



March 31, 2026

The Honorable Louis P. DiPalma
Chairman, Senate Committee on Finance
Rhode Island State House
82 Smith Street
Providence, RI 02903

RE: Letter of Support - OHIC Budget FY 2027

Dear Chairman DiPalma:

The State of Rhode Island Office of the Health Insurance Commissioner (OHIC) respectfully requests support for the agency's state fiscal year 2027 proposed budget to ensure that sufficient funding is available to the office to sustain its vital work to improve health care access, affordability, and quality. OHIC does so as it: (1) protects the interest of consumers, (2) encourages fair treatment of health care providers by commercial health insurers, (3) improves the health care system as a whole, and (4) guards the solvency of health insurers. Since being established in 2004 in State of Rhode Island General Laws § 42-14.5-1, OHIC has demonstrated a track record of success in carrying out the above functions as the office views the health care system as a comprehensive entity and encourages and directs insurers towards policies that advance the welfare of the public through overall efficiency, improved health care quality, and appropriate access. Still, health care is complex, and more work is necessary to make health care more accessible and affordable for Rhode Islanders.

OHIC recently:

- **Promulgated new rules to boost commercial payer funding for primary care:** Primary care is the foundation of our health care system. In March 2025 my office promulgated new regulations that mandate commercial health insurers to annually increase funding for primary care such that by the end of 2028, 10% of insurer total medical spending is directed to primary care. OHIC estimates that this will double per person funding for primary care, offering a needed boost to resourcing for this vital component of Rhode Island's health care system.¹
- **Demonstrated material premium savings for Rhode Islanders:** Beyond premium savings produced during the annual rate review process, OHIC has achieved material premium savings through the application of the Affordability Standards regulations. In May 2025, researchers published an evaluation in the journal *Health Affairs* titled: *Rhode Island's Affordability Standards Led to Hospital Price Reductions and Lower Insurance Premiums*.² Researchers found that by 2022, the Standards

¹ [OHIC Issues New Regulations to Strengthen Primary Care in Rhode Island](#).

² Ryan AM, Whaley CM, Fuse Brown EC, Radhakrishnan N, Murray RC. Rhode Island's Affordability Standards Led To Hospital Price Reductions And Lower Insurance Premiums. *Health Aff (Millwood)*. 2025 May;44(5):597-605. doi: 10.1377/hlthaff.2024.01146. PMID: 40324139.

reduced premiums by \$1,000 per person relative to comparison states. This translates into \$4,000 annual savings for a family of four. This follows a 2019 evaluation which found that the Affordability Standards reduced quarterly spending by \$76 per enrollee, or 8.1%, relative a matched control group.³

- **Controlling health care costs for state government and municipalities:** OHIC's Affordability Standards have also saved money for the state and municipal employee health benefit plans. The rules governing hospital price growth have kept hospital prices in check, which the state and municipal health benefit plans have accessed through their contracts with third-party administrators. Applying the 2019 evaluation savings of \$76 per enrollee per quarter to a population of 30,000 members, like the state employee health benefit plan, produces a savings of \$9,120,000 per year.⁴ An updated evaluation with data through 2023 is underway by researchers at Harvard University.
- **Achieved Consumer Savings through Consumer Assistance Helpline:** With its community partner, RIPIN, OHIC maintains a consumer assistance helpline (the Rhode Island Insurance Resource, Education, and Consumer Helpline) that, since 2017, has saved Rhode Island consumers millions of dollars by providing advocacy, education, and support to navigate health insurance coverage issues.
- **Completed the second biennial review of social and human service programs:** As directed by the General Assembly, OHIC completed the second biennial review of all publicly funded social and human service programs and made recommendations concerning adjustments to reimbursement rates as required by amendments to OHIC's enabling statute. OHIC has demonstrated its ability to take on new and complex tasks. In 2025 the legislature tasked OHIC with conducting a review of primary care rates. That review is well underway.

More information about OHIC's accomplishments and goals can be found in our [2025 Annual Report](#). The Annual Report emphasizes five key focus areas for the next year and beyond. These five areas are taken from OHIC's FY 2027 budget Strategic Plan.

- Oversee increasing commercial payer investment in primary care
- Promote transparency and stronger accountability for health care costs by insurers and large provider organizations
- Complete the legislatively mandated primary care rate review
- Begin the third cycle of social and human service programs reviews
- Oversee the three-year pilot program on prior authorization recently enacted by the legislature

Approval of OHIC's budget request is essential to ensure that we can meet these goals. The office is grateful for your leadership and support of our work to accomplish our statutory responsibilities on behalf of Rhode Islanders.

³ Baum A, Song Z, Landon BE, Phillips RS, Bitton A, Basu S. Health Care Spending Slowed After Rhode Island Applied Affordability Standards To Commercial Insurers. *Health Aff (Millwood)*. 2019 Feb;38(2):237-245. doi: 10.1377/hlthaff.2018.05164. PMID: 30715981; PMCID: PMC6593124.

⁴ The 2019 evaluation only estimated the impact to health care spending through 2016. Additional years of price controls have likely yielded higher savings. Therefore, applying the 2019 evaluation savings estimate is likely a conservative estimate of savings to the state employee health benefit plan.

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Sincerely,



Cory B. King
Health Insurance Commissioner

CC: The Honorable Members of the Senate Committee on Finance
Kristen Silvia, Director of Legislation and Deputy Chief of Staff