

April 14, 2026

The Honorable Joseph Solomon, Chair,
House Committee on Corporations
Via email to: HouseCorporations@rilegislature.gov

RE: House Bill 7862; Healthcare Accessibility and Quality Assurance Act

Dear Chairman Solomon and Members of the Committee on Corporations,

Blue Cross & Blue Shield of Rhode Island (BCBSRI) opposes House Bill 7862. Contracts between insurers and providers set out general obligations and operating structures. They also specifically, by their very terms, allow for changes in medical policy, utilization management, and payment methodology. Any modifications are provided with notification, usually 60 days, and allow the provider to terminate participation.

Payers need flexibility to make changes because industry expertise changes. Anomalies in claims frequently occur and need to be addressed promptly. Innovations in clinical practice are constantly occurring, and policies and procedures need to be updated accordingly.

Hospital systems and other professional providers routinely change their billing practices and software. For example, emergency department claims are updated when billing systems change or when billing codes are modified. These are developed by provider experts and often result in increases in the complexity of the codes being utilized, and higher reimbursements.

An example is the recent dramatic increase in sepsis diagnoses. Plans across the country are seeing an increase in the levels of severity and complexity of sepsis claims. Observers studying this phenomenon have indicated a link to hospital systems' implementation of artificial intelligence in their billing systems.¹ Insurer policy changes are needed to document what information was relied upon for this diagnosis, and to be able to confirm what levels of care should be provided and reimbursed, consistent with the latest medical criteria.

Hospitals regularly deploy new billing technologies to increase their coding intensity and resulting reimbursements. This legislation allows them to continue that practice unabated, while handcuffing payers from making appropriate policy changes that protect their members from higher medical costs, including out-of-pocket expenses and higher premiums. BCBSRI is seeing instances where a sepsis claim is billed for patients who did not receive antibiotics and were discharged the same day. BCBSRI needs the ability to review medical records, confirm the documentation supports the diagnosis and level of care billed, and adjust policies accordingly. This bill would make it nearly impossible, or severely limit our ability, to adopt such changes on a timely basis.

Notably, HB 7862 applies the prohibition on making modifications solely on insurers and not the other party to the contract, the providers. This one-sided approach ignores the reality that there are two

¹ The Curious Case of Sepsis – And What May Really be Driving Its Skyrocketing Cases in Mass. By Jessica Bartlet, Boston Globe, March 20, 2026.

entities, often very sophisticated, experienced professionals, that have negotiated the terms of the agreement, but only one that would be subject to these severe restrictions.

This legislation also presumes annual contracts between plans and providers. This is not currently the case. BCBSRI is now halfway through a ten-year agreement with one of the state's largest hospital systems. Clearly, it cannot be the intent of the proponents to limit the ability of health plans to modify policies, procedures and the other listed categories, on a once-a-decade contract renewal time frame.

Additionally, the type of restriction included in this legislation would slow the ability of plans to proactively cover new codes and innovations (for example, new types of robotic-assisted surgeries). The reality is that payers need flexibility to update policies in both directions—expanding coverage when appropriate and protecting members when billing or coding practices change.

Lastly, the contracting parties have ample opportunity to negotiate the terms of a proposed contract, including the language which specifically allows for modifications to policies and procedures over the term of the agreement. They should not be asking the legislature to interfere and intervene in those negotiations, solely on behalf of one of the parties to the contract. The Rhode Island Constitution is explicit; “No ex post facto law, or law impairing the obligation of contracts, shall be passed.” R.I. Const. Art. 1, Sec. 12

For these reasons, BCBSRI respectfully urges HB 7862 not be enacted.

Sincerely,

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