market affordability**  
29 **program.**

30 (a) The director is authorized to establish a state-based affordability program, to be known  
31 as the "Rhode Island individual market affordability program":

32 (1) To provide for improved affordability for individuals who purchase health insurance  
33 coverage through the exchange; and

34 (2) That is consistent with state and federal law.

1       **(b) The program is intended to mitigate the impact of high and rising healthcare costs for**  
2 **low- and middle-income Rhode Islanders who purchase health insurance coverage through the**  
3 **exchange by reducing out-of-pocket costs through expanded affordability programs.**

4       **(c) The director is authorized, based on recommendations advanced by the board, to**  
5 **implement affordability programs and direct payment to carriers to reduce the cost of health**  
6 **insurance coverage purchased through the exchange, and to improve the actuarial value of health**  
7 **insurance coverage, for individuals determined eligible for state-based subsidies.**

8       **(d) In addition to the funding contribution established by § 42-157.2-4, the director, in**  
9 **consultation with the commissioner, the secretary of the executive office of health and human**  
10 **services, and the Medicaid director, shall collaborate to identify any federal or other external**  
11 **sources of funding for the program, including funding available through the state's existing section**  
12 **1115 Medicaid demonstration waiver, the state's existing section 1332 state innovation waiver, or**  
13 **new funding available under those authorities or any other authority.**

14       **(1) The director is authorized to apply for and obtain any available identified funding for**  
15 **the program.**

16       **(2) The secretary of the executive office of health and human services is authorized to apply**  
17 **for, submit, and negotiate any necessary changes to the Medicaid state plan, the state section 1115**  
18 **Medicaid demonstration waiver, or any other necessary authorities in order to facilitate the**  
19 **obtaining of identified funding for the program.**

20       **42-157.2-4. Establishment of program fund.**

21       **(a) There is created a state general fund appropriation to be known as the "health insurance**  
22 **individual market affordability appropriation."**

23       **(b) In establishing the size of the health insurance individual market affordability**  
24 **appropriation:**

25       **(1) As long as federal premium tax credits remain in place that are no less generous than**  
26 **the original ACA premium assistance amount defined at § 42-157.2-2(14), the general assembly,**  
27 **based on any estimates provided by the director in coordination with the work of the board, shall**  
28 **appropriate sufficient general revenue to create, in combination with any other sources of funding**  
29 **identified to support the program, a total funding amount equal to the amount necessary to provide**  
30 **state premium assistance payments on behalf of enrollees which shall provide a total monthly**  
31 **premium assistance payments on behalf of enrollees which shall provide a total monthly premium**  
32 **assistance amount for each enrollee, including both federal premium tax credits and state premium**  
33 **assistance payments, which achieves an applicable percentage utilizing the following income tier**  
34 **table in lieu of the income table established in 26 U.S.C. § 36B(b)(3)(A)(i):**

1	<u>In the case of household income</u>	<u>The initial premium</u>	<u>The final premium</u>
2	<u>(expressed as a percent of the</u>	<u>percentage is:</u>	<u>percentage is:</u>
3	<u>Federal Poverty Line) within</u>		
4	<u>the following income tier:</u>		
5	<u>Up to 150.0 percent</u>	<u>0.0</u>	<u>0.0</u>
6	<u>150.0 percent up to 200.0 percent</u>	<u>0.0</u>	<u>2.0</u>
7	<u>200.0 percent up to 250.0 percent</u>	<u>2.0</u>	<u>4.0</u>
8	<u>250.0 percent up to 300.0 percent</u>	<u>4.0</u>	<u>6.0</u>
9	<u>300.0 percent up to 400.0 percent</u>	<u>6.0</u>	<u>8.5</u>
10	<u>400.0 percent and higher</u>	<u>8.5</u>	<u>8.5</u>

11       (2) If the federal premium tax credits in place are less generous than would have existed  
12 under the original ACA premium assistance amount defined at § 42-157.2-2(14), the general  
13 assembly shall appropriate sufficient general revenue to create, in combination with any other  
14 sources of funding identified to support the program, a total funding amount no lower than fifty-  
15 nine million three hundred thousand dollars (\$59,300,000).

16       (3) The general assembly shall provide a further appropriation, as needed, to support the  
17 total administrative costs of the program as provided by § 42-157.2-5(a)(4).

18       (c) The funds appropriated under this section may be utilized by the exchange pursuant to  
19 the process established by § 42-157.2-5.

20       (d) The exchange shall submit to the general assembly an annual report on the program and  
21 costs related to the program, on or before February 1 of each year.

22       **42-157.2-5. Utilization of program fund -- Affordability programs.**

23       (a) The director shall allocate the program fund, pursuant to regulations adopted under this  
24 chapter for any of the following state affordability programs, individually or in combination:

25       (1) To provide payments on behalf of individual enrollees to carriers in the form of  
26 supplemental state premium assistance payments, to increase the affordability of health insurance  
27 on the individual market by reducing out-of-pocket premium expenses, for individuals who receive  
28 federal premium tax credits;

29       (2) To provide payments on behalf of individual enrollees to carriers in the form of state  
30 premium assistance payments, to increase the affordability of health insurance on the individual  
31 market by reducing out-of-pocket premium expenses, for individuals who are over the household  
32 income limit, as established by federal law, for federal premium tax credits;

33       (3) To provide subsidies to reduce cost sharing for individuals enrolled in health insurance  
34 coverage through the exchange who are determined eligible for state subsidies; and

1           (4) To pay for the actual administrative costs for implementing and administering the  
2 program established under this chapter. These actual administrative costs include the following:

3           (i) The costs of the board related to their activities under § 42-157.2-6;

4           (ii) The actual costs related to implementing and maintaining the assessment established  
5 by § 42-157.2-4;

6           (iii) The costs for conducting analyses necessary to determine the payments to be made to  
7 carriers for the purposes described in subsections (a)(1), (a)(2), and (a)(3) of this section; and

8           (iv) Any other costs which accrue to the state traceable to the operation of this program.

9           (v) The program fund shall be allocated as the director, pursuant to recommendations  
10 established by the board, determines is in the best interest of advancing consumer affordability.

11           **42-157.2-6. Board recommendations for program design.**

12           (a) The board is authorized to recommend, for approval and establishment by the director  
13 by rule or regulation:

14           (1) The appropriate allocation of program funds toward premium assistance payments  
15 under §§ 42-157.2-5(a)(1) and (a)(2) and for cost-sharing subsidies under § 42-157.2-5(a)(3) in a  
16 manner that best improves affordability for individual marketplace enrollees; and

17           (2) The parameters, including income limits, for implementing the program and for  
18 identifying subsidized populations, including the appropriate balance between affordability  
19 programs and the most effective method to improve the availability and comprehensiveness of  
20 coverage to serve the goal of improved consumer access to care across all populations.

21           (b) In formulating its initial recommendations, the board shall consider the  
22 recommendations advanced by the Marketplace Coverage Affordability Work Group and  
23 summarized in the report delivered to the general assembly entitled “Coverage at Risk: State  
24 Actions to Keep Rhode Islanders Covered.”

25           **42-157.2-7. Rules and regulations.**

26           (a) The director may promulgate rules and regulations as necessary to implement the  
27 purposes of this chapter.

28           (b) In establishing regulations relating to the parameters of the program, the director shall  
29 consider the recommendations of the board and shall explain in writing the reasons for any  
30 deviation from the recommendations of the board.

31           SECTION 4. Section 42-157-7 of the General Laws in Chapter 42-157 entitled "Rhode  
32 Island Health Benefit Exchange" is hereby amended to read as follows:

33           **42-157-7. Exchange advisory board.**

34           (a) The exchange shall maintain an advisory board ~~which shall be appointed by the director.~~

1           (b) ~~The director shall consider the expertise of the members of the board and make~~  
2 ~~appointments so that the board's composition reflects a range and diversity of skills, backgrounds,~~  
3 ~~and stakeholder perspectives~~ board shall consist of the following fourteen (14) voting members:  
4           (1) The director of the exchange or designee;  
5           (2) The commissioner of the office of the health insurance commissioner or designee;  
6           (3) The secretary of the executive office of health and human services or designee;  
7           (4) Eleven (11) additional members appointed by the director of the exchange as follows:  
8           (i) Two (2) members employed by health insurance carriers that offer plans on the  
9 exchange;  
10           (ii) Three (3) members representing healthcare providers who do not represent a health  
11 insurance carrier, including at least one member representing a primary care healthcare provider  
12 and one member representing a pediatric healthcare provider;  
13           (iii) Two (2) members who represent healthcare advocacy organizations;  
14           (iv) One member who is a representative of a business that purchases or otherwise provides  
15 health insurance coverage for its employees;  
16           (v) One member who represents a hospital; and  
17           (vi) Two (2) members who are consumers of health care who are not representatives or  
18 employees of a hospital, health insurance carrier, or other healthcare industry entity.  
19           (c) To the extent possible the director shall ensure that the consumer members of the board  
20 are individuals who lack affordable offers of coverage from their employers and who otherwise  
21 struggle to afford to purchase health insurance or who struggle to afford to pay for their health care.

22           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 STATE AFFAIRS AND GOVERNMENT -- RHODE ISLAND INDIVIDUAL  
MARKET AFFORDABILITY ACT OF 2026

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- 1           This act would enact the Rhode Island individual market affordability act of 2026 to  
2   establish a program to help reduce out-of-pocket costs for low- and moderate-income consumers  
3   enrolled in individual health insurance coverage through the Rhode Island health benefits exchange.  
4           This act would take effect upon passage.

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