

March 24, 2026

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

Via email to: HouseHealthandHumanServices@rilegislature.gov

Re: House Bills 7346, 7348, & 8135, relating to insurance (payment at Medicaid levels, payment levels at facilities, and payment for nurse practitioners and physician assistants)

Dear Chairwoman Donovan and Members of the Committee:

On behalf of Blue Cross & Blue Shield of Rhode Island (Blue Cross), I am writing to express concerns with these proposals relating to health plans' payment levels. We share the sponsors' interest in supporting a robust and appropriately compensated delivery system, but raise the following items for your consideration.

When deliberating these proposals, consider the financial challenges facing Rhode Islanders. The Health Insurance Commissioner emphasized that rising health insurance costs place enormous pressure on employers and consumers.¹ High and rising health care costs reduce employee wage growth, leaving Rhode Islanders with less income to spend on housing, education, and other necessities. In the past year, premiums rose dramatically due to higher prices for care and greater utilization. Those trends appear likely to continue.

The Committee might also consider that these bills mandating payment levels raise other concerns:

- The bills have no provision imposing obligations on providers or facilities in return for higher payments.
- Statutorily mandating payment levels eliminates the ability for health plans to negotiate payment increases based on improvements in access or quality.
- Mandating payment levels for a specific provider type creates a detrimental precedent that will encourage advocates to petition for similar legislation and drive rates even higher.

Regarding HB 7346 (comparison to Medicaid), Blue Cross takes this payment level into consideration and believes its rates exceed those paid by Medicaid. However, requiring payments in excess of Medicaid creates compliance and operational concerns. Medicaid may use different codes or payment arrangements. Furthermore, Medicaid and commercial carriers set rates at different times of the year. Lastly, commercial carriers should have flexibility to use different payment arrangements in order to improve access to quality, affordable care.

Regarding HB 7348 (payment to facilities at a "hospital owned" facility rate), Blue Cross urges the consideration of the cost impact of raising providers to the high, hospital-affiliated facility rates. The phenomenon of hospital systems acquiring community physician and other health care practices and facilities, and then billing as if the care was provided in a hospital, is a growing serious concern. The cost of care at these hospital-owned facilities dramatically increases patient

¹ [OHIC - Affordability Burdens -- March 2026](#)

out-of-pocket costs and insurance premiums. Steps are being taken at the federal level to rectify this serious problem for Medicare, which the state might similarly look to adopt.

Regarding HB 8135 (payments for Nurse Practitioners and Physician Assistants), Blue Cross follows the practices of Medicare by applying a 15% differential between payments to physicians and Nurse Practitioners and Physician Assistants. This has been a long-standing payment policy, based on numerous factors including physician training. Increasing the payment levels would directly correlate to higher cost sharing for patients and higher premiums. The Committee might also consider that recent regulatory requirements from the Office of the Health Insurance Commissioner to increase payments for primary care will result in higher payments to Nurse Practitioners and Physician Assistants providing those services.

In addition, these payment mandates would add to the incentives for employers to move into self-funded arrangements, removing themselves from the state health insurance laws and regulations—~~and the premium tax~~—and undermine uniformity of coverage.

Blue Cross appreciates your consideration of these concerns and welcomes conversations on these proposals.

Sincerely,

Richard Glucksman

Senior Government Relations Counsel