

June 14, 2010

RIBGH Position on 2011 Premium Rate Filings by Commercial Insurers

On June 9, 2010, RIBGH submitted a letter to the Office of the Health Insurance Commissioner that reflects RIBGH's position on the 2011 group premium rate filings by the commercial insurers. In addition to reflecting members' concerns regarding escalating costs, RIBGH emphasized the need for any increases to be part of a long-term plan to re-shape the health care system in RI. RIBGH urged the Health Insurance Commission to ensure that any approval of rate filings should include a schedule agreed to by the health plans of rate increases that decline over the next five years to the rate of general inflation.

Please visit the [RIBGH website](#) to view a copy of the RIBGH position letter.

General Assembly ends session with no action on bills supporting Patient-Centered Medical Homes and Primary Care

Despite receiving numerous letters from stakeholder groups, including RIBGH, urging support of House Bill [7544](#) – the Rhode Island All-Payer Patient-Centered Medical Home Act of 2010 – and House Bill [7599](#) – a bill seeking to have insurers identify primary care providers being utilized by insureds as a first step in the further development of primary care practices and payment incentives for primary care providers in RI – no action was taken during the last few days of the General Assembly session on these bills.

Copies of RIBGH's support letters are available on the [RIBGH website](#) for your review. RIBGH will continue to focus on health system delivery and payment reform during the next General Assembly session.

Under the oversight of the OHIC, a pilot program in RI seeking to expand patient-centered medical homes continues to grow, with Blue Cross Blue Shield of RI recently contracting with 162 independent physicians to turn their practices into patient-centered medical homes (A "patient-centered medical home" is a health care setting that facilitates partnerships and coordination between individual patients, their personal physicians, and when appropriate, the patient's family

utilizing health information technology and other means to assure that patients get the appropriate care when and where they need it).

Several RIBGH members participating in Lt. Governor's Healthy RI Task Force

During the last few weeks Lt. Governor Elizabeth Roberts launched a task force comprised of all stakeholder groups in RI that has been charged with developing a work plan for implementation of the federal health reform law. The task force, and several work groups that have been initiated to focus on specific elements of health care reform, are part of an overall effort to ensure Rhode Island is proactive in designing its implementation plan and addresses any challenges that RI will face as this law takes effect while ensuring that RI has a plan to take advantage of the many grant and pilot program opportunities in the law that are available to our state. The task force and work groups will be meeting over the summer months and are expected to have a plan developed by September 1, 2010. Numerous RIBGH members, including the majority of the RIBGH Board, are participating in this planning effort.

For further information on the Healthy RI Task Force, please visit the [Healthy RI Task Force home page](#) on Lt. Governor Roberts' official website.

RIBGH Shares Concerns with Legislators on the Health Care Reform Act

Last week RIBGH sent letters to the House and Senate leadership as well as to the bill sponsors regarding concerns with The Health Care Reform Act of 2010 ([H. 7560/S. 2552](#)), indicating that RIBGH did not support this legislation in its current form. Copies of the letters are available for review on the RIBGH website.

Legislative Passed to Regulate Medical Discount Plans

On June 9, 2010, the General Assembly passed legislation ([H.7606](#) SUB A / [S. 2632](#) SUB A) that would establish standards for medical discount plan organizations to protect consumers from unfair and deceptive marketing practices and to facilitate consumer understanding of such plans. Before doing business in the state, such a plan will now have to obtain a certificate of registration from the Office of the Health Insurance Commissioner. The legislation also forbids any misleading or deceptive representations in advertising, marketing materials, brochures or other communications directed at prospective members.

High Risk Pool Program in RI and Provisions Under the National Health Reform Law

Last week U.S. Health and Human Services Secretary Kathleen Sebelius announced the availability of \$51 million in “Health Insurance Premium Review Grants” available through the Affordable Care Act to help states create or strengthen insurance review processes and to hold insurers accountable to health care consumers. This is the first round of grants available to the states.

In RI, insurers are prohibited from declining to insure individuals for pre-existing conditions/ medical reasons. Rhode Islanders who do not have access to health coverage through an employer can purchase coverage directly from Blue Cross Blue Shield of RI (BCBSRI).

Health Insurance Commissioner Koller has advised RIBGH that he is working with BCBSRI to submit an application for a grant for RI’s high risk pool program.

For information on the high-risk pool provisions under the federal health reform law, please visit the [Health Reform Resources](#) section of the RIBGH website.

Federal News –

IRS Issues Proposed Regulations for Grandfathered Health Plans

Today the IRS issued [final and proposed regulations](#) for group health plans and health insurance coverage relating to grandfathered plan status under the Patient Protection and Affordable Care Act. The interim final regulations provide that a group health plan or health insurance coverage no longer will be considered a “grandfathered health plan” if a plan sponsor or insurer:

- Eliminates all or substantially all benefits to diagnose or treat a particular condition. The elimination of benefits for any necessary element to diagnose or treat a condition is considered the elimination of all or substantially all benefits to diagnose or treat a particular condition;
- Increases a percentage cost-sharing requirement (such as coinsurance) above the level at which it was on March 23, 2010;
- Increases fixed-amount cost-sharing requirements other than copayments, such as a \$500 deductible or a \$2,500 out-of-pocket limit, by a total percentage measured from March 23, 2010 that is more than the sum of medical inflation and 15 percentage points.
- Increases copayments by an amount that exceeds the greater of: a total percentage measured from March 23, 2010 that is more than the sum of medical inflation plus 15 percentage points, or \$5 increased by medical inflation;

- For a group health plan or group health insurance coverage, an employer or employee organization decreases its contribution rate by more than five percentage points below the contribution rate on March 23, 2010; or
- With respect to annual limits (1) a group health plan, or group or individual health insurance coverage, that, on March 23, 2010, did not impose an overall annual or lifetime limit on the dollar value of all benefits imposes an overall annual limit on the dollar value of benefits; (2) a group health plan, or group or individual health insurance coverage, that, on March 23, 2010, imposed an overall lifetime limit on the dollar value of all benefits but no overall annual limit on the dollar value of all benefits adopts an overall annual limit at a dollar value that is lower than the dollar value of the lifetime limit on March 23, 2010; or (3) a group health plan, or group or individual health insurance coverage, that, on March 23, 2010, imposed an overall annual limit on the dollar value of all benefits decreases the dollar value of the annual limit (regardless of whether the plan or health insurance coverage also imposes an overall lifetime limit on the dollar value of all benefits).

Changing an insurance carrier or entering into a new insurance contract with the same carrier (not a renewal) after March 23, 2010 will be enough to lose grandfathered status.

COBRA Premium Subsidy Not Extended

The federal COBRA premium subsidy provision expired as of May 31, 2010. Individuals who are involuntarily terminated from employment on or after June 1, 2010 are currently not eligible for the subsidy. There is pending legislation to extend the COBRA subsidy beyond May 31st, but that will not be decided until later this month, at the earliest.

Please visit the RIBGH website to access FAQs on the COBRA Premium Extension Provisions.

For further information on health care news and reform issues as well as other pending health-care related legislation, please visit the RIBGH website and review our "[Breaking News](#)" and "[Health Reform Resources](#)" information.