

April 24, 2025

The Honorable Joseph J. Solomon, Jr.
Chair, House Corporations Committee
Rhode Island House of Representatives
82 Smith Street
Providence, RI 02903

RE: BILL NUMBER H-6155 – A N A C T RELATING TO INSURANCE -- UNFAIR CLAIMS SETTLEMENT PRACTICES ACT

Dear Chairman Solomon and Honorable Committee Members,

On behalf of the Rhode Island League of Cities and Towns, I respectfully submit this letter in opposition to House Bill 6155, which would classify it as an unfair claims practice if a dental insurer failed to honor a “direction to pay” requested by a claimant or insured.

While we recognize the intent to improve payment transparency and streamline processes between patients, providers, and insurers, we remain concerned about the unintended consequences this legislation would have for municipalities and their employees. This bill mirrors the legislation introduced last year, which the League opposed for similar reasons: it threatens to increase healthcare costs and undermine existing cost-management tools.

Under this proposal, insurers would be prohibited from modifying benefit amounts after a direction to pay is issued, even if a review of the provider’s records suggests an adjustment is warranted. This restriction would eliminate critical safeguards that help ensure proper billing and prevent unnecessary or excessive treatment. These long-standing claims review practices are consistent with federal CMS guidelines and are essential to maintaining accountability in healthcare expenditures.

As health care expenses steadily increase, this legislation would remove important cost-control measures and could significantly drive-up premiums and out-of-pocket expenses. By reducing incentives for dentists to remain in insurance networks, the bill risks a major shift away from in-network care. Dental plans are normally structured to prioritize in-network services, which provide the best value to both municipalities and employees. If providers are no longer encouraged to participate in these networks, the share of non-participating dentists, currently around 5%, would likely grow rapidly. As a result, discounts tied to network participation would diminish, and costs for employers and patients alike would rise sharply, potentially leading municipalities to reevaluate the sustainability of offering dental benefits at all.


In addition, we note that this legislation deviates from a more balanced approach taken in other states. That model, developed by the National Coalition of Insurance Legislators (NCOIL) and supported by both the American Dental Association and the National Association of Dental Plans, strikes a better balance between patient access and insurer oversight. Rhode Islanders would be better served if the state adopted this widely supported framework, which ensures proper claim handling while preserving cost containment.

For many municipalities, health and dental benefits represent the second-largest expenditure in their budgets. It is therefore critical that we maintain systems that promote affordability, transparency, and fiscal responsibility.

The League is committed to working constructively with the bill sponsor and all stakeholders to identify a compromise that meets the needs of patients, providers, and payers, without creating additional financial burdens for our cities and towns.

Thank you for your time and consideration.

Sincerely,



Randy R. Rossi
Executive Director

Cc: Honorable Members of House Corporations Committee