



## State Fiscal Note for Bill Number: 2022-H-7500

**Date of State Budget Office Approval:** Friday, April 1, 2022

**Date Requested:** Wednesday, February 23, 2022

**Date Due:** Saturday, March 5, 2022

### Impact on Expenditures

FY 2022	\$0
FY 2023	\$0
FY 2024	\$0

### Impact on Revenues

FY 2022	\$0
FY 2023	\$0
FY 2024	\$0

*Explanation by State  
Budget Office:*

Section 1 of this bill amends RIGL Chapter 27-18.5, entitled "Individual Health Insurance Coverage." Within each of the amended sections, the term "eligible applicant" is defined as any individual resident of this state. It is further established that carriers offering health insurance coverage in the individual market must offer all health insurance coverage plans approved for sale in the individual market to any eligible applicant in the state and must accept any eligible applicant that applies for coverage under those plans. An open-enrollment period, established by the commissioner, is to be held annually for a period between thirty and sixty days long. Carriers must allow eligible applicants to enroll during this period and any other open or special enrollment periods established by federal or state law, rule, or regulation.

Section 1 further provides that any health insurance policy, subscriber contract, or health plan offered, issued, issued for delivery, or issued to cover a resident of this state by a health insurance company shall not impose a preexisting condition exclusion. The statutory definition of "Preexisting condition exclusion" is maintained to mean "any limitation or exclusion of benefits, including a denial of coverage, applicable to an individual as a result of information relating to an individual's health status before the individual's effective date of coverage, or if the coverage is denied, the date of denial, under the health benefit plan, such as a condition (whether physical or mental) identified as a result of a pre-enrollment questionnaire or physical examination given to the individual, or review of medical records relating to the pre-enrollment period."

Sections 2 and 5 of this bill set forth identical new sections within Chapters 27-18.5 and 27-50 of the General Laws entitled "Individual Health Insurance Coverage" and "Small Employer Health Insurance Availability Act" respectively. This section requires individual health insurers to provide coverage for ten categories of "essential health benefits" to eligible applicants. These ten "essential health benefits" means the following general categories, and the services covered within those categories; "(i) Ambulatory patient services; (ii) Emergency services; (iii) Hospitalization; (iv) Maternity and newborn care; (v) Mental health and substance use disorder services, including behavioral health treatment; (vi) Prescription drugs; (vii) Rehabilitative and habilitative services and devices; (viii) Laboratory services; (ix) Preventive services, wellness services, and chronic disease management; and (x) Pediatric services, including oral and vision care."

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Section 3 of this bill sets forth a new section within Chapter 27-18.6 of the General Laws entitled "Large Group Health Insurance Coverage." This new section, "Preventative Services," specifies Large Group Health Insurers' will provide coverage of preventive services from in-network providers without applying any copayments, deductibles, coinsurance, or other cost sharing. "Preventive services" are defined as those services described in the version of Title 42 U.S.C. CHAPTER 6A, SUBCHAPTER XXV, Part A, Subpart II: Improving Coverage, §300gg-13. "Coverage of preventive health services" in effect on January 1, 2022.

Section 4 amends Section 27-50-11 of the General Laws in Chapter 27-50 entitled "Small Employer Health Insurance Availability Act" to authorize the commissioner to promulgate rules and regulations necessary to carry out the provisions of the law set forth in this chapter.

Sections 6 through 9 of this bill amend the General Laws in Chapters 27-18, 27-19, 27-20, and 27-41 respectively, to revoke the health insurance commissioner's authority to enforce a ruling of the federal government or federal court that rescinds the prohibition on limits on health insurance. In other words, if the patient protections described herein are revoked at a federal level, the Health Insurance Commissioner of the State will not have the authority to revoke them at the state level.

Sections 10 sets the effective date of this Act. The effective date of this bill is assumed to be January 1, 2024.

*Comments on Sources of Funds:*

No state fiscal impact is reported as a result of this Act. Thus, no sources of state public financing are applicable to this note.

*Summary of Facts and Assumptions:*

Upon consultation with policy officials at the Office of the Health Insurance Commissioner (OHIC), it has been determined that the provisions set forth by H-7500 codify into state law existing provisions of the Federal Patient Protection and Affordable Care Act (ACA) for individual health insurers and small employer insurers, and as such will present no direct fiscal impact to the State.

For the purpose of this fiscal note, the interpretation of Section three, outlined above, is that large group insurers shall provide coverage of preventive services from in-network providers without applying any copayments, deductibles, coinsurance, or other cost sharing as defined in Federal Law. OHIC describes this change as maintaining the status quo of what large group insurers are already providing to consumers. It is therefore expected that this legislation will have limited impact on the large group commercial market and will present no direct fiscal impact to the State.

*Summary of Fiscal Impact:*

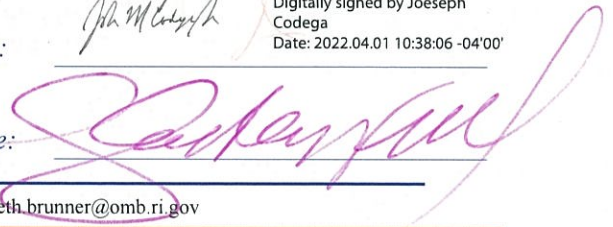
No state fiscal impact is reported as a result of this Act.

*Budget Office Signature:*



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*Fiscal Advisor Signature:*



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