

May 5, 2010

The Federal Health Reform Law – Resources for RIBGH Members

With the enactment of the Patient Protection and Affordable Care Act on March 23, 2010 and the Health Care and Education Reconciliation Act on March 30, RIBGH members need to be aware of the provisions directly affecting existing group health plans and the timeline for when they become effective. Please visit the [RIBGH Web site](#), where several resources have been added to assist you in understanding the key issues for employers contained in the law. Some of the more immediate provisions to consider are:

Mandated Benefits: Beginning six months after the law's enactment (first plan year beginning on or after October 1, 2010, or January 1, 2011 for calendar-year plans), existing health plans must have:

- No annual or lifetime benefit maximums on essential benefits (with limited exceptions for certain annual limits).
- Prohibit rescissions except in case of fraud.
- Prohibit pre-existing condition exclusions for children under age 19.
- A plan requirement (for plans that provide dependent coverage) to continue dependent coverage to age 26 (for dependents without other employer-sponsored coverage).

Other group health plan mandates beginning on or after January 1, 2014, include:

- No annual benefit dollar maximums on essential benefits (without exceptions).
- Dependent coverage extension without regard to other coverage.
- No pre-existing condition exclusions.
- A prohibition of waiting periods longer than 90 days.

Plan on attending the May 20 RIBGH meeting for a more comprehensive overview of the new law.

Additional COBRA Subsidy Extension

On April 15, 2010, Congress extended the COBRA premium subsidy eligibility period to employees who experience an involuntary termination of employment during April and May 2010.

For more information about the extension, please visit the RIBGH Web site to access FAQs on the COBRA Premium Extension Provisions.

Rhode Island Health Reform Legislation:

RIBGH is focusing on the following health care reform legislation currently under review in the RI General Assembly:

Small/Large Group Insurance Rates:

[H. 7101](#) (Blue Cross “Bundling Discount” Bill)

This measure, if enacted would allow insurers to offer discounts on certain products when bought in combination with other products offered by the same insurer. Since this bill is sponsored by Blue Cross Blue Shield of RI, the presumed application would be to provide a discount on health coverage for large or small employer groups opting to also purchase dental insurance from the same carrier. Presently in RI, the overwhelming majority of dental coverage is purchased from exclusive dental insurers, namely Delta Dental of RI, also a not-for-profit carrier. Since Delta does not offer medical coverage, the practice of allowing health insurers to provide a medical discount for the purchase of dental coverage would offer limited opportunity for competitive response, and would certainly endanger Delta’s viability to compete in the RI market. The legislation would allow for an “end run” around rulings by the Office of the Health Insurance Commissioner (OHIC) that regulates this practice. This bill has not yet been scheduled for hearing by the House Corporations Committee.

RIBGH Position: RIBGH believes that rate discount practices should be a regulatory issue that is better handled by the OHIC.

[H. 7592](#) (SBANE’s bill) – Amendment to the Small Employer Health Insurance Availability Act

This measure would require certain disclosures regarding broker fees assessments with respect to small employer health insurance plans. The House Committee on Small Business has not yet scheduled a hearing on this bill.

RIBGH Position: RIBGH supports transparency of health information, including disclosure and transparency of premium rate information and factors utilized in development of premium rates.

Mandated Benefits/Mandated Benefits Review:

H. 7260 – Coverage Mandate Related to Autism Spectrum Disorders

This measure would require coverage for the diagnosis and treatment of autism spectrum disorders. This bill was heard by the House Health, Education and Welfare Committee (H.E.W.) on April 14 at which time H.E.W. recommended this measure be held for further study.

H. 7560 - The Rhode Island Health Reform Act of 2010

Among many other provisions contained in this measure, 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. **This measure has not yet been scheduled for hearing by the House Finance Committee.**

H. 7604 – Mandated Benefits Review

This measure 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. **The House Corporations Committee held a hearing on this measure on 3/23/10 and recommended the measure be held for further study.**

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.**

RIBGH Position: RIBGH supports the establishment of a mandated benefits review process and a moratorium on any new mandated benefits until such review process is implemented.

Health Hub/Health Insurance Exchange Proposals:

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 measure is being held for further study subsequent to a hearing by the House Corporations Committee on 4/14/10.**

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).

RIBGH Position: RIBGH strongly believes that any effort to reform health insurance purchasing must preserve the fundamental right of employers to design their health plans in a way that meets the needs of their businesses and employees. Therefore, RIBGH does not support the type of health insurance reform envisioned by the Rhode Island Health Reform Act of 2010. However, RIBGH is prepared to initiate and lead a coordinated planning process involving all key stakeholders to address payment reform and to identify the model of a health insurance exchange that addresses state health reform objectives.

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 and 4/27/10 and has continued for a further hearing.**

[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 was heard on 3/23/10 by House Corporations and is being held for further study.**

RIBGH Position: While RIBGH supports a continued focus on the advancement of primary care and the patient-centered medical home model, as well as measures to promote outcomes-based health care practices, further information would need to be made available to address concerns with the proposal to require designation of a primary care physician by all insureds.

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.