

SENATE COMMITTEE ON FINANCE STATE FISCAL YEAR 2022 GOVERNOR'S BUDGET PRE-EXAMINATION ANALYSIS

MAY 5, 2021



OFFICE OF THE
HEALTH INSURANCE COMMISSIONER

STATE OF RHODE ISLAND

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PURPOSE

OHIC was **created in 2004** (State of Rhode Island General Laws § 42-14.5). **OHIC's charge** is to:

- Protect the interest of consumers of commercial health insurance
- Encourage fair treatment of health care providers by commercial health insurers
- Improve the health care system as a whole
- Guard the solvency of commercial health insurers



FUNCTIONS

OHIC is a commercial health insurance policy reform and regulatory enforcement agency and the office's functions include:

- **Health Insurance Rate Review:** OHIC reviews the premiums for comprehensive/major medical plans, Medicare supplement plans, and limited benefit plans sold in the state to ensure they are consistent with the public interest and proper business conduct. Rates may be approved, modified, or rejected.
- **Health Insurance Form Review:** OHIC reviews coverage documents for comprehensive/major medical plans, Medicare supplement plans, and limited benefit plans sold in the state to ensure they are consistent with the public interest and federal and state requirements. Forms may be approved, modified, or rejected.
- **Network Plan Certification:** OHIC certifies all network plans in the state to ensure consumer protections are in place such as network adequacy and that provider credentialing and contracting requirements are met.
- **Benefit Determination and Utilization Review (UR) Agent Certification:** OHIC certifies all benefit determination and UR agents to ensure consumer protections are in place such as timely approval of and payment for covered services and that required denial and appeal processes are followed.

FUNCTIONS

- **Consumer and Provider Complaint Resolution:** OHIC investigates and resolves complaints against commercial health insurance companies filed by consumers and providers.
- **Market Conduct Examinations:** OHIC opens periodic examinations into commercial health insurer market conduct. Examinations may focus on nearly all aspects of commercial health insurer business practices that fall within the jurisdiction of OHIC.
- **Regulation and Subregulatory Guidance Development:** OHIC issues regulations and subregulatory guidance that implement and interpret OHIC's statutory purpose.

PRIORITIES

- I. Continuing to ensure that Rhode Islanders receive adequate coverage for coronavirus disease 2019 (COVID-19) testing, treatment, and vaccinations
- II. Leveraging the regulatory structure within OHIC to accelerate delivery system reform
- III. Continued implementation of the Affordability Standards
- IV. Continuing to increase behavioral health (BH) care access and ensure parity between BH and physical health care services
- V. Advancing the statewide expansion of telehealth services
- VI. Continuing the success of the Rhode Island Cost Trends Project

SFY 2022 GOVERNOR'S BUDGET PRE-EXAMINATION ANALYSIS

- Article 2 section 2 and section 3 would require the **total cost of pre-examination analysis** for examinations to be borne by examined commercial health insurers.
- Pre-examination analysis refers to the process by which OHIC collects and evaluates relevant information (e.g., complaints, reports, or other sources) **to identify commercial health insurer policies and/or practices which may be in violation of law or regulation.**
- The **total cost of the examinations themselves** are already required to be borne by examined commercial health insurers today.
- Revenues from pre-examination analysis and examinations will be deposited in a restricted receipt account to fund the work of conducting these activities **focused on protecting consumers by holding commercial health insurers accountable.**

QUESTIONS

- Thank you for the opportunity to testify tonight.
- We are happy to answer any questions you may have about OHIC or the budget article.