



STATE of RHODE ISLAND
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Legislative Impact Statement

To: Representative Donovan, Chair
From: Elisabeth Hubbard, Executive Secretary
Re: 26 HOUSE 7944 AN ACT RELATING TO INSURANCE -- INSURANCE COVERAGE FOR MENTAL ILLNESS AND SUBSTANCE USE DISORDERS
26 HOUSE 7945 AN ACT RELATING TO INSURANCE -- INSURANCE COVERAGE FOR MENTAL ILLNESS AND SUBSTANCE USE DISORDERS

Thursday, March 12, 2026

The Governor's Commission on Disabilities' Legislation Committee has developed a Legislative Impact Statement on the bill listed below. The Commission would be pleased to present testimony to the committee. Please contact me (462-0110) if testimony is desired or for additional information.

Legislation Committee finds these bills Beneficial

7944 would require that insurance companies use "generally accepted standards of care" in making clinical determinations of what type of location and intensity is covered when a patient is seeking treatment for mental illness or substance use disorder.

7945 would require that insurers use criteria that reflects generally accepted standards of care in developing coverage levels for mental health treatment.

Currently, RI regulations already require that "When a utilization review adverse determination is made on internal appeal or reconsideration, including determinations with regard to whether a particular service, treatment, drug, or other item is experimental, investigational or not medically necessary or appropriate, the review agent must adhere to the following:

1. All adverse reconsideration decisions must be made by a peer reviewer;
2. The peer reviewer making the appeal decision shall be an individual in the same or similar specialty as typically manages the condition;
3. The review agent must provide the qualifications of the peer reviewer(s) to the claimant upon request; and

4.The review agency's peer reviewers making the reconsideration and internal appeal decisions must document and sign their decisions. 230-RICR-20-30-14.7

While these regulations protect patients in that the person reviewing the appeal has the same qualifications as the prescriber, this does allow a great deal of leeway for the reviewer. There is no requirement for what standards the reviewer must apply. This will remove personal discretion and require that the review be done based on generally accepted professional standards.

The result will be that patients who need treatment will be able to receive it in the setting that best meets their needs. For those who need a more intensive, residential setting, they will be able to receive coverage. For those for whom a community-based program is more appropriate, where they have access to natural supports and can continue in other areas of their lives, this would be available as well.

The Olmstead decision requires that the state ensure that mental health and substance use disorder treatment are provided in the most integrated setting possible. In addition, the consent decree entered into by the state in 2025 with the Department of Justice also requires this for children's behavioral health. 7945 would require that insurers use generally accepted standards in developing the range of options of care they cover for adults and children. This will ensure a range of options are available to people covered by those plans. Please also note that