



April 24, 2024

The Honorable Marvin L. Abney  
Chairman, House Committee on Finance  
RI House of Representatives  
By Email To: HouseFinance@rilegislature.gov

Re: Governor's Budget Amendments 8 and 10 OHIC Rate Review

Dear Chairman Abney,

The Rhode Island Health Center Association (RIHCA) respectfully submits the following in response to the proposed Amendments #8 and #10 to the Governor's Budget, impacting the Office of Health Insurance Commissioner's comprehensive review of social and human service programs. RIHCA supports the state's eight federally qualified health centers. While some of our members provide services that were included in the initial rate review process, the FQHCs are focused on the delivery of primary care services.

**1. The impact of the Rate Review Process should be evaluated.**

It is my understanding that one of the reasons the rate review process was introduced was to address the core problem of access- reimbursement amounts are insufficient and assumed to constrain provider capacity which in turn reduces access to needed services. The expectation is that a rate review process would inform a rate-setting process which would have an eventual beneficial impact on access.

A review of the existing RIGL 42-14.5 indicates there is no current requirement that OHIC or another entity evaluate the rate review process to determine if, in fact, it has impacted access.

I recommend that RIGL 42-14.5 or new proposed Chapter 41-166 incorporate a process to evaluate whether or not the rate review process has impacted access, efficiency, and cost. This evaluation requirement should include measurable goals that are related to the purpose and intent of the rate review process.

RIHCA proudly supports  
Blackstone Valley Community Health Care Inc. ~ Comprehensive Community Action Program  
East Bay Community Action Program ~ Providence Community Health Centers  
Thundermist Health Center ~ Tri-County Community Action  
WellOne Primary Medical and Dental Care ~ Wood RiverHealth

**2. The scope of services included in the Rate Review Process should include primary care.**

Primary care services are different from many of the services reflected in the *Social and Human Service Programs Review Final Report*. For example, many primary care providers have a different payor mix and the majority of primary care is funded through a managed care delivery system. In spite of these differences, the current crisis facing primary care compels me to support the inclusion of primary care rates in this rate review process. If inclusion in the rate review process can help magnify the important role that primary care plays in our overall health care system and the need to fund it appropriately, then I must support this change.

If primary care rates are included in the process, the approach to their review should be different than that used for the social and human services. The review of state-funded primary care rates should be conducted with an all-payer lens and within the context of broader clinical care payments.

The review of primary care rates should not supplant, delay, or negatively impact the rate review for social and human services. (See recommendation 3.)

Rate-setting for FQHCs is governed by Chapter 40-16 - Community Health Centers and would remain outside of this process.

**3. The Rate Review Process schedule should remain a biannual process.**

**4. The definitions of “rate review” and “rate setting” should be clarified.**

I support the clarification the proposed amendment makes between “rate-review” and “rate-setting,” explicitly separating the rate review process from the authority of state agencies to set rates in light of policy priorities or other factors.

OHIC’s focus should be on establishing review methodologies and processes that are sound, transparent, and reasonable. The rate review process should increase understanding of the relationship between payment rates to the principles of efficiency, economy, quality, and access. The rate review process should inform rate-setting agencies of potential risks that rates might encourage over-utilization and/or overpayment of some services while underpaying others, supporting inefficient service delivery models, or impeding access to medically necessary, quality care.

**5. New Chapter 42-166 should clarify how EOHHS should use the results of the OHIC Rate Review.**

The proposed amendment removes current language requiring EOHHS agencies to include components of the OHIC assessment and review, including rates with their annual budget submission to the office of management and budget with a detailed explanation if any rate variances exist.

I recommend keeping that language. It is important that the connection of the rate review to the rate-setting process be clear.

**6. The Social and Human Services Review Advisory Council is an important and integral component of this process.**

I fully support the language codifying the Advisory Council and its responsibilities.

Thank you for the opportunity to comment.

*Elena Nicolella*

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President and CEO