



## AFFORDABILITY STANDARDS

OHIC is committed to making Rhode Island's health care system more affordable and easier to use. That is why in 2010 our office established a comprehensive set of Affordability Standards that were designed to support primary care, transform health care delivery, and change the way we pay for care. The Affordability Standards encourage insurance companies and hospitals to reduce costs by creating more efficient systems, not by lowering the quality of care or reducing coverage. This month we are highlighting the goals, impact, and future plans for these standards.

“The work done to date has brought together a diverse group of people who despite competing interests are joining to keep healthcare affordable and accessible. We are committed to making progress in ways that no single party could do alone.”

Peter Hollman MD,  
Chief Medical Officer,  
Brown Medicine

The first major goal of the Affordability Standards is to improve primary care within Rhode Island by requiring insurers to invest more in primary care providers and services and encouraging primary care practices to transform into Patient-Centered Medical Homes (PCMH). Because of these regulations, primary care investments have transformed the way primary care delivery is structured: The PCMH has become a chassis for population-based care and behavioral health care integration. Moreover, Rhode Islanders now have access to some of the best primary care in the nation.

The second major goal of the Affordability Standards is to reduce costs through the adoption of payment reform strategies. The four key areas of focus in payment reform include:

- ▶ Promoting population-based contracting
- ▶ Adoption of alternative payment methodologies
- ▶ Improved hospital contracting practices
- ▶ Controlling cost increases associated with population-based contracts entered into by Integrated Systems of Care

“The Affordability Standards sparked hundreds of millions of dollars in new investment into primary care, making Rhode Island a national leader. This makes our healthcare system stronger and our neighbors healthier.”

Sam Salganik,  
Executive Director,  
Rhode Island Parent  
Information Network

"Affordability is the single most important factor that impacts a person's access to quality, comprehensive healthcare. Even with insurance coverage, if a person's out-of-pocket costs are too high, they don't get the care they need when they need it. OHIC's work to shift where insurers are spending - to promote primary care vs. hospital care -- help keep our premium costs down, making healthcare more affordable and accessible for every Rhode Islander."

Karen Malcom, Program Coordinator, Protect Our Healthcare Coalition

In 2019, OHIC proposed modifications to the Affordability Standards to further advance policies that address the behavioral health needs of the public and facilitate greater integration of physical and behavioral health care delivery. The amendments included 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. These changes were promulgated in 2020 and went into effect in 2021. OHIC understands that integrated behavioral health care improves the quality of care, patient satisfaction, and overall costs of Rhode Island's health care system. We are committed to removing the administrative barriers that patients and integrated primary care practices experience.

[A 2019 study](#) conducted by Harvard Medical School and Stanford University evaluating the impact of the Affordability Standards implementation stated: "State regulators in Rhode Island achieved among the largest total health care spending changes observed from payment reforms to date." That same study found that relative to quarterly fee-for-service (FFS) spending among a control group, quarterly FFS spending among the Rhode Island group decreased by \$76 per enrollee after implementation of these regulations or a decline of 8.1 percent from 2009 spending.

"OHIC's Recipe for Affordability Standards from the start: evidence on what works + affordability council guidance + transparency of payer practices + continuous assessment and improvement"

Christopher F. Koller, President, Milbank Memorial Fund

## Next Generation Affordability Standards

OHIC is now exploring the development of next generation Affordability Standards to ensure that individuals, employees, and employers will see further improvements in the affordability of health insurance over time. The next generation of Affordability Standards will represent an effort an effort to broaden insurer accountability for improving affordability by addressing three substantive areas:

- ▶ Necessary investment in behavioral health services to ensure a well-functioning continuum of care for Rhode Islanders with behavioral health needs.
- ▶ Accountability for investment in initiatives to improve population health and address social determinants of health.
- ▶ Further initiatives to address total cost of care.