

# Governor's FY 2021 Budget: Articles

Staff Presentation to the House Finance  
Committee  
July 15, 2020

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# Introduction

<b>Topics</b>	
Article 20	Sections 8 through 12: Affordable Care Act Provisions
	Section 14: Health Spending Transparency Assessment
New Article	Telemedicine

# Affordable Care Act

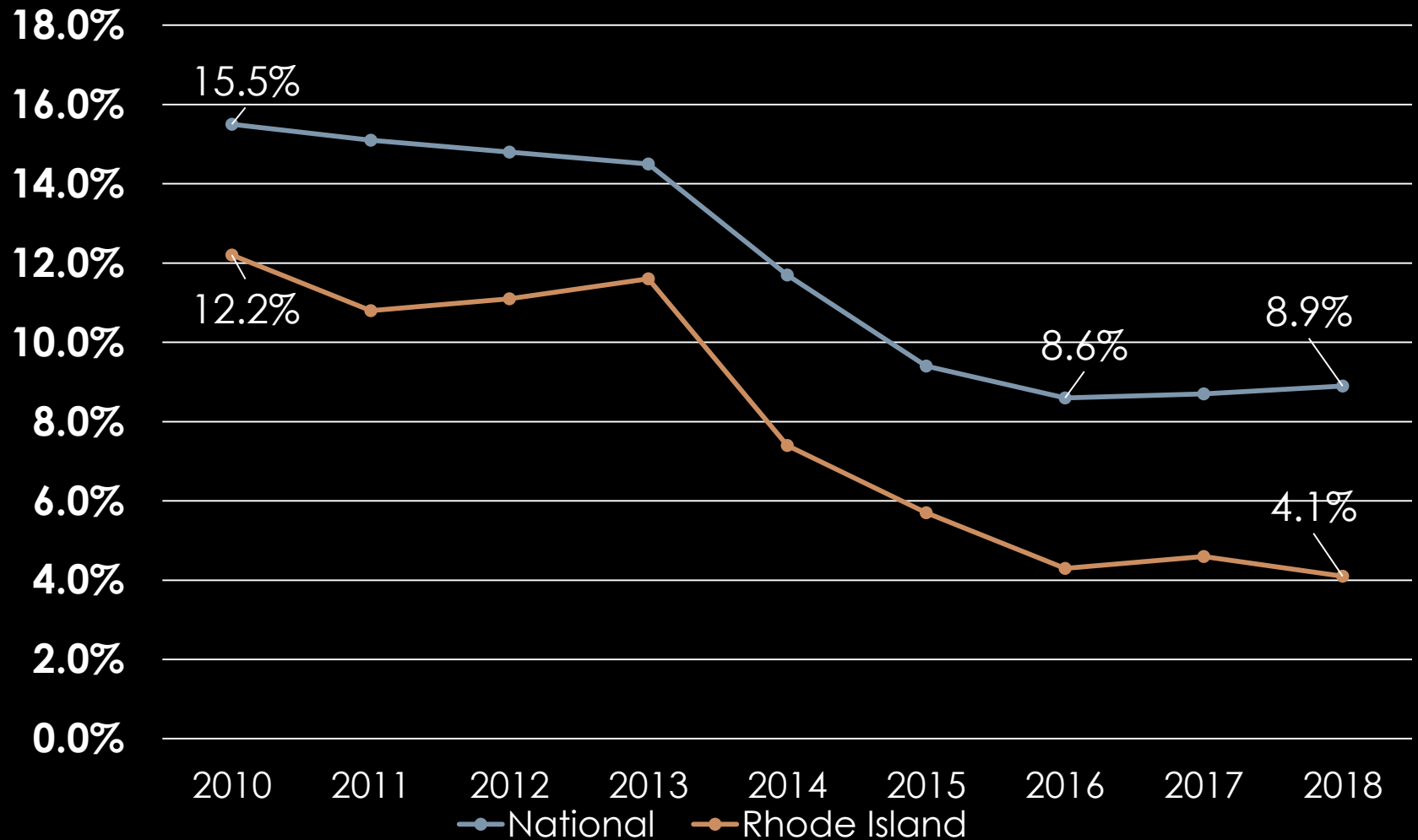
- Affordable Care Act - 2010
  - Expanded access to insurance coverage
    - Medicaid expansion, family insurance to age 26, individual mandate and tax credit support
  - Increased consumer insurance protections
    - Preexisting condition & lifetime/annual cap limits
  - Emphasizes prevention & wellness
    - No cost sharing for preventive services
  - Addressed rising health costs
    - More premium oversight, comparison shopping in exchanges

# Affordable Care Act

- Affordable Care Act - 2010
  - Establishes national minimum health insurance standards
  - Supersedes state laws that are otherwise in conflict
    - RI law established standards addressing similar items
  - Uninsured rate has decreased since 2010
    - Nationally decreased by 43%
    - RI decreased by 66%

# Affordable Care Act

## Rates of Uninsured



# Article 20 Sections 8-12 – ACA Provisions

- Typically 3 classifications of private market health insurance plans

Health Coverage Classification Types		
Non-group (Individual)	Small Group	Large Group

- Many ACA provisions focus on individual & small group markets
  - To address perceived market failures relative to large group plans
    - Limited access & higher costs

# Article 20 Sections 8-12 – ACA Provisions

- Guaranteed availability
  - Updates RI law to reflect current federal law requirements
    - All in-state insurers must offer all individual market plans to eligible state residents
    - Accept upon application
    - Federal Law 42 USC 300gg-1
  - Replaces RI pre-existing condition language
    - Prior coverage within 63 days, ineligible for Medicare, Medicaid, or COBRA reflects HIPAA standards

# Article 20, Sections 8-12 – ACA Provisions

- Codifies ACA requirements that all available plans be offered to all in individual market
  - May include government subsidized plans
- State law has more limited minimum policy offering requirements for individual plans
  - At least 2 different forms of insurance w/ different cost-sharing



# Article 20 Sections 8-12 – ACA Provisions

- ACA requires coverage of 10 essential health benefits
  - More commonly available in large group
    - Advanced parity for individual/small group
  - Benefits are categories, not services
    - Covered services can still vary state-to-state
  - Essential health benefits also include services covered under prior state laws
- Art. 20 enumerates 10 items in RI law
  - Preserves status quo if federal change lowers standards

# Article 20 Sections 8-12 – ACA Provisions

## 10 Essential Health Benefits

Ambulatory Patient Services

Emergency Services

Hospitalization

Maternity & Newborn Care

Mental Health, Substance  
Use Disorder, & Behavioral  
Health Treatment Services

Preventive & Wellness  
Services & Chronic Disease  
Management

Prescription Drugs

Laboratory Services

Pediatric Services, Including  
Oral & Vision Care

Rehabilitative & Habilitative  
Services

# Article 20, Sections 8-12 – ACA Provisions

- ACA requires Large Group plans cover preventive care without cost-sharing
  - US Preventive Services Task Force (predates ACA) reports/recommends annually
    - Services rated A or B covered by the ACA
- Article 20 codifies no cost preventive coverage in RI law by reference
  - 42 USC 300gg-13
  - Gives OHIC authority to issue guidance on future Task Force recommendations
    - Upon repeal of the ACA

# Article 20, Sections 8-12 – ACA Provisions

- ACA permits insurers to restrict enrollment periods to
  - 30 to 60 day open enrollment period
  - Special enrollment consistent with federal regulations in effect on Jan. 1, 2020
- Article 20 codifies this in RI law
  - Also make technical corrections
    - Reference to Commissioner vs DBR Director

# Sec. 14 – Health Spending Transparency & Containment

- Assess up to \$1 per “contribution enrollee” on entities providing health insurance
  - Contribution enrollee is a covered life
    - Excludes Medicare, local government employers, & non-profit dental
    - Includes state employer plan & Medicaid
    - Same assessed base as Health Care Services Funding Plan Act
    - To be assessed Oct. 1, 2020
    - Due Jan. 31, 2021 & annually thereafter
    - Provides for refund or credit of overpayment

# Sec. 14 – Health Spending Transparency & Containment

- RI Health Care Cost Trend Project
  - Non-profit Peterson Center on Healthcare
    - \$1.3 million through Brown University – ends 3/21
  - RI Cost Trend Steering Committee
    - Collaboration of OHIC, EOHHS, private stakeholders
  - Target a per capita spending growth rate
  - Executive Order 19-03 set the target for 2019 through 2022 at 3.2%

# Sec. 14 – Health Spending Transparency & Containment

Components		Estimates
Expected growth in national labor force productivity		1.40%
Expected growth in the state civilian labor force	+	0.00%
Expected national inflation	+	2.00%
<b>Nominal potential gross state product</b>	<b>=</b>	<b>3.40%</b>
Expected state population growth	-	0.20%
<b>Potential per capita gross state product for Rhode Island</b>	<b>=</b>	<b>3.20%</b>

# Sec. 14 – Health Spending Transparency & Containment

- Establishes program required to
  - Use data to determine causes of spending increases & create actionable analysis
  - Maintain growth target & compare actual performance
  - Report policy recommendations annually
- Creates a restricted receipts in EOHHS
  - Requires advice & coordination of OHIC
  - Expected to yield \$0.6 million
    - Governor's budget doesn't account for expense



# Sec. 14 – Health Spending Transparency & Containment

- Governor requested a number of amendments this week
  - Target compliance is voluntary
  - Assessment sunsets July 1, 2026
  - Clarifies assessment of up to \$1 is based on anticipated spending
    - Overpayments credited to next year
  - Open meetings required for input and comment prior to recommendations
  - Corrections to language & references

# New Article - Telemedicine

- Telemedicine is 2-way audiovisual service or store & forward technology used to provide health care services remotely
  - Cost-sharing permitted
  - May be from a patient's home or alternative site agreed upon by provider & insurer
  - Applies to all policies issued after Jan. 1, 2018

# New Article - Telemedicine

- Article expands access & coverage to telemedicine on a term-limited basis
  - Removes some prior authorization requirements
  - Includes telephone audio-only service
  - Provides for provider reimbursement at same rates to in-person
  - Prohibits cost-sharing in excess of in-person rates (in-network)
- Permanently repeals provider/insurer limitations on sites

# New Article - Telemedicine

- Article continues many provisions in place via Executive Order 20-06
  - Subsequently extended by 20-42 & 20-52 through Aug. 2, 2020
- Cites medical appropriateness or necessity for services
  - May be subject to terms and conditions of insurer/provider agreement
- Establishes similar, permanent provisions for services under Medicaid

# New Article - Telemedicine

<b>Provisions</b>	<b>Current Law</b>	<b>Until 6/30/2021</b>
Telemedicine means	2-way audiovisual services or store & forward technology	Adds audio-only telephone
Co-payment, deductible or co-insurance	May impose; no rate in statute	May not impose in excess of in-person rates (in-network)
Technology	Not specified	Health insurer cannot impose specific requirements for delivery method

# New Article - Telemedicine

<b>Provisions</b>	<b>Current Law</b>	<b>Until 6/30/2021</b>
Medically Appropriate Coverage	May be subject to insurer/provider agreement	To consider an existing health emergency
Prior Authorization	Not specified	In-network & behavioral health Not subject
Utilization Review	Not specified	Same as in-person visit
Reimbursement Rates	Not specified	Same rate as in-person visit

# New Article - Telemedicine

- Establishes Stakeholder Advisory Group
  - Insurers required to report telemedicine data to OHIC
    - Medicaid providers report to EOHHS
  - Group charged to
    - Review current status of telemedicine
    - Develop recommendations over a specific scope
    - Report to the Assembly before Jan. 2021
      - Strategies, metrics, safeguards, barriers, inclusion of additional provider types, policy alignment across provider types

# New Article Telemedicine - Medicaid

- CMS which regulates state Medicaid programs allows for telehealth coverage
  - States already have the option to:
    - Determine whether or not to use it
    - Decide what services are covered
    - How it will be implemented
    - Who can deliver the services via telehealth
  - Must pay the same amount as a face to face visit



# New Article Telemedicine - Medicaid

- CMS is encouraging changes to state Medicaid programs in response to the pandemic
  - Includes expanding telehealth services
  - Conduct telehealth with patients located in their homes
  - Both video and audio-only
- RI does not need to make any changes to implement this policy

# New Article Telemedicine - Medicaid

- Beneficiaries are eligible for telephone-only services for primary & behavioral health care services including
  - Behavioral health services, mental health assessment & crisis services
  - Home and hospice assessments, case management/care coordination services

# New Article Telemedicine - Medicaid

- Article mandates that Medicaid cover the services just like commercial plans
  - Including no prior authorization for telemedicine services though 6/30/2021
    - Medicaid already pays for these services & does not require prior authorization
- Includes EOHHS in the stakeholder group
- Departure from current practice on specifying certain Medicaid benefits in state law

# New Article Telemedicine - Medicaid

- Limited information on utilization thus far for Medicaid
  - Cost impacts ?
  - Outcomes?

# New Article – Benefit Determination

- Suspends until June 30, 2021 all prior authorization requirements for all in-network non-pharmacy COVID-19 diagnostic & treatment services
  - Prevents entities from instituting other retroactive review policies
- Unrelated to Telemedicine

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