

April 9, 2026

Rhode Island State Senate
Senate Committee on Finance

Re: **Support** of H-7127, Governor's Budget, Article 11, Section 14, Individual Marketplace Affordability Program

Dear Chair DiPalma and Members of the Senate Committee on Finance:

RIPIN thanks the Senate Committee on Finance for the opportunity to submit this testimony **in support of** H-7127, the Governor's Budget, Article 11, Section 14, which would help to improve access to affordable health insurance for Rhode Islanders who buy coverage through the HealthSourceRI individual marketplace, with recommendations that the proposal be expanded to include many Rhode Islanders who are at risk of losing coverage, or who have already lost coverage due to federal cuts.

Federal cuts mean that health insurance access in Rhode Island is facing the most significant setbacks since the passage of the Affordable Care Act. H.R. 1, or the "One Big Beautiful Bill Act," eliminated Medicaid coverage for many, restricted access to care in the individual marketplace, imposed onerous new work requirements and other administrative hurdles, and imposed funding cuts that jeopardize the sustainability of our delivery system that already faces an increase in uncompensated care going to people who don't have insurance and can't afford care. And on top of those cuts, the federal government also cut access to the individual marketplace by allowing Enhanced Premium Tax Credits to expire at the end of 2025.

Because of these cuts, Rhode Islanders who get financial assistance to buy their plans through HealthSourceRI saw their premiums **jump by more than 100%** between 2025 and 2026. And some Rhode Islanders faced even bigger premium hikes – as estimated last year by HealthSourceRI, a 25-year-old making \$27,388 a year would see their premium increase by 464%, jumping by more than \$100 a month for someone with a monthly income of just over \$2,000. And a 60-year-old retiree making \$62,650 from her 401K would see her premium jump from \$427 to \$1,077, a \$650/month increase and resulting in a premium accounting for 21% of her income.

Faced by these massive premium hikes, many Rhode Islanders who got coverage through HealthSourceRI last year have had to rebalance budgets already strained by rising costs for housing, food, child care, and other necessities in order to keep their coverage. Many more have switched into cheaper plans that have higher deductibles and out-of-pocket costs, likely resulting in higher health care costs down the road that many cannot afford to pay. And an estimated 13,000 HealthSourceRI enrollees are expected to drop their coverage entirely between 2026 and 2027 as the full impact of the premium hikes are felt.

However, Rhode Island can act to reverse some of those coverage losses. A cross-stakeholder workgroup convened last year by HealthSourceRI released a report, entitled "[Coverage at Risk: State Actions to Keep Rhode Islanders Covered](#)," which recommended the full replacement of expiring federal assistance, while encouraging the prioritization of the lowest-income Rhode Islanders if a full replacement was impossible. The Governor's Budget proposes a limited replacement, modeled on the recommendations of the workgroup, targeted to (and with sufficient funding to) replace the expired expanded federal assistance to enrollees with incomes below 200% of the Federal Poverty Level. This investment, at a cost of \$9.5 million in FY27 (approximately \$19.8 million annualized), would help about 20,000 Rhode Islanders, or half of the 41,000 HealthSourceRI





enrollees who saw massive premium hikes at the beginning of 2026, and would help keep about 6,500 of them insured.

RIPIN encourages the Senate to support the Governor's proposal, while offering the following recommendations for amendments to enhance its impact:

1. Fully replace expiring federal assistance to maximize health insurance coverage

RIPIN acknowledges that the Governor has to propose a budget that balances many revenue-generating and spending decisions, and appreciates that this proposal is one of the ones that was put forward. RIPIN also appreciates that the Governor prioritized the lowest-income HealthSourceRI enrollees – many of whom are the most sensitive to price fluctuations, and therefore the most likely to drop their coverage, and are least likely to be able to afford the cost of healthcare services if they become uninsured. However, **RIPIN strongly encourages that the General Assembly consider a full replacement of the expiring federal assistance**, as is proposed by S-2255 (Lauria).

While the Governor's proposal would replace expiring federal assistance for approximately 20,000 HealthSourceRI enrollees, that also means that approximately 21,000 HealthSourceRI enrollees would see no direct benefit from the program. And while the Governor's proposal would keep approximately 6,500 people insured, the expiring federal assistance would result in 6,500 other enrollees still losing their coverage. In combination with other federal cuts, an estimated total of more than 50,000 Rhode Islanders are expected to lose their coverage between 2026 and 2027, more than doubling our uninsured population, resulting in newly-uninsured individuals skipping care or facing financial peril when medical events happen, and threatening the stability of our healthcare delivery system. While the cost of a full replacement of expired federal assistance is higher (totaling approximately \$30 million in FY27, \$60 million annually), the cost of allowing uninsured rates to soar is also significant – both for the people becoming uninsured, and for the State if it must bankroll failing hospitals, primary care practices, community health centers, and other healthcare institutions. And a \$60 million annual investment is estimated by HealthSourceRI to leverage \$70 million in baseline federal advanced premium tax credits which would otherwise be left on the table by enrollees who drop out of coverage.

2. Allow enrollees who cannot receive federal premium tax credits to receive state premium assistance

RIPIN offers a narrow technical recommendation to improve access to health insurance for individuals who have lost eligibility for federal premium tax credits because of federal cuts, helping to prevent them from becoming uninsured while allowing them to continue purchasing a plan they can afford. In the proposed § 42-157.2-4(c) and § 4(c)(1), the state-based subsidy is limited to 1) people who are eligible for federal premium tax credits, and 2) people who would otherwise be eligible for federal premium tax credits if their income was lower.

RIPIN encourages that the eligible populations for state subsidies be expanded beyond those groups. For example, many lawfully-present immigrants (including refugees, asylees, and those with temporarily protected status) have lost or will lose eligibility for tax credits because of H.R. 1. Other populations losing eligibility for federal tax credits include those who cannot comply with Medicaid work requirements. Many of these individuals could afford a plan at its 2025 cost (with both baseline federal and enhanced federal assistance), or even potentially at a higher but still subsidized cost if they kept some state subsidy (but lost the baseline federal assistance). However, they would potentially drop coverage entirely if they had to pay full price – potentially resulting in the State, or



our healthcare institutions, having to bear the cost of their uncompensated care. By allowing this population access to state subsidies (as determined by the Exchange and by available funds), Rhode Island could help keep people covered at a lower cost than if the State had to absorb the full cost of uncompensated care.

RIPIN would encourage that the determination of eligible populations be one of the decisions to be made as part of the annual parameter-defining process to be undertaken by the Exchange under advice of the Exchange Advisory Board, but with a less restrictive statutory baseline.

3. Ensure meaningful participation by stakeholders

RIPIN appreciates that the Governor's proposal includes opportunity for community engagement as the Exchange establishes the affordability percentages, and as other elements of the program are set. RIPIN further appreciates that HealthSourceRI has, to this point, convened an advisory board with a diverse membership of active participants who have represented a broad assortment of perspectives effectively. However, RIPIN wishes to acknowledge that, as currently set in statute, the exchange advisory board's membership is set by the Director of the Exchange, essentially without limitation.

Given the specific tasks that the exchange advisory board would be granted under this new proposal (going beyond the tasks of that board as it currently operates), RIPIN would encourage that the enabling statute for the exchange advisory board be revisited to ensure that the broad array of stakeholders currently participating in the exchange advisory board would continue to do so regardless of any potential future changes in administration or leadership of the Exchange. Such stakeholders should include consumer advocates, health policy experts, employers, healthcare professionals, and current (or former) enrollees in HealthSourceRI plans.

RIPIN encourages the Senate Committee on Finance to support this proposal, and to consider the modifications we have offered. Thank you for the opportunity to provide these comments. RIPIN is a statewide nonprofit founded in 1991 by a group of parents of children with special healthcare needs. While RIPIN's roots are in serving children and families with special needs, RIPIN now serves all Rhode Islanders who might benefit from education, advocacy, and peer support in navigating healthcare and education systems. RIPIN operates Rhode Island's health insurance consumer assistance program, RIREACH, which has helped several thousand Rhode Islanders save more than \$10 million in health care costs since 2018.

Sincerely,

/s/

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