

Governor's FY 2021 Budget: Articles

Staff Presentation to the House Finance
Committee
July 15, 2020

Introduction

Topics	
Article 20	Sections 8 through 12: Affordable Care Act Provisions
	Section 14: Health Spending Transparency Assessment
New Article	Telemedicine

Affordable Care Act

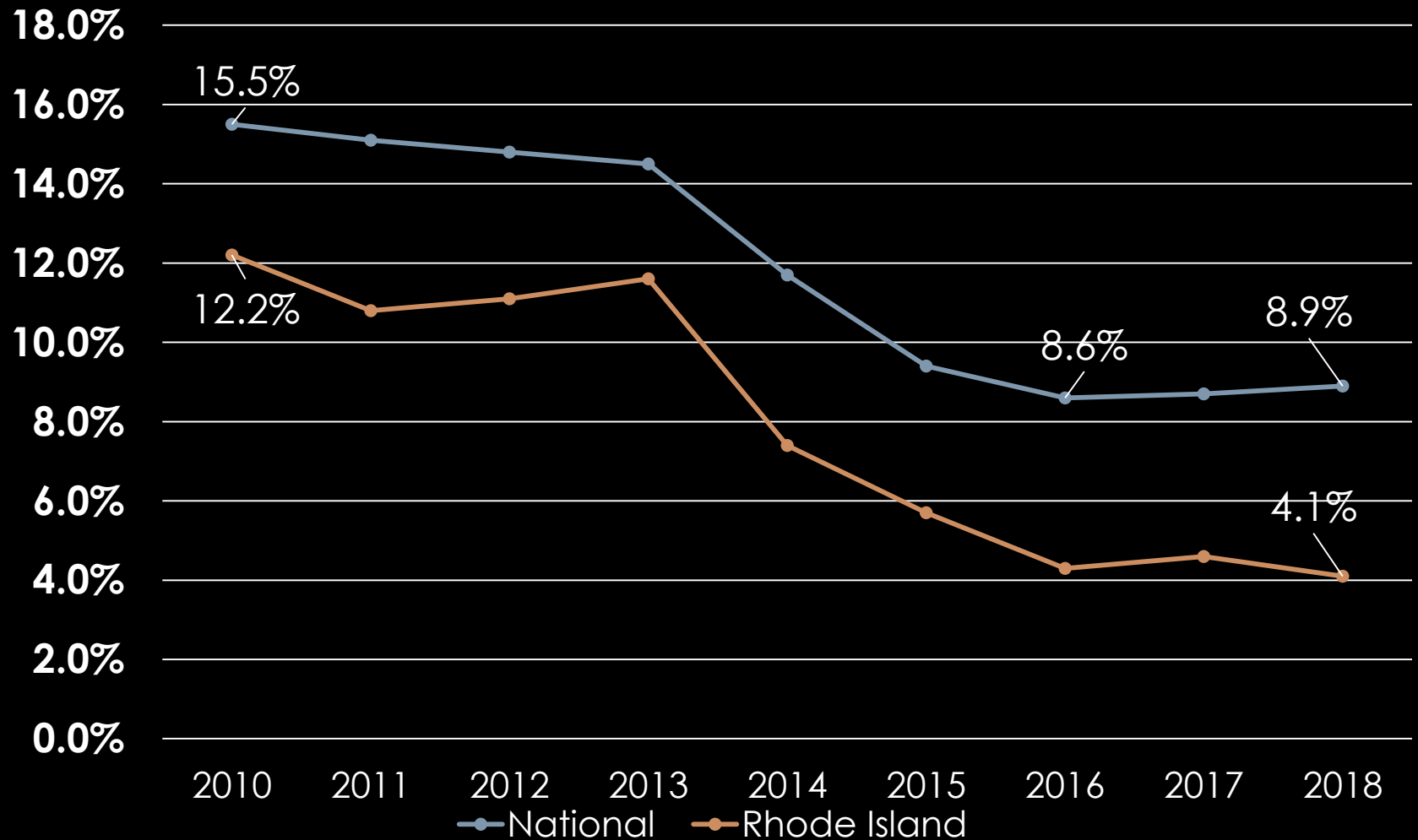
- Affordable Care Act - 2010
 - Expanded access to insurance coverage
 - Medicaid expansion, family insurance to age 26, individual mandate and tax credit support
 - Increased consumer insurance protections
 - Preexisting condition & lifetime/annual cap limits
 - Emphasizes prevention & wellness
 - No cost sharing for preventive services
 - Addressed rising health costs
 - More premium oversight, comparison shopping in exchanges

Affordable Care Act

- Affordable Care Act - 2010
 - Establishes national minimum health insurance standards
 - Supersedes state laws that are otherwise in conflict
 - RI law established standards addressing similar items
 - Uninsured rate has decreased since 2010
 - Nationally decreased by 43%
 - RI decreased by 66%

Affordable Care Act

Rates of Uninsured



Article 20 Sections 8-12 – ACA Provisions

- Typically 3 classifications of private market health insurance plans

Health Coverage Classification Types		
Non-group (Individual)	Small Group	Large Group

- Many ACA provisions focus on individual & small group markets
 - To address perceived market failures relative to large group plans
 - Limited access & higher costs

Article 20 Sections 8-12 – ACA Provisions

- Guaranteed availability
 - Updates RI law to reflect current federal law requirements
 - All in-state insurers must offer all individual market plans to eligible state residents
 - Accept upon application
 - Federal Law 42 USC 300gg-1
 - Replaces RI pre-existing condition language
 - Prior coverage within 63 days, ineligible for Medicare, Medicaid, or COBRA reflects HIPAA standards

Article 20, Sections 8-12 – ACA Provisions

- Codifies ACA requirements that all available plans be offered to all in individual market
 - May include government subsidized plans
- State law has more limited minimum policy offering requirements for individual plans
 - At least 2 different forms of insurance w/ different cost-sharing

Article 20 Sections 8-12 – ACA Provisions

- ACA requires coverage of 10 essential health benefits
 - More commonly available in large group
 - Advanced parity for individual/small group
 - Benefits are categories, not services
 - Covered services can still vary state-to-state
 - Essential health benefits also include services covered under prior state laws
- Art. 20 enumerates 10 items in RI law
 - Preserves status quo if federal change lowers standards

Article 20 Sections 8-12 – ACA Provisions

10 Essential Health Benefits

Ambulatory Patient Services

Emergency Services

Hospitalization

Maternity & Newborn Care

Mental Health, Substance
Use Disorder, & Behavioral
Health Treatment Services

Preventive & Wellness
Services & Chronic Disease
Management

Prescription Drugs

Laboratory Services

Pediatric Services, Including
Oral & Vision Care

Rehabilitative & Habilitative
Services

Article 20, Sections 8-12 – ACA Provisions

- ACA requires Large Group plans cover preventive care without cost-sharing
 - US Preventive Services Task Force (predates ACA) reports/recommends annually
 - Services rated A or B covered by the ACA
- Article 20 codifies no cost preventive coverage in RI law by reference
 - 42 USC 300gg-13
 - Gives OHIC authority to issue guidance on future Task Force recommendations
 - Upon repeal of the ACA

Article 20, Sections 8-12 – ACA Provisions

- ACA permits insurers to restrict enrollment periods to
 - 30 to 60 day open enrollment period
 - Special enrollment consistent with federal regulations in effect on Jan. 1, 2020
- Article 20 codifies this in RI law
 - Also make technical corrections
 - Reference to Commissioner vs DBR Director

Sec. 14 – Health Spending Transparency & Containment

- Assess up to \$1 per “contribution enrollee” on entities providing health insurance
 - Contribution enrollee is a covered life
 - Excludes Medicare, local government employers, & non-profit dental
 - Includes state employer plan & Medicaid
 - Same assessed base as Health Care Services Funding Plan Act
 - To be assessed Oct. 1, 2020
 - Due Jan. 31, 2021 & annually thereafter
 - Provides for refund or credit of overpayment

Sec. 14 – Health Spending Transparency & Containment

- RI Health Care Cost Trend Project
 - Non-profit Peterson Center on Healthcare
 - \$1.3 million through Brown University – ends 3/21
 - RI Cost Trend Steering Committee
 - Collaboration of OHIC, EOHHS, private stakeholders
 - Target a per capita spending growth rate
 - Executive Order 19-03 set the target for 2019 through 2022 at 3.2%

Sec. 14 – Health Spending Transparency & Containment

Components		Estimates
Expected growth in national labor force productivity		1.40%
Expected growth in the state civilian labor force	+	0.00%
Expected national inflation	+	2.00%
Nominal potential gross state product	=	3.40%
Expected state population growth	-	0.20%
Potential per capita gross state product for Rhode Island	=	3.20%

Sec. 14 – Health Spending Transparency & Containment

- Establishes program required to
 - Use data to determine causes of spending increases & create actionable analysis
 - Maintain growth target & compare actual performance
 - Report policy recommendations annually
- Creates a restricted receipts in EOHHS
 - Requires advice & coordination of OHIC
 - Expected to yield \$0.6 million
 - Governor's budget doesn't account for expense

Sec. 14 – Health Spending Transparency & Containment

- Governor requested a number of amendments this week
 - Target compliance is voluntary
 - Assessment sunsets July 1, 2026
 - Clarifies assessment of up to \$1 is based on anticipated spending
 - Overpayments credited to next year
 - Open meetings required for input and comment prior to recommendations
 - Corrections to language & references

New Article - Telemedicine

- Telemedicine is 2-way audiovisual service or store & forward technology used to provide health care services remotely
 - Cost-sharing permitted
 - May be from a patient's home or alternative site agreed upon by provider & insurer
 - Applies to all policies issued after Jan. 1, 2018

New Article - Telemedicine

- Article expands access & coverage to telemedicine on a term-limited basis
 - Removes some prior authorization requirements
 - Includes telephone audio-only service
 - Provides for provider reimbursement at same rates to in-person
 - Prohibits cost-sharing in excess of in-person rates (in-network)
- Permanently repeals provider/insurer limitations on sites

New Article - Telemedicine

- Article continues many provisions in place via Executive Order 20-06
 - Subsequently extended by 20-42 & 20-52 through Aug. 2, 2020
- Cites medical appropriateness or necessity for services
 - May be subject to terms and conditions of insurer/provider agreement
- Establishes similar, permanent provisions for services under Medicaid

New Article - Telemedicine

Provisions	Current Law	Until 6/30/2021
Telemedicine means	2-way audiovisual services or store & forward technology	Adds audio-only telephone
Co-payment, deductible or co-insurance	May impose; no rate in statute	May not impose in excess of in-person rates (in-network)
Technology	Not specified	Health insurer cannot impose specific requirements for delivery method

New Article - Telemedicine

Provisions	Current Law	Until 6/30/2021
Medically Appropriate Coverage	May be subject to insurer/provider agreement	To consider an existing health emergency
Prior Authorization	Not specified	In-network & behavioral health Not subject
Utilization Review	Not specified	Same as in-person visit
Reimbursement Rates	Not specified	Same rate as in-person visit

New Article - Telemedicine

- Establishes Stakeholder Advisory Group
 - Insurers required to report telemedicine data to OHIC
 - Medicaid providers report to EOHHS
 - Group charged to
 - Review current status of telemedicine
 - Develop recommendations over a specific scope
 - Report to the Assembly before Jan. 2021
 - Strategies, metrics, safeguards, barriers, inclusion of additional provider types, policy alignment across provider types

New Article Telemedicine - Medicaid

- CMS which regulates state Medicaid programs allows for telehealth coverage
 - States already have the option to:
 - Determine whether or not to use it
 - Decide what services are covered
 - How it will be implemented
 - Who can deliver the services via telehealth
 - Must pay the same amount as a face to face visit

New Article Telemedicine - Medicaid

- CMS is encouraging changes to state Medicaid programs in response to the pandemic
 - Includes expanding telehealth services
 - Conduct telehealth with patients located in their homes
 - Both video and audio-only
- RI does not need to make any changes to implement this policy

New Article Telemedicine - Medicaid

- Beneficiaries are eligible for telephone-only services for primary & behavioral health care services including
 - Behavioral health services, mental health assessment & crisis services
 - Home and hospice assessments, case management/care coordination services

New Article Telemedicine - Medicaid

- Article mandates that Medicaid cover the services just like commercial plans
 - Including no prior authorization for telemedicine services though 6/30/2021
 - Medicaid already pays for these services & does not require prior authorization
- Includes EOHHS in the stakeholder group
- Departure from current practice on specifying certain Medicaid benefits in state law

New Article Telemedicine - Medicaid

- Limited information on utilization thus far for Medicaid
 - Cost impacts ?
 - Outcomes?

New Article – Benefit Determination

- Suspends until June 30, 2021 all prior authorization requirements for all in-network non-pharmacy COVID-19 diagnostic & treatment services
 - Prevents entities from instituting other retroactive review policies
- Unrelated to Telemedicine

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