

April 2, 2026

The Honorable Melissa A. Murray, Chair  
Senate Health and Human Services Committee  
Rhode Island State House  
82 Smith Street  
Providence, RI 02903  
Delivered via email

**RE: Opposition to S3089 – Restrictions on Contractual and Fee Schedule Flexibility**

Dear Senator Murray and Members of the Committee:

On behalf of Harvard Pilgrim Health Care, a Point32Health company, which provides employer-based health insurance to thousands of Rhode Island residents, I am writing respectfully opposed to S3089. The bill would fundamentally disrupt normal day-to-day operations of healthcare delivery in the state and would create a state of operational paralysis for healthcare coverage.

We understand that providers need visibility into policy changes or reimbursement methodologies that may impact their operations, and we are committed to providing that transparency. However, existing regulation guarantees providers receive advanced notice of such changes and grants them the right to opt out of contracts if they choose. S3089 creates a much more rigid, complex environment that would prevent health plans from making necessary, routine and **contractual** adjustments to fee schedules and other administrative protocols. These concerns are elaborated more below.

Currently, under 230-RICR-20-30-9.9, Rhode Island ensures providers receive 60 days' notice of any contract change and grants them the right to opt out. S3089, however, mandates a much more onerous "mutual written agreement" from every provider for any material modification, which is very broadly defined in the legislation. The logistical requirement to obtain a physical or electronic signature from every provider in our network for items such as routine fee schedule updates, payment policy changes or updates to medical necessity criteria is a Herculean task. The administrative costs associated with such a mandate would be significant, and these overhead costs would ultimately be borne by Rhode Island employers and members in the form of higher premiums.


When providers sign contracts to become network providers, they agree not only to payment rates, but other items enumerated in our provider manual such as payment policies, the application of medical necessity criteria and claims submission processes. These items are updated from time to time, as are plan fee schedules, particularly since most contracts span multiple years. The requirements of S3809 would effectively freeze fee schedules in place, regardless of changes in federal Medicare benchmarks, the introduction of new medical billing codes (CPT codes), or other market dynamics.

By redefining clinical policies and provider manuals as "material terms" that require mutual consent, S3089 allows a single provider to block updates designed to improve patient safety, manage medical trends or reduce waste. A health plan must be able to update its operational manuals and payment rules to remain compliant with evolving medical standards as well as state or federal guidelines without being

held to a "mutual agreement" standard that is impossible to achieve across a broad network of thousands of providers

We urge the Committee to maintain the balanced, existing notification standards of Rhode Island law and issue an unfavorable report on S3089.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam Martignetti", is centered within a light gray rectangular box.

Adam Martignetti  
Vice President, State Government Affairs