

February 15, 2024

Rhode Island State House
House Committee on Health and Human Services

Re: Support of H-7091, “Relating to Insurance – Accident and Sickness Insurance Policies – Lifetime Limits”

Dear Chair Donovan and Members of the House Committee on Health and Human Services:

RIPIN thanks the House Committee on Health and Human Services for the opportunity to submit this testimony in support of H-7091, which would incorporate the prohibition of annual and lifetime limits in health insurance coverage, originally established by the federal Affordable Care Act, into Rhode Island law.

The Affordable Care Act (ACA) is working in Rhode Island. Our rates of insurance are among the highest in the nation. More than 100,000 Rhode Islanders gained coverage thanks to the ACA, and many more benefit from its important protections, including guarantees that no one would be unable to access coverage due to pre-existing health conditions. And in the face of continued threats to the ACA and its protections at the federal level, Rhode Island enshrined many provisions of the ACA into Rhode Island law with last year’s passage of H-5426, a bill originating in your committee and for which we again thank you for your support.

However, the prohibition of annual and lifetime limits – one of the most important ACA consumer protections, and one upon which many others rely for their full potency – was not included in last year’s H-5426. Before the ACA was passed, plans could place an annual “cap” on the amount of health coverage the plan would provide, and most plans had a lifetime limit, after which the insurer would stop covering an individual’s health expenses permanently. These limits were not exceptionally high – sometimes \$1–2 million, more than most individuals incur but easily exceeded by a bad accident, an expensive cancer diagnosis, or a rare genetic condition. And these lifetime limits could fall particularly hard on families of children with special health care needs – a child with a rare cancer could exceed their lifetime limit in a single year and then be essentially uninsurable for the rest of their life, meaning their family or Rhode Island Medicaid would be on the hook for the entire cost of their health care.

In the aftermath of reaching an annual or lifetime limit, many Rhode Islanders faced extreme financial hardship due entirely to the unavoidable and unlucky circumstance of a significant diagnosis. Many more simply went without the care they needed because they couldn’t afford it, resulting in much worse health outcomes – and when inevitable hospitalizations occurred that individuals couldn’t afford, Rhode Island Medicaid and the state uncompensated care program ended up on the hook.

Rhode Island acted to protect many individuals with costly previous health conditions through the ACA consumer protections it enshrined in state law last year, including by prohibiting pre-existing condition exclusions (where plans would refuse to pay for services





just because you had a health condition before you enrolled), guaranteed issue and renewability (where plans couldn't refuse to offer someone coverage because of a pre-existing health condition), and essential health benefit requirements (where plans couldn't simply exclude expensive health care services). However, without a prohibition on annual and lifetime limits, none of those other protections will be effective for people who have had previous expensive treatments.

And while much of the focus on the ACA in recent years has been on the preventive services protections currently facing federal court challenge, the previous administration and many in federal Congress continue to call for its full repeal. It is not hard to think of a circumstance where Rhode Islanders are reliant upon the protections established in state law, and without establishing annual and lifetime limit protections, many of Rhode Island's most medically needy face the prospect of losing access to the coverage they need to thrive, both financially and in their continued health.

RIPIN strongly encourages your committee to pass H-7091. If health insurance can "shut off" after someone reaches an annual or lifetime cap, it will not be meaningful for the sickest among us, those most in need of its protection. Financial ruin will again confront many upon a significant diagnosis, just when they most need their strength to navigate their health condition. And, frequently, the State will end up footing the bills that insurers refuse to pay.

Thank you for the opportunity to submit these comments. RIPIN is a statewide nonprofit founded in 1991 by a group of parents of children with special healthcare needs. While RIPIN's roots are in serving children and families with special needs, RIPIN serves all Rhode Islanders in navigating health care and education systems through the peer model, where the significant majority of our staff have themselves navigated the same challenges. RIPIN operates RIREACH, Rhode Island's health insurance consumer assistance program, which has saved Rhode Islanders \$8 million in health care costs since 2018.

Sincerely,

/s/

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