

Testimony in Support of S-2255 – RI Individual Market Affordability Act
House Committee on Finance
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The Economic Progress Institute strongly supports Sen. Lauria’s S-2255, which would create a state program to fully replace federal subsidies (that expired at the end of 2025) that help people afford to purchase health insurance through HealthSourceRI when they do not qualify for Medicaid and can’t access health insurance through an employer.

All Rhode Islanders deserve access to quality affordable healthcare that doesn’t force them to choose between paying their rent and paying for their health insurance, prescriptions, or co-pays. However, in the summer of 2025, Congress passed H.R.1, which will cause a total of 53,000 Rhode Islanders to lose healthcare. Congress also allowed federal healthcare subsidies to expire at the end of 2025 – those subsidies helped approximately 40,000 Rhode Islanders afford to purchase health insurance through HealthSourceRI (the state’s ACA marketplace) and represent the **loss of nearly \$60 million worth of federal subsidies in RI in 2026**.

EPI applauds the Governor’s leadership in proposing to replace the subsidies for approximately half of people affected – those earning up to 200% of FPL – for the first six months of 2027 (additional allocations would be necessary to fund subsidies for the second half of 2027). However, **without state action, 40,000 Rhode Islanders have seen their premiums double on average, and 13,000 are projected to drop coverage because they cannot afford it** without the subsidy. This proposal is important, not only for the individuals losing coverage, but also to ensure that our healthcare system remains stable and functional rather than becoming overwhelmed with significantly increased volume in hospital emergency rooms and community health centers as people lose coverage.

Far too many Rhode Islanders are already struggling to meet their basic needs without assistance; 78% of single parents with two children can’t meet their basic needs without assistance. Healthcare subsidies are exactly the kind of assistance that help people make ends meet. However, for many Rhode Islanders, out of pocket healthcare costs have skyrocketed in ways that benefits, wages and fixed incomes have not – forcing many to delay care or even forgo prescription medication due to the costs. In their 2022 Health Information Survey, HSRI documented a 21% increase in out-of-pocket costs between 2020 and 2022 noting this as “the highest reported out-of-pocket spending since the survey began in 2012.”

Sen. Lauria’s S-2255, would fully replace the expired federal tax credits for the 40,000 Rhode Islanders who relied on them while also helping to stabilize the healthcare industry in RI. We urge passage.