

March 6, 2025

Honorable Evan P. Shanley, Chair
House Committee on State Government and Elections
State House, Room 101
82 Smith Street
Providence, Rhode Island 02903

RE: H 5723 – RELATING TO STATE AFFAIRS AND GOVERNMENT – STATE-OWNED AND OPERATED PRINTING FACILITIES PREFERENCE ACT

Dear Chairperson Shanley:

Thank you for allowing HealthSource RI (HSRI) to comment on House Bill 5723 – an Act Relating to State Affairs and Government – State-Owned and Operated Printing Facilities Preference Act. This legislation, if enacted, would require state agencies to use a state-owned/operated printing facility when printing more than fifty (50) copies of a contract, publication, brochure, mail piece, notice, and/or promotional material as long as the state facility is capable of processing and manufacturing the materials.

As Rhode Island's health insurance marketplace, HSRI holds a unique role as a state agency because we provide a “product” available for purchase by the general public. To effectively connect Rhode Islanders with affordable health coverage, HSRI must produce a significant amount of high-quality printed materials. Requiring HSRI to use state-owned print shops would limit our ability to find the best prices and products for marketing and outreach materials, which may result in a detrimental impact on the agency's printing budget and brand image.

HSRI produces numerous public-facing marketing/informational materials, and communicates with customers two to three times per year by postal mail, all for an exceptionally reasonable budget of \$65,000, much of which is reimbursed to the agency through federal cost allocation. Twice per year, for Open Enrollment and Special Enrollment periods, HSRI produces approximately 30,000 glossy, color tri-fold marketing brochures, which are disseminated to community locations around the state. The agency also prints and mails about 40,000 welcome kits to customers throughout the year, including informational letters and resource pamphlets. In the fall, as required by law, approximately 50,000 letters are printed and mailed to advise customers that their health coverage will or will not be automatically renewed for the coming calendar year.

Aside from these largest volume jobs, HSRI prints rate sheets for all its plan offerings annually, as well as multi-language promotional and informational brochures, flyers, posters and periodic postcard mailers. All of these print jobs are accomplished annually on a single purchase order from a Master Pricing Agreement (MPA) vendor that has not exceeded \$65,000 in the last three fiscal years.

State print shops, while practical for certain types of low- to moderate-volume, simple production jobs, are neither set up to provide the volume savings of a commercial printer nor the sort of basic design enhancements, including glossy paper and the ability to do full-bleed (marginless) printing, that are commonplace in any consumer marketing or informational material. The printing capability of the state mailroom is even more seriously restricted, with limitations on size, gloss, weight, recycled content of paper,

and more. Large commercial printers, including the one selected by HSRI under the MPA, provide unit costs that drop dramatically for higher volumes, providing significant savings for the state. For example, the renewal letter mailed to customers in October this past year was quoted at \$5,856 for printing and folding about 50,000 copies via a commercial printer. By contrast, that same letter, quoted through a state-operated print shop, would cost \$23,481 at the flat rate of \$0.47 per copy.

HSRI relies on high-quality printed materials to connect Rhode Islanders to affordable health coverage utilizing a limited budget. Requiring state agencies to use state-owned print shops would restrict HSRI's ability to source for competitive pricing and quality.

HSRI greatly appreciates the opportunity to comment on this legislation. Please feel free to reach out to me with any questions.

Sincerely,



Lindsay M. Lang, J.D.
Director, HealthSource RI

CC: Honorable Members of the House Committee on State Government and Elections
Honorable Kathleen Fogarty
Steven Sepe, Clerk
Nicole McCarty, Chief Legal Counsel
Lynne Urbani, Director of House Policy