

April 1, 2025

The Honorable Susan Donovan, Chair, House Committee on Health and Human Services

Via email to: HouseHealthandHumanServices@rilegislature.gov

Re: House Bills:

5256, relating to insurance (payment levels for provider types)

5621, relating to insurance (payment at Medicaid levels)

5624, relating to insurance (payment levels for autism treatment)

5628, relating to insurance (payment levels for facilities)

5851, relating to insurance (payment method limitation)

5863, relating to insurance (payment levels for behavioral health services)

6119, relating to insurance (payment levels and methods for primary care services)

Dear Chairwoman Donovan and Members of the Committee:

On behalf of Blue Cross & Blue Shield of Rhode Island (Blue Cross), I am writing to share information, express concerns, and offer suggestions about these proposals, all generally relating to health plans' payment levels and methods.

In 2023, family coverage in RI typically exceeded \$25,000, with employers on average, paying more than \$17,300.00 per year toward an employee's family coverage. And the average employee contribution exceeded \$6,000.00 per year.¹ Deliberation of these proposals impacting payment levels and payment methods should take into consideration the financial challenges facing Rhode Islanders.

Higher medical costs translate into higher healthcare premiums. Higher premiums result in wage stagnation among families and limits employers' ability to grow, according to the Office of the Health Insurance Commissioner and a study published in JAMA (The Journal of the American Medical Society).² The JAMA report indicated that the hidden costs of increased premiums meant less opportunity for wage growth, particularly among lower paid workers. Blue Cross is concerned that these bills will reduce the affordability of healthcare for individuals, families, businesses, municipalities, and the State of Rhode Island.

The Committee may consider the negative implications of mandating payment increases and particular payment methods. The bills have no provision imposing any obligation on providers or facilities in return for the higher payments. Statutorily mandating higher payment diminishes the ability for health plans to negotiate increases based on improvements in access or quality. The bills could crowd out other investments that target recognized gaps in the care delivery system. Mandating payment methods and levels, including by requiring a comparison to

¹ Kaiser Family Foundation 2023; [Custom State Reports](#) | KFF

² OHIC: [Rising Health Care Costs and Employee Wage Growth.pdf](#) Quoting Hanger K, Emanuel E, Mozaffarian D, Employer-Sponsored Health Insurance Premium Cost Growth and its Association with Earnings Inequality Among US Families; JAMA Netw Open, 2024;7(1):e2351644.

Medicaid, do not take into account the fact that commercial carriers may use different codes or payment arrangements in order to improve access to quality care.

Additionally, around the time these bills were introduced, the Health Insurance Commissioner (OHIC) issued new regulations addressing concerns raised in many of the bills.³ The new rules require insurers to increase payment levels to primary care practitioners. This will provide significant boosts to payments starting this year and continuing through 2028. These increases include practitioners who are licensed as Nurse Practitioners and Physician Assistants. The Committee might consider monitoring the impact of those increase, in terms of both higher payments to providers and higher premiums for rate payers, before acting on any of these proposals.

Furthermore, OHIC has created a Payment and Care Delivery Advisory Committee to advance health care system performance and affordability. This committee includes payers, providers, purchasers and consumers, as well as state agency representatives. It is well positioned to take up the issues raised in these proposals and respond to the Assembly.

We appreciate your consideration and welcome these ongoing conversations.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Glucksman', with a long horizontal line extending to the right.

Richard Glucksman,
Assistant General Counsel

³ [OHIC Regulation 230-RICR 20-30-4, explanation and rule](#) issued February 13, 2025