



April 11 2024

Honorable Joseph Solomon, Jr.
Chairman, House Corporations Committee
Rhode Island State House
Providence, RI 02903

RE: H.7519, An Act Relating to Insurance – Accident and Sickness Insurance Policies – Health Care Accessibility And Quality Assurance Act
H.7716, An Act Relating to Insurance – Health Care Accessibility and Quality Assurance Act
H.7720, An Act Relating to Insurance – Pharmacy Freedom of Choice
H.8041, An Act Relating to Insurance – Prescription Drug Benefits
H.8056, An Act Relating to Insurance – Accident and Sickness Insurance Policies
H.8143, An Act Relating to Businesses and Professions - Pharmacies

Chairman Solomon and Members of the Committee:

The undersigned members of The Rhode Island Business Coalition have concerns relative to the passage of the above-mentioned six (6) health care mandated benefit bills.

For the past few years, the Coalition has expressed concerns on bills such as these because they increase the number of new health insurance mandated benefits and costs to Rhode Island’s health system.

H.7519 gives the General Assembly the authority to set reimbursement rates for dental services and requires outpatient oral surgery coverage for minors.

H.7716 requires health insurance to include in-network outpatient behavioral health services, inclusive of substance use disorder, or for outpatient diagnostic or therapeutic services. The bill further requires rates paid pursuant to the contract terms to be subject to a rate increase at least annually of no less than five percent (5%) greater than the US All Urban Consumer All Items Less Food and Energy CPI (“CPI-Urban”) percentage increase.

H.7220 states that pharmacy benefit manager may not reimburse a pharmacy or pharmacist for a prescription drug or pharmacy service in an amount less than the national average drug acquisition cost for the prescription drug or pharmacy service at the time the drug is administered or dispensed, plus a professional dispensing fee equal to the current Medicaid covered outpatient prescription drug reimbursement dispensing fee for Rhode Island. The Office of the Health Insurance Commissioner

(OHIC) may enforce the provisions by imposing civil fines up to ten thousand dollars (\$10,000) per violation.

H.8041 Changes the cost-sharing program administered by health insurance programs. The bill states, “When calculating an enrollee's overall contribution to any out-of-pocket maximum or any cost sharing requirement under a health plan, an insurer or pharmacy benefit manager shall include any amounts paid by the enrollee or paid on behalf of the enrollee by another person.”

H.8056 prohibits insurance companies from paying a rate that is less than the approved Medicaid rate set by the executive office of health and human services

H.8143 limits health insurance audits of pharmacies to once a year unless fraud is suspected.

For the past few years, the Coalition has consistently expressed concerns about bills that increase the cost of Rhode Island’s health system. A 2022 study by KFF revealed our state has the 6th highest average employer-paid health insurance premium costs in the United States¹. New York is highest in cost, followed by Washington DC, Alaska, Vermont, Connecticut and then Rhode Island. Massachusetts ranked 11th.

The cost of health insurance is affected by multiple factors; however, the number of mandated benefits included in health care coverage is certainly at the top of the list. Each year, the General Assembly has added benefits without including an analysis of commercial insurance affordability required under 27-69-7. As of April 10th, there are over sixty House and Senate bills introduced to add new benefits to the health care system.

While we appreciate the desire to assist individuals facing difficult health challenges, we do not know the number of individuals that would be covered under these new programs, the costs associated with the benefits, and the potential impacts on the availability of services to groups already covered should any of these mandates pass into law. Approaching healthcare and health insurance policy in a piecemeal fashion, leads to increased cost to businesses and to individual subscribers. For many years, the Rhode Island General Assembly has passed legislation adding mandated health insurance benefits that have increased the cost of individual, small and large group health insurance premiums across the state.

The Rhode Island Business Coalition urges the General Assembly to create a mandated benefits review committee, comprised of experts from various stakeholder groups. That group could then evaluate all of the submitted proposals and provide meaningful data to assist the General Assembly in its health care policy deliberations.

¹ Annual Average Single Premium Per Enrolled Employee For Employer-Based Health Insurance, 2022

<https://www.kff.org/other/state-indicator/single-coverage/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Total%20Annual%20Premium%22,%22sort%22:%22desc%22%7D>

The Rhode Island Business Coalition represents 50 industries and 6,280 businesses that employ 231,200 people throughout Rhode Island.

Sincerely,

Associated Builders and Contractors

East Greenwich Chamber of Commerce

National Federation of Independent Business

Rhode Island Beverage Association

Rhode Island Business Group on Health

Rhode Island Manufacturers Association

Rhode Island Partnership for Home Care

Rhode Island Small Business Economic Summit Regulations Committee

Rhode Island Small Business Economic Summit Tax and Budget Committee

Rhode Island Society of Certified Public Accountants

Rhode Island Staffing Association

Sustainable Benefits Strategies, LLC