



OFFICE OF THE
HEALTH INSURANCE COMMISSIONER
STATE OF RHODE ISLAND

March 24, 2026

The Honorable Susan R. Donovan
Chairperson, House Committee on Health and Human Services
Rhode Island State House
82 Smith Street
Providence, RI 02903

RE: Letter of Concern H7348 – AN ACT RELATING TO INSURANCE – ACCIDENT AND SICKNESS INSURANCE POLICIES

Dear Chairperson Donovan:

I write on behalf of the State of Rhode Island Office of the Health Insurance Commissioner (OHIC) regarding [House Bill 7348](#). This legislation mandates equal reimbursement to independent healthcare facilities as that of hospital affiliated facilities where identical healthcare services are provided. The legislation would benefit from specific definitions of “independent healthcare facilities” and “hospital affiliated facilities.” OHIC notes that this bill could produce unintended consequences in the form of higher health care costs, higher health insurance premiums, and higher patient cost sharing.

Over time more health care services have shifted from hospital settings to non-hospital settings, including freestanding ambulatory surgical centers (ASCs). ASCs generally have different cost structures, and charge lower rates, than hospital outpatient departments (HOPDs). These differences are illustrated in a recent report by the Massachusetts Health Policy Commission (HPC), which found that commercial health insurance reimbursement for a set of common outpatient procedures was 27% to 58% lower in ASCs compared to HOPDs. This price difference corresponded with lower consumer cost sharing.¹ Similarly, in 2024 OHIC produced an analysis of differences in average costs and patient cost sharing associated with the shift of total knee arthroplasty and total hip arthroplasty procedures to the outpatient setting. These procedures cost less in an outpatient setting.² House Bill 7348 could potentially lead to significantly higher unit prices for services delivered outside of HOPDs and other hospital affiliated facilities. This would place upward pressure on health insurance premiums and consumer cost sharing.

¹ <https://masshpc.gov/publications/datapoints-series/issue-26-trends-ambulatory-surgical-centers-massachusetts#Introduction>

² <https://ohic.ri.gov/sites/g/files/xkgbur736/files/2024-07/Knee%20and%20Hip%20Arthroplasty%20-%20data%20story%202024%2007.pdf>

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Thank you for your continued leadership and hard work on all matters related to the health of Rhode Islanders.

Sincerely,



Cory B. King
Health Insurance Commissioner

CC: Honorable Members of the House Committee on Health and Human Services
Honorable David J. Place
Nicole McCarty, Esq., Chief Legal Counsel to the Speaker of the House