

Testimony in Support of H-5996 – An Act Relating to State Affairs and Government –
Rhode Island Individual Market Affordability Act of 2025
House Committee on Health & Human Services
May 20, 2025
Nina Harrison, Policy Director, the Economic Progress Institute

The Economic Progress Institute strongly supports Rep. Speakman's, which would create the Rhode Island Individual Market Affordability Act of 2025 to replace approximately \$40 million in federal health insurance subsidies (federal enhanced premium tax credits) that are set to expire in 2025.

Rhode Islanders deserve access to quality affordable healthcare, and the General Assembly has done a lot over the years toward accomplishing this goal. In 2024, Rhode Island's uninsured rate was just 2.2%, one of the lowest in the nation. This is in large part due to the Affordable Care Act expanding Medicaid and establishing subsidized commercial coverage through HealthSourceRI (HSRI). Federal enhanced premium tax credits have helped low and moderate-income earners who do not qualify for Medicaid to purchase health insurance through HSRI. When these federal enhanced premium tax credits expire in 2025, individual enrollees in the HSRI marketplace will see their healthcare premiums increase by an average of 85%, which will cause many Rhode Islanders to lose coverage and/or forgo treatment. These subsidies have been especially important as we have seen out-of-pocket costs rise sharply in recent years. In their 2022 Health Information Survey, HSRI documented a 21% increase in out-of-pocket costs between 2020 and 2022 noting this as "the highest reported out-of-pocket spending since the survey began in 2012."

The Rhode Island Individual Market Affordability Act of 2025 would fully replace the expiring federal tax credits – without using general revenue – by creating an approximately 1% assessment on commercial insurance, including large employer plans. H-5996 will help Rhode Islanders maintain their health insurance and avoid the dramatic increase in premiums and out-of-pocket costs that few can afford. This bill is especially important considering so many Rhode Islanders are already struggling to meet their basic needs, and the federal government is proposing hundreds of billions of dollars in cuts to Medicaid that could destabilize the healthcare landscape for many Rhode Islanders.

Please ensure that Rhode Islanders can maintain and continue the strides we have made toward access to affordable healthcare. We strongly urge passage.