

May 20, 2025

The Honorable Marvin Abney, Chair, House Committee on Finance  
via email to: [HouseFinance@rilegislature.gov](mailto:HouseFinance@rilegislature.gov)

**RE: HB 5996, relating to state affairs and government (Individual Market Affordability Act)**

Dear Chairman Abney and Members of the Committee:

On behalf of Blue Cross & Blue Shield of Rhode Island (Blue Cross), I am writing to express concern about this proposal to create a new assessment levied on health insurance.

The proposal would create a state-based program to replace federal enhanced premium tax credits, which Congress enacted in 2021, but may expire at the end of 2025. The enhanced subsidies reduce the cost of coverage for many Rhode Islanders. Notably, the federal programs provide subsidies totaling about \$40 million dollars to Rhode Islanders.

Last session, the General Assembly, responding to advocates, directed HealthSource RI to convene a study group to review the federal program and report on possible replacements. Blue Cross participated in that work and supported exploring options.

This proposal, however, replaces the federal funds with an assessment on the health insurance premiums paid by Rhode Island's individuals, businesses, and the state health plan. The bill, while aimed at helping a certain segment of Rhode Islanders purchase health insurance, will have the unfortunate consequence of making health coverage more difficult to afford for many, many others.

**Affordability is an issue for everyone. The funding method should not be in the form of a new tax on the businesses, individuals, and governments that buy healthcare coverage.** Any replacement subsidies should be funded as broadly as possible and not directly or indirectly impact the cost of healthcare coverage. Alternatives noted in the study group's report suggested several options including new or expanded federal waiver programs.

High and rising health care costs reduce employee wage growth, as data collected by the Health Insurance Commissioner shows.<sup>1</sup> In the past year, premiums rose dramatically due to higher prices for care and greater utilization, including escalating drug costs. Those trends appear likely to continue. **Providing a subsidy for some individuals while increasing costs for others — by at least \$20 million this year and as much as \$40 million in 2026 — raises fundamental affordability and fairness concerns.**

Blue Cross recognizes the concern of the sponsors and advocates. We appreciate your consideration and welcome conversations on how the state might adopt to these and other federal changes.

Sincerely,  
  
Richard Glucksman, Assistant General Counsel

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<sup>1</sup> [OHIC Data Story: Rising Health Care Costs and Employee Wage Growth](#)