



OFFICE OF THE  
HEALTH INSURANCE COMMISSIONER  
STATE OF RHODE ISLAND

HEALTH INSURANCE ADVISORY COUNCIL

# 2020 ANNUAL REPORT

Protecting Consumers • Ensuring Solvency • Engaging Providers • Improving the System



2

Message from  
the Co-Chairs

3 - 4

About HIAC and  
OHIC

5

Protecting  
Consumers

6 - 7

Containing Health  
Care Costs

8

Cost Trend  
Project

9

Small Business  
Insurance Group

10

Improving Access to  
Behavioral Health

11

Rhode Island  
Accolades



# Message from the Co-Chairs

On behalf of the member of the Rhode Island Health Insurance Advisory Council (HIAC) and the staff of the Office of the Health Insurance Commissioner (OHIC), please accept this report as a summary of our joint efforts during 2019. Members agree that the biggest challenge to health care access is cost, and that health care spending must be reduced without sacrificing quality. We need to answer the question: What is affordable? Simultaneously, we acknowledge that discrimination in society impacts health care access and outcomes resulting in a host of disparities and in barriers to care for individuals whose illnesses result from mental health or substance abuse disorders. These issues of cost, access, and equity have dominated our work in 2019 and will continue into 2020.

This report provides an overview of our activities during the past year, along with contact information for any further follow-up. HIAC members meet in monthly public meetings and we welcome your attendance and comments.

Sincerely,

Stephen Boyle & Marie L. Ganim  
HIAC Co-Chairs



# About HIAC

The Health Insurance Advisory Council (HIAC), exists to obtain information and present concerns to the Health Insurance Commissioner from consumers, business, and health care providers affected by health insurance decisions. Each month, members of HIAC meet to review policy proposals, consumer and provider concerns, and various health care programs. HIAC plays a constructive and critical role in the work and priority setting of the Office of the Health Insurance Commissioner (OHIC), bringing forth the consumer, business community, and health care provider voices. HIAC members strive each year to find innovative and sustainable methods to protect consumers, reduce health spending and improve care.

# About OHIC

The Office of the Health Insurance Commissioner (OHIC) is the first state agency in the nation dedicated solely to health insurance oversight. The office was established in 2004 and is responsible for:

- Protecting the interests of consumers;
- Guarding the solvency of health insurers;
- Encouraging policies and developments that improve the quality and efficiency of health care service delivery and outcomes; and
- Viewing the health care system as a comprehensive entity and encourage and direct insurers towards policies that advance the welfare of the public through overall efficiency, improved health care quality, and appropriate access.



# Health Insurance Advisory Council Members, 2019-2020

**Stephen Boyle (Co-Chair)**

President

Greater Cranston Chamber of Commerce

**Shamus Durac**

Staff Attorney

Rhode Island Parent Information Network

**Deb O'Brien**

President & COO

The Providence Center

**Marie Ganim, PhD (Co-Chair)**

Health Insurance Commissioner

State of Rhode Island

**David Feeney, RPh**

Pharmacy Consultant

**Teresa Paiva Weed, Esq.**

President

Hospital Association of RI

**Karl Brother**

Small Business Advocate

**David Katseff**

President & CEO

MasterCast Ltd.

**Laurie-Marie Pisciotta**

Executive Director

Mental Health Association of RI

**Herbert Brennan, DO**

Physician

**Daniel Moynihan**

VP of Contracting and Payer Relations

Lifespan

**Vivian Weisman**

Consumer Advocate

**Al Charbonneau**

Executive Director

Rhode Island Business Group on Health

# Protecting Consumers

Protecting consumers is at the core of all of OHIC's activities. OHIC strives to keep consumers informed, encourage consumer-focused health care innovations, ensure affordable access to health care, and protect consumers by making sure federal and state laws are followed. With our community partner, the Rhode Island Parent Information Network (RIPIN), OHIC maintains a consumer assistance helpline called RIREACH (The Rhode Island Insurance Resource, Education, and Consumer Helpline) to provide support, education and advocacy to Rhode Islanders facing health care barriers.



**RIREACH: 1-855-747-3224**



Any Rhode Islander with any type of health insurance can call RIREACH and speak with trained professionals who can help them navigate the process and get what they need from their coverage.

## RIREACH By The Numbers:

**32,665 Calls  
in 2019**

**3,175 Clients  
Served in 2019**

**95% Client  
Satisfaction in  
2019**

**\$3.1 Million  
Saved 2018-  
2019**

**317 Legislative  
or Government  
Referrals in  
2019**

# Containing Health Care Costs

## Rhode Island Health Insurance Premiums Significantly Reduced for 2020

In September of 2019, health insurance premiums for 2020 were approved by OHIC. Notably, the Rhode Island 2020 rates for individual market plans had an overall average decrease compared to rates last year, due in large part to the implementation of the statewide reinsurance program.

## Annual Rate Review Process

In order to ensure that insurance rates are fair to consumers and that insurance carriers stay financially healthy, OHIC reviews the prices that insurers set and the plans that they create through the annual form and rate review process. This process is a part of the office's efforts to control employer and consumer premium growth in Rhode Island.

- On average, many consumers of individual market insurance should see decreases in premiums from 2019.
- Overall, 2020 premiums will be \$15,566,000 lower than what insurers asked OHIC to approve.
- Since 2012, OHIC has saved Rhode Island consumers over \$273 million through the rate review process.
- In 2020, HealthSource RI had the second lowest cost "benchmark" plan nationwide.
- The average monthly cost of a health insurance plan without financial help went down from \$441.91 in 2019 to \$435.60 in 2020.
- On average, HealthSource RI rates are 5-7% lower due to 2020 initiatives.



## Cost-Saving "Reinsurance" Program Passed

In 2020 many Rhode Islanders on the individual market will be paying less for health insurance than they did in 2019. Individual market plans had an overall average decrease this upcoming year, thanks in large part to the implementation of a statewide reinsurance program.

This reinsurance program originated as a recommendation from a broad-based RI Market Stability Workgroup. The program is designed to pay for some of the most expensive insurance claims, resulting in lower premiums for consumers. Without the reinsurance program, average individual rates would have increased up to 7% higher than 2019 rates.

Governor Raimondo included the reinsurance program in her 2020 budget which was approved by the General Assembly in June. In order to be implemented, Rhode Island needed to submit an innovation waiver to the federal government, which was approved in September.

"Alongside premium savings through OHIC's rate review process, the passage of the reinsurance program in the state budget is critical for families and sole proprietor businesses who receive no financial assistance to pay for their health insurance premiums."

- Marie Ganim, OHIC Commissioner

"It is critical for Rhode Islanders to have access to quality, affordable health insurance options, and this reinsurance program is helping to make that possible." - Governor Gina Raimondo



# Lowering Health Care Spending

## Rhode Island's Cost Trend Project

The Health Care Cost Trends Project is entering into its second phase in 2020. The project is a collaborative partnership between the Office of the Health Insurance Commissioner (OHIC), the Rhode Island Executive Office of Health and Human Services (EOHHS), Brown University's School of Public Health, and the Peterson Center on Healthcare.

In phase one, beginning in September 2018, the Steering Committee established a cost growth target of 3.2% for the state, making Rhode Island the first state in the nation to have a wide array of stakeholders voluntarily commit to working toward a health care spending target. That target was adopted in a Governor's Executive Order in February 2019.

In phase two, project participants will use data to drive innovation and support actionable steps to curb Rhode Island's health care spending. It will also support the implementation of the cost growth target and the measurement of the state's health insurers and large provider organizations' performance relative to the target. A Steering Committee for the project includes the state's major hospital and medical providers, insurers, business community representatives and consumer advocates.

“Phase one of this collaborative project proved that together, using data, we can create innovative solutions to improve the health care system for all Rhode Islanders,” said Governor Raimondo. “Building off the success of phase one, we will continue to take important steps to increase access to quality, affordable health care for all Rhode Islanders while utilizing data to control costs and improve the system.”

Compared with other New England states, RI is consistently one of the lowest spending states, but compared with the rest of the country, RI is one of the higher spending states.

State/Region	Personal health care spending			Average Annual Change		
	2009	2013	2014	2004-9	2010-13	2014
United States	\$6,892	\$7,703	\$8,045	5.2%	2.8%	4.4%
Connecticut	\$8,740	\$9,517	\$9,859	5.8%	2.2%	3.6%
Maine	\$8,359	\$9,133	\$9,531	5.4%	2.2%	4.4%
Massachusetts	\$9,417	\$10,273	\$10,559	6.1%	2.2%	2.8%
New Hampshire	\$8,134	\$9,369	\$9,589	7.6%	3.6%	2.4%
Rhode Island	\$8,393	\$9,160	\$9,551	5.7%	2.2%	4.3%
Vermont	\$8,111	\$9,919	\$10,190	5.9%	5.2%	2.7%



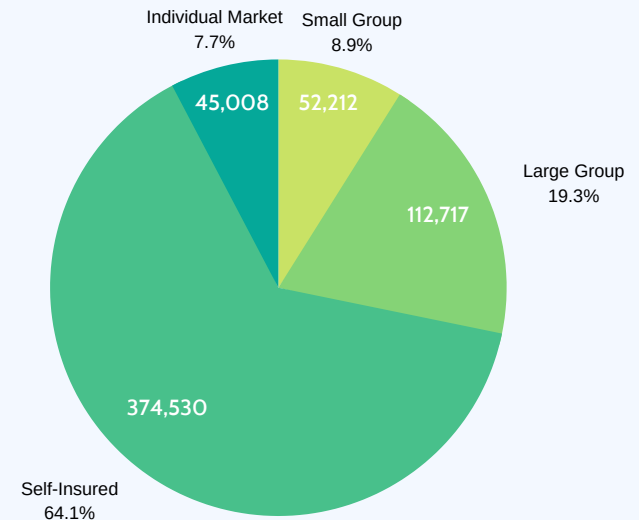
# Small Business Health Insurance Group Meets in 2019 and 2020

Businesses of all sizes are struggling to keep up with the rapidly rising costs of health care coverage. A 2019 Commonwealth Fund survey of small business owners found that health care costs are among the top two largest challenges facing them, and research shows that the pressure on businesses is continuing to rise. Since 2011, the number of lives in the Rhode Island Small Group Market has decreased by 44%.

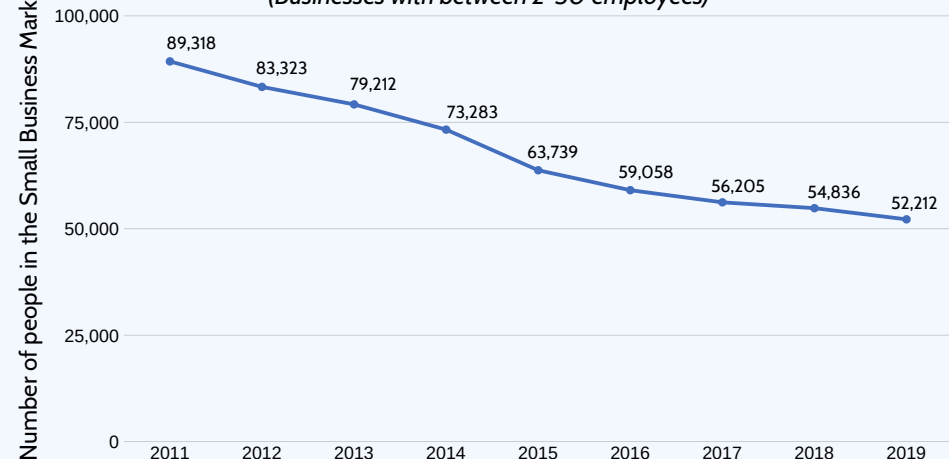
With health care costs continuing to grow, small businesses are looking for affordable insurance options. The Small Business Insurance workgroup has been put together with the focus on the small business market in Rhode Island which includes businesses with between two and fifty employees.

The collaborative workgroup was convened by OHIC, HealthSource RI, and the Rhode Island Public Expenditure Council (RIPEC) with representatives from the business community, insurance brokers, community agencies, health care providers, and insurers.

## RI Private Insurance Market



**The Enrollment Decline of the Rhode Island Small Group Market**  
(Businesses with between 2-50 employees)



## SBIG Guiding Principles

1. Maintain market options that are attractive to small group market participants (businesses, carriers and employees);
2. Keep costs stable and affordable by addressing cost drivers and balanced risk pools;
3. Maximize the value of insurance coverage for all small businesses.

# OHIC is Focused on Improving Access to Behavioral Health

Over the years, multiple reports have documented significant behavioral health needs and costs in Rhode Island. A comprehensive assessment of behavioral health risk factors and disease prevalence conducted by Truven Health Analytics in 2015 found that Rhode Island had a higher prevalence of behavioral health disorders and higher utilization of services for mental health and substance use treatment when compared to the other New England states.

There is a need for significant action to address what has been a decade of increasing mortality and morbidity from behavioral health disorders. Some highlights of OHIC's focus on improving access to behavioral health care include:

## Facilitating Behavioral Health Integration

Late in 2019, OHIC proposed modifications to its Affordability Standard regulations to advance policies that address the behavioral health needs of the public and facilitate greater integration of physical and behavioral healthcare delivery. The proposed amendments include a set of policies to support behavioral health integration into primary care by removing administrative barriers to integration and improving patient access to behavioral health services.

## Ensuring Behavioral Health Parity

Federal and state laws require that a health insurance plan must provide coverage for the treatment of mental health and substance-use disorders under the same terms and conditions as that coverage is provided for other illnesses and diseases. Oversight of insurer compliance with these laws has taken many forms, beginning with OHIC's review of insurer benefit designs, coverage expectations, and authorization of practices. OHIC deepens its understanding of behavioral health parity compliance through audits called market conduct examinations. Detailed examinations are underway to measure the level of compliance, including a review of provider network adequacy. Adequate and affordable access to behavioral health care is essential to address this critical area of need.

# Rhode Island Named the Most Improved State by the Commonwealth Fund Report

## Commonwealth Fund RI Ranking Highlights

	2019 Ranking	Change from Baseline*
Overall Ranking	7	+9
Access and Affordability	3	+10
Prevention and Treatment	5	+15
Healthy Lives	11	+14
Disparity	13	+7

\*The baseline year varied depending on each measure - it ranged from 2011 - 2016.

Every year the Commonwealth Fund assesses and ranks each state on 47 measures of health care access, quality, efficiency, health outcomes, and disparities. This year, Rhode Island was ranked as the number one most improved state in the country.

Overall, since last year, Rhode Island has improved nine ranks over other states – making Rhode Island the seventh highest ranking state in the country. The report indicated that in the past year Rhode Island has improved on access and affordability, prevention and treatment, disparity, healthy lives, and uninsured adults.

## Rhode Island's National Model in Primary Care Innovation

OHIC Commissioner Marie Ganim was invited to Boston to present on Rhode Island's successful experience in investing in primary care at the Annual Health Care Cost Trends Hearing by the Massachusetts Health Policy Commission. Joined by Chris Koller, President of the Milbank Memorial Fund and former Commissioner of OHIC, the two presented on Rhode Island's experience in primary care investment and creating policies that strengthen primary care in our state.

In 2010, OHIC enacted the Affordability Standards. A key aspect of those regulations was a requirement for commercial insurers to increase their spending on primary care, without raising premiums. Insurers were required to increase the percentage of their overall medical spending dedicated to primary care by 1 percentage point per year for five years, resulting in an increase from 5.7 to 10.7 percent in 2015. Currently, that percentage is at 12.5%.

Going forward, OHIC plans to continue to support primary care through amendments to the Affordability Standards. Next steps include decreasing the administrative burden to help make the integration of behavioral health into primary care easier, encouraging the adoption of alternative payment models that move away from fee-for-service care.



*Chris Koller, president of the Milbank Memorial Fund (left), Marie Ganim, OHIC Commissioner (right)*

# OHIC Staff

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Health Insurance Commissioner

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Victor Woods  
Health Economics  
Specialist

## OHIC's Fiscal Year 2021 Goals

- Goal One:** Advance delivery system and payment reform and promote the development of a continuum of care for behavioral health.
- Goal Two:** Address cost drivers by institutionalizing the cost trend target work, including translating analytics into policies that positively impact consumers, providers, and the system as a whole.
- Goal Three:** Increase consumer protection in the commercial market by improving and strengthening oversight.
- Goal Four:** Ensure that health insurers and review agents comply with RI and US law by establishing and executing on regular and targeted reviews.
- Goal Five:** Protect coverage gains in Rhode Island by balancing affordability with insurer solvency in the rate review process and support individual market initiatives and protecting small groups.
- Goal Six:** Guard the solvency of insurers.

# Stay Connected With OHIC

If you want to stay up to date on Rhode Island health care and health insurance news, follow us on Twitter and sign up for our mailing list so that you will receive OHIC newsletters and notices for our monthly Health Insurance Advisory Council meetings. To sign up for our mailing list, email Cory King ([cory.king@ohic.ri.gov](mailto:cory.king@ohic.ri.gov)).

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## OHIC In The News

PROVIDENCE BUSINESS NEWS  
**PBN**

"If you want to see an example of how regulation can help both individuals and businesses, take a look at the work of the Office of the Health Insurance Commissioner... It is not an easy mandate, but the office walks the tight-rope every year, and at the same time pushing the health insurance industry to innovate and reduce costs." – **PBN Editorial, September 2019**

**HealthAffairs**

TOPICS

JOURNAL

BLOG

By Aaron Baum, Zirui Song, Bruce E. Landon, Russell S. Phillips, Asaf Bitton, and Sanjay Basu

"State regulators in Rhode Island achieved among the largest total health care spending changes observed from payment reforms to date." – **Health Affairs, February 2019 – 2019 study by Harvard Medical School and Stanford University**