

March 15, 2010

Rhode Island News:

Health Reform Legislation Under Review in the General Assembly

Over the last few weeks, several health care reform legislative proposals have been introduced in the General Assembly and are under review in committee hearings. RIBGH is in the process of prioritizing the issues involved and determining how we should respond to the proposed legislation in priority areas. The main areas being address by these proposals include:

Health Hub/Health Insurance Exchange Model:

[H. 7707](#) – (Lt. Governor’s bill) - would create the health insurance access hub, an entity separate and distinct from the state, but which would operate as a government agency, whose members would serve without pay, to monitor and make available to individuals, private health insurance choices. **This bill is scheduled for hearing and/or consideration on 4/6/10 by House Corporations.**

[H. 7560](#) - The Rhode Island Health Reform Act of 2010 – (a bill developed by HealthRight) would establish a state-sponsored system of universal health care. By January 31, 2012, the “HealthRight Authority,” a quasi-public, non-profit organization shall be established through which all public and private purchases of insurance or health care services would be transacted for all RI employers and individuals. The Authority’s responsibilities shall include, but not be limited to, establishing a health insurance entity from which RI residents can purchase insurance from a range of insurers; establishing a comprehensive insurance product which shall serve as the basic plan for all Rhode Islanders (including setting and limiting the amount of co-pays and deductibles for the plan); ensuring that health coverage is extended to all uninsured Rhode Islanders by January 31, 2012; determining the set amount paid to each insurer per insured life (equal for all insurers); implementing the recommendations of the Coordinated Health Planning and Accountability Advisory Council (CHP), the Health Services Council (HSC), and the Certificate of Need (CON) program; establishing the parameters and implementing a sliding scale income-based subsidy for the uninsured; establishing and administering efficiencies among the insurers and health practitioner offices, and providing access to a public insurance plan modeled on RIte Care. This Act would also establish the appointment of a HealthRight Commissioner (Commissioner). Other components of this bill are incorporated in the issue areas below.

Small/Larger Group Insurance Rates:

[H. 7101](#), which has been referred to House Corporations, would permit a large group or small employer, when purchasing more than one product offered by the carrier, to receive a discount of up to two percent (2%) of the premium or fees.

[H. 7592](#) (developed by SBANE), would amend the Small Employer Health Insurance Availability Act and would require certain disclosures regarding broker fees assessed with respect to small employer health insurance plans.

Primary Care/Patient-Centered Medical Homes:

[H. 7544](#) - The Rhode Island All-Payer Patient Centered Medical Home Act of 2010 - Would require the Health Insurance Commissioner (OHIC) to develop and implement standards of certification for patient-centered medical home facilities as well as a per-patient care coordination payment system, and would be required to provide to the legislature comprehensive evaluations 3 and 5 years after implementation. By 1/1/2011 the OHIC shall establish a patient-centered medical home collaborative for exchanging information related to quality improvement and best practices, and by 1/1/ 2012 the OHIC would also consider additional payment reforms to be implemented for patient-centered medical homes. **This bill was heard by House Corporations on 3/3/10 and is being held for further study.**

[H. 7560](#) - The Rhode Island Health Reform Act of 2010 – would establish the HealthRIght Authority, whose responsibilities would include introducing incentives for the advancement of primary care, outcome-based treatment of chronic disease, promotion of wellness and preventative services, and the use of electronic medical records. This bill would also require all residents in RI to select a primary care provider (or be assigned one).

[H. 7599](#) – (Lt. Governor’s bill), would require an insured to designate his or her primary care physician (the insurer shall collect the designation from the insured and place the primary care physician or practice name on the card issued to the insured as evidence of insurance. “Primary care physician or practice” would be considered to be the usual source of medical care. **This bill is scheduled for hearing and/or consideration on 3/23/10 by House Corporations.**

Mandated Benefits/Mandated Benefits Review:

[H. 7260](#) - would require coverage for the diagnosis and treatment of autism spectrum disorders. **This bill is scheduled for hearing on 3/31/10 by the House Health, Education & Welfare Committee.**

[H. 7560](#) - The Rhode Island Health Reform Act of 2010 – would establish the HealthRIght Authority, whose responsibilities would include reviewing and recommending to the General Assembly the advisability of any new mandated insurance benefit.

[H. 7604](#) - would require a mandated benefit review by the health insurance commissioner of any mandated benefit introduced after January 1, 2011, contingent on the review being paid for by health care providers authorized to do business in this state. **This bill is scheduled for hearing on 3/23/10 by House Corporations.**

[S. 2202](#) - would increase hearing aid medical insurance coverage for those insured under age 19 from \$1,500 to full cost and for those age 19 and older from \$700 to \$1,500. **This bill was heard on 3/3/10 by the Senate Health & Human Services Committee and is being held for further study.**

[S. 2492](#) - would require insurance coverage for surgery and services for implantation of Federal Drug Administration (FDA) approved implantable hearing device per year. **This bill was heard on 3/3/10 by the Senate Health & Human Services (HHS) Committee and is being held for further study.**

Insurance Coverage Mandates:

[H. 7560](#) - The Rhode Island Health Reform Act of 2010 – would require individuals over 400% of the federal poverty level to purchase health insurance coverage, and all employers with 10 or more employees shall be required to demonstrate that they are contributing to the health of their employees. Employers with 10 – 99 employees shall spend at least \$1.20 per employee, per hour worked and employers with 100 or more employees shall spend at least \$1.93 on employee health (can be utilized for their own employee health programs or contributed to the HealthRight Authority fund for the uninsured. The Authority shall be authorized to charge up to 1% of insurance premiums for administration of its functions.

[H. 7603/S. 2629](#) - (Lt. Governor's bills) would provide that dental and vision benefits be included for individuals eligible for extended medical benefits. **H. 7603 is scheduled for hearing and/or consideration on 3/23 by House Corporations, and S. 2629 is scheduled for hearing on 3/17/10 by the Senate HHS Committee.**

[H. 7703](#) - would extend health insurance coverage to an unmarried child who is a resident of this state, under the age of 25 years, has no dependents, and is unemployed and financially dependent. **This bill is scheduled for hearing on 4/6/10 by House Corporations.**

[S. 2416](#) - would make all unmarried children under the age of 29, who are living with their parents, eligible for family health insurance coverage. **This bill was heard on 3/10/10 by the Senate Health & Human Services Committee and is being held for further study.**

Currentcare – Long-term Funding Proposal

Despite the strong support for the proposed long-term funding model for Currentcare from the RIBGH and a wide range of other highly engaged stakeholders, the Rhode Island Quality Institute (RIQI) cannot ignore the fact that the current state of the Rhode Island economy has created a very difficult and tenuous environment for introducing any new legislative proposals in the FY2011 budget. In addition, the process of advancing the long-term funding model from concept to legislative proposal will be strengthened if some issues around execution of the model that its supporters pointed out during this year's process are addressed. As a result, the RIQI Board of Directors has approved a recommendation that the long-term funding proposal not be advanced in the current legislative session. This is simply not the right time to move this proposal forward. RIQI is currently reevaluating the timeline, process and plan for advancing the long-term funding proposal next year and will provide RIBGH with an update in the coming months.

RIQI Awarded \$11.2 Million in ARRA Federal Stimulus Funding

On February 12, 2010, RIQI received a federal Notice of Award for \$5.2M in statewide health information exchange funding and \$6M for RI's Regional Extension Center funding to promote the successful adoption of electronic health records by RI physicians. The awards will further RIQI's efforts to improve the quality, safety and value of health care in RI. This was a significant achievement for Rhode Island. RIQI will have more detail on the objectives and activities related to these grants in the coming weeks.

Federal News: COBRA Subsidy Extension Signed Into Law

On March 2, 2010, President Obama signed into law legislation that provides a stopgap, 31-day extension of federal subsidies of COBRA health care premiums. The legislation (H.R. 4691) extends the 65% 15-month premium subsidy for laid-off workers involuntarily terminated from employment from March 1 through March 31, 2010. Without the extension workers laid off after February 28, 2010, would have been ineligible for the subsidy. It will also allow employees to receive the subsidy if they first lost group health insurance coverage due to a reduction in hours and then were terminated, after enactment of the legislation, if certain conditions are met (i.e., an employee who had a reduction in hours between September 1, 2008, and March 31, 2010, followed by an involuntary termination of employment on or after March 2, 2010).

The U.S. Senate is continuing their consideration of additional legislation (H.R. 4213) that would extend the premium subsidy (and unemployment benefits) to employees laid off through December 31, 2010.

Employers administering group health plans must provide an additional notification to affected employees that includes information on the provisions of the new law during the 60-day period beginning on the date of the individual's involuntary termination of employment. Affected employees must pay the subsidized premium rate by the latest of (a) 60 days after March 2, 2010, (b) 30 days after the date of provision of the revised notification, or (c) the end of the COBRA period.

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.