

HEALTH INSURANCE ADVISORY COUNCIL

# 2021 ANNUAL REPORT

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







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# Message from the Co-Chairs

The following report highlights the collaborative efforts between the members of the Health Insurance Advisory Council (HIAC) and the staff of the State of Rhode Island Office of the Health Insurance Commissioner (OHIC) throughout 2021. As Rhode Islanders continue to be affected by the health and economic hardships brought on by coronavirus disease 2019 (COVID-19), OHIC and HIAC have remained committed to ensuring affordable access to care while also prioritizing easy access COVID-19 testing, treatment, and vaccinations.

Rhode Island has made significant strides in health care affordability and the state's innovative health care policies have become a model for many other states but the fact remains that health care is still not affordable for many Rhode Island families. OHIC, in partnership with the advice and insights of HIAC, is focused on making Rhode Island's health care system more affordable, accessible, and equitable for consumers. Through our policy reform and regulatory enforcement efforts, OHIC and HIAC aim to eliminate barriers to care, strengthen parity between behavioral and physical health care, and address the underlying cost drivers of health care.

Within this report you will find the six key priorities that drive the office's work as it strives to transform the health care delivery system in Rhode Island as well as highlights from 2021 efforts. HIAC members meet in regular public meetings and HIAC strongly encourages public attendance and public comment throughout the year.

Sincerely,

Stephen Boyle & Patrick M. Tighe  
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 commercial health insurance decisions. Each month, members of HIAC meet to review policy reform proposals, regulatory enforcement activities, and any other issues of concern for consumers, business, and providers related to commercial health insurance.

HIAC plays a constructive and important role in the work of the State of Rhode Island Office of the Health Insurance Commissioner (OHIC), as it brings forth the consumer, business, and provider voices. HIAC members strive each year to find innovative and sustainable approaches to advise and support OHIC as it pursues the public interest objectives that guide the office's work—access, affordability, and quality.

## Representing Rhode Island

In an effort to better represent Rhode Island communities with more diverse voices from across the state, the Health Insurance Advisory Council sought out new advisory council members in 2021. Creating an equitable health care system in the state can only be achieved when all Rhode Islanders, from every background, have a voice at the table to influence changes in policy and regulations. OHIC and HIAC are committed to efforts to ensure that the health care system functions in a manner that is just, regardless of one's race, ethnicity, disability, gender identity, sexual orientation, socioeconomic status, geography or any other social barrier/factor.







# Health Insurance Advisory Council Members, 2021-2022

## Stephen Boyle (Co-Chair)

President

Providence/Cranston Workforce Solutions

## Amy Nunn

Executive Director

RI Public Health Institute

## Sandra Victorino

Director of Workforce Development, Diversity,  
Inclusion, and Community Relations

Care New England

## Patrick M. Tigue (Co-Chair)

Health Insurance Commissioner

State of Rhode Island

## Eugenio Fernandez

Founder, Pharmacist

Asthenis Pharmacy

## Lawrence Wilson

Managing Director

The Wilson Organization

## Teresa Paiva Weed, Esq.

President

Hospital Association of RI

## Catherine Cummings

Immediate Past President

Rhode Island Medical Society

## Laurie-Marie Pisciotta

Executive Director

Mental Health Association of RI

## Herbert Brennan, DO

Physician

## David Feeney, RPh

Pharmacy Consultant

## Shamus Durac

Staff Attorney

RI Parent Information Network

## Al Charbonneau

Executive Director

Rhode Island Business Group on Health

## Daniel Moynihan

VP of Contracting and Payer Relations

Lifespan

## David Katseff

President and CEO

MasterCast

## Cori Chandler

Rhode Island Government Relations Director

American Cancer Society Cancer Action Network

## Mark Jacobs

Retired Primary Care Physician



# About OHIC

Created in 2004, OHIC is the state's commercial health insurance policy reform and regulatory enforcement agency.

## MISSION

OHIC seeks to improve health access, affordability, and quality. The office does so as it:

- (1) protects the interests of consumers of commercial health insurance,
- (2) encourages fair treatment of health care providers by commercial health insurers,
- (3) improves the health care system as a whole, and
- (4) guards the solvency of commercial health insurers.

## VISION

OHIC envisions a world where its efforts as a commercial health insurance policy reform and regulatory enforcement agency transform the Rhode Island health care system into one that is accessible, affordable, and high-quality as it improves health outcomes for all Rhode Islanders.







# OHIC's Core Priorities

- I. Continuing to ensure that Rhode Islanders receive adequate coverage for COVID-19 testing, treatment, and care.
- II. Leveraging the regulatory structure within OHIC to accelerate delivery system reform.
- III. Continued implementation of the Affordability Standards.
- IV. Continuing to increase behavioral health care access and ensure parity between behavioral and physical health care services.
- V. Advancing the statewide expansion of telehealth services.
- VI. Continuing on the success of the Rhode Island Health Care Cost Trends Project.



# I. Continuing to ensure that Rhode Islanders receive adequate coverage for COVID-19 testing, treatment, and vaccinations

The COVID-19 public health emergency (PHE) is the most critical issue facing Rhode Islanders today and OHIC will continue to prioritize efforts to support access to adequate coverage for COVID-19 testing, treatment, and vaccination. In addition to creating and supporting policies that maintain safe access to health care and lowering premium increases, OHIC is dedicated to improving the health care system in Rhode Island to meet the needs of those who have been affected by the economic and social stresses caused by COVID-19.

Ensuring that primary care and behavioral health care services can continue in the state is OHIC's key priority during this public health crisis. At the start of the pandemic, OHIC issued subregulatory guidance ensuring that all services that are typically covered under a health insurance plan that are deemed clinically appropriate and medically necessary must be covered.

Today, COVID-19 vaccinations continue to be provided by commercial health insurers with no cost-sharing in conformance with federal and state requirements and OHIC is conducting regular oversight related to this. The office is also working to ensure that Rhode Islanders have access to no-cost over-the-counter (OTC) COVID-19 tests. OHIC issued a bulletin to insurers providing guidance on the new federal regulations regarding coverage of OTC COVID-19 tests earlier this year. Beginning on January 15, 2022, OTC COVID-19 tests purchased by all commercial health insurance members shall be covered by insurers without imposing any cost sharing requirements or prior authorization for consumers.



In response to the spread of COVID-19, OHIC and the State of Rhode Island Executive Office of Health and Human Services issued instructions to insurers requiring a new set of emergency coverage policies designed to guarantee access, affordability, and continuity of care for all Rhode Islanders while also reducing the spread of the virus. These instructions:

- ✓ Guaranteed COVID-19 testing and vaccinations without cost-sharing
- ✓ Expanded access to telemedicine services

- ✓ Increased access to COVID-19 treatment without cost-sharing
- ✓ Ensured early refills for necessary prescriptions and medical supplies

For the most up-to-date information about COVID-19 in Rhode Island, and to find resources about testing, treatment, and vaccines, go to the State of Rhode Island Department of Health website: <https://covid.ri.gov/>





## II. Leveraging the regulatory structure within OHIC to accelerate delivery system reform

The office is focused on improving the health care delivery system in the state to improve affordability, quality, and health equity for all Rhode Islanders. OHIC is supporting delivery system reform by encouraging provider payment models that improve value, fostering primary care transformation, and advising on the impact of hospital consolidation. The goal is to leverage the regulatory structure within OHIC to accelerate the transition to a reformed delivery system where provider organizations are incentivized to deliver accessible, affordable, and high-quality care that produces improved health outcomes.

### ► Advising on the Implications of a Care New England and Lifespan Proposed Merger

In 2021, OHIC released a working paper that reviewed the relevant policy considerations raised by the proposed merger between Care New England and Lifespan entitled, [\*The Care New England and Lifespan Proposed Merger: Policy Considerations Related to the State of Rhode Island Office of the Health Insurance Commissioner's Statutory Purpose and The Care New England\*](#) and followed up in 2022 with a second working paper that iterated on and refined three critical payment model structures for the merged entity that would be formed if the proposed merger is approved entitled, [\*The Care New England and Lifespan Proposed Merger: Payment Model Characteristics Necessary to Maximize Affordability and Quality Related to the State of Rhode Island Office of the Health Insurance Commissioner's Statutory Purpose\*](#). Both papers make clear that it is OHIC's position that the risks to the public interest objectives that guide OHIC's work—access, affordability, and quality—are significant and should command careful attention by regulators and the public. This is because the available evidence clearly suggests that hospital consolidation leads to higher prices and that the evidence on the impact of hospital consolidation on the quality of care is mixed.

### ► Advanced Access to Doula Services in the Commercial Health Insurance Market

As part of the office's ongoing efforts to accelerate delivery system reform, OHIC advanced access to doula services in the commercial health insurance market in 2021. Improving access to doula services is an important strategy to improve health equity in Rhode Island. OHIC provided technical assistance to stakeholders in support of legislation requiring commercial health insurance coverage to include access to doula services in order to improve perinatal and postpartum outcomes. The office created a quick health insurance coverage guide to help consumers understand whether or not doula benefits are covered by their health insurer, view that guide by [clicking here](#).



# III. Continued implementation of the Affordability Standards

## Designed to increase affordability, quality, and transform health care delivery in the state

OHIC is committed to increasing the quality, affordability, and equity of Rhode Island's health care system. That is why in 2010 the office designed and implemented a set of innovative cost containment regulations known as the Affordability Standards. These regulations were created to support primary care, transform health care delivery in Rhode Island, and change the way care is paid in the state.

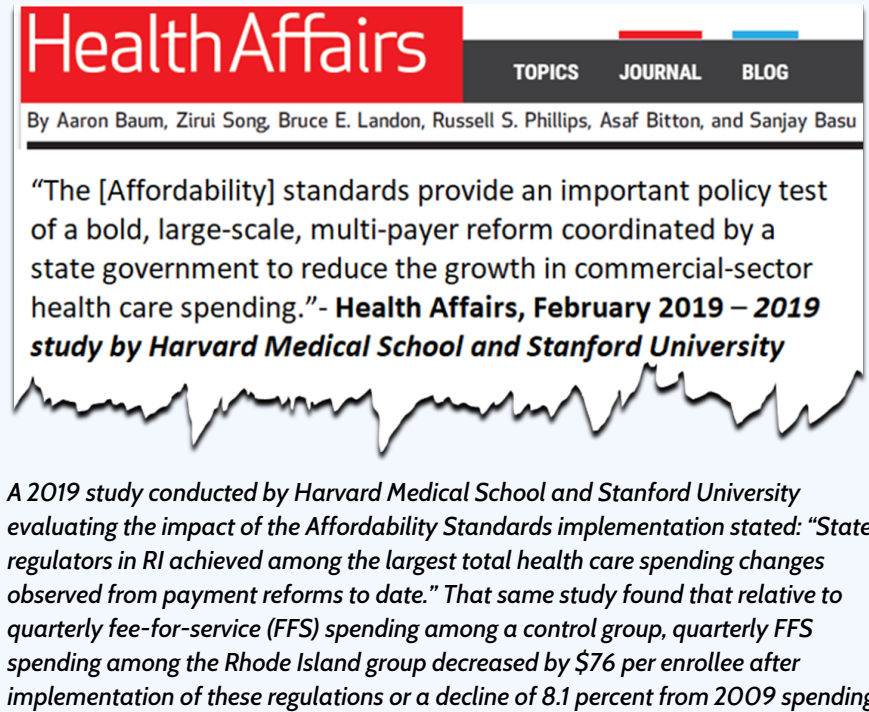
The Affordability Standards encourage insurance companies and hospitals to reduce costs by creating more efficient systems, not by lowering the quality of care or reducing coverage. The first major goal of the Affordability Standards is to improve primary care within Rhode Island by requiring insurers 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. The second major goal of the Affordability Standards is to reduce costs through the adoption of payment reform strategies.

## The next generation of 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 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.

“The Affordability Standards sparked hundreds of millions of dollars in new investment into primary care, making RI a national leader. This makes our healthcare system stronger and our neighbors healthier.” – **Sam Salganik, Executive Director, Rhode Island Parent Information Network**

A screenshot of a Health Affairs article snippet. The top part shows the 'Health Affairs' logo in white on a red background. To the right of the logo are three tabs: 'TOPICS', 'JOURNAL', and 'BLOG', with 'JOURNAL' being the active tab. Below the logo, the authors are listed: 'By Aaron Baum, Zirui Song, Bruce E. Landon, Russell S. Phillips, Asaf Bitton, and Sanjay Basu'. The main text of the snippet reads: "The [Affordability] standards provide an important policy test of a bold, large-scale, multi-payer reform coordinated by a state government to reduce the growth in commercial-sector health care spending." - Health Affairs, February 2019 – 2019 study by Harvard Medical School and Stanford University. Below the text is a decorative line that looks like a jagged, hand-drawn black line. At the bottom of the snippet, there is a paragraph of text: A 2019 study conducted by Harvard Medical School and Stanford University evaluating the impact of the Affordability Standards implementation stated: "State regulators in RI 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.



# IV. Continuing to increase behavioral health (BH) care access and ensure parity between BH and physical health care services

Ensuring access to physical and behavioral health care is a core tenet of OHIC's work. The office's statutory authority allows it to collaborate with other state agencies to seek delivery system changes that improve behavioral health and substance use disorder treatment, and also give it the authority to direct the state's insurers towards innovative policies and practices that further integrate physical and behavioral health care delivery. An essential process in improving parity and access to behavioral health care services in the state is OHIC's annual in-depth review of health insurance benefit coverage documents. This annual review helps ensure that all insurers provide coverage for treatment of behavioral health services under the same terms and conditions as other illnesses and diseases.



OHIC has completed market conduct exams of all four major commercial health insurers operating in Rhode Island to ensure that behavioral health care is covered at parity with physical health care—consistent with federal and state law.

OHIC's concentrated oversight and enforcement of federal and state parity laws are part of the state's multipronged approach to ensuring access to mental health and substance use disorder services in Rhode Island. Market conduct exams carried out by OHIC measure compliance with laws and regulations relating to the coverage of mental health and substance use disorder services and play a critical role in eliminating the disparities between physical and behavioral health care. In addition to fixing the non-compliant procedures, in lieu of penalties, each insurer donated to a behavioral health fund created by OHIC at the Rhode Island Foundation. The funding has been distributed through a competitive grant process to provide critical resources for nonprofit organizations across the state working to meet the behavioral health and substance use disorder needs of Rhode Islanders.

## COVID-19 Behavioral Health Fund

OHIC established a COVID-19 Behavioral Health Fund at the Rhode Island Foundation with more than \$5 million designated to fund nonprofits working to help Rhode Islanders cope with behavioral health challenges brought on and exasperated by the pandemic. This funding was made available by the state's four major insurers, as a result of behavioral health coverage compliance reviews conducted by OHIC. View the list of nonprofits being supported by OHIC by [clicking here](#).

## Rhode Island State Flexibility to Stabilize Market Grant Program, Cycle II

In 2021, OHIC applied for the *State Flexibility to Stabilize the Market Cycle II Grant* to support work in three market reform areas: (1) Guaranteed Availability of Coverage, (2) Guaranteed Renewability of Coverage, and Non-discrimination under Comprehensive Health Insurance Coverage (Essential Health Benefits). The office was granted \$666,829.64 over the course of two years to accomplish three goals: Our first goal was to create a consumer-centered interactive website that is user friendly, educational, and accessible to diverse populations. The second goal was to enhance the office's data portal for reporting of utilization review claims, denials, modifications, appeals, and complaints by specified medical and behavioral health service categories. The final goal centered around performing a legal, regulatory, and enforcement review and analysis to ensure health insurers' compliance with behavioral health coverage obligations and to improve access to behavioral health services.



# V. Advancing the statewide expansion of telehealth services



*OHIC successfully supported the enactment of amendments to the Telemedicine Coverage Act that went into effect on July 6, 2021 that are reflective of the below elements. The office will continue to make recommendations for additional telemedicine reforms as appropriate.*

Since the start of the pandemic, OHIC's has prioritized ensuring the health and safety of Rhode Islanders. The office took immediate actions to ensure testing, treatment, and vaccines were available to all with no out-of-pocket costs from commercial insurers. Throughout the COVID-19 state of emergency, OHIC took actions to make telemedicine widely accessible, including suspending certain state telemedicine restrictions previously in place. In 2021, OHIC successfully supported the enactment of amendments to the Telemedicine Coverage Act.

Rhode Island's insurers and providers must be congratulated and thanked for their rapid adaptation of policies and procedures to expedite the use of telemedicine services during the COVID-19 PHE. Throughout the nation, telemedicine has become a critically important tool in the effort to slow the spread of COVID-19 and to increase access to needed health care services. Data has shown that certain populations and neighborhoods have been hit particularly hard by COVID-19. Addressing health inequity is critical, and recent Medicare data shows equal access to care being delivered via telemedicine. are also compelling reports that individuals facing behavioral health concerns—as well as children who lost in person special services as a result of the pandemic—are dependent on this expanded telemedicine as a lifeline to the assistance they need to be well and to progress, in the safety of their homes.

## On an ongoing basis, OHIC believes that the following elements should be foundational to telehealth policy:

- ▶ Audio-only telemedicine should be covered on a permanent basis.
- ▶ No restrictions on patient location for telemedicine should be in place.
- ▶ Telemedicine for behavioral health services and primary care services should be paid at the same rate as in-person visits regardless of modality.
- ▶ Cost-sharing for telemedicine visits should not exceed cost-sharing for in-person visits.
- ▶ Prior authorization requirements for telemedicine should be no more stringent than prior authorization requirements for in-person care.
- ▶ No restrictions on which provider types can provide telemedicine services within their scope of practice should be in place.



# VI. Continuing the success of the Rhode Island Health Care Cost Trends Project

Governor Dan McKee is proposing the creation of a Health Spending Accountability and Transparency Program intended to significantly strengthen accountability for health care cost growth by health insurers and large health care providers. This program will continue the important work of the Rhode Island Cost Trends Project, an initiative that began in 2018 to identify cost and utilization drivers, develop an annual health care cost growth target, and inform system performance improvements. In phase one, project participants 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.

“Rhode Island has made significant progress in containing health care costs in recent years, but despite these efforts the cost of health care is still a burden to many Rhode Island working families,” *Health Insurance Commissioner Patrick M. Tigue said*. “This program provides our state with a critical opportunity to find and address the key health care cost growth drivers and translate those findings into innovative solutions to lower health care costs for consumers.

The Health Spending Accountability and Transparency Program, funded by \$500,000 of State Fiscal Recovery Fund dollars and led by OHIC in partnership with health care stakeholders, local businesses, and community advocates, has three key goals that are designed to curb health care spending growth:

- ▶ **Goal 1:** Understand and create transparency around what drives cost growth.
- ▶ **Goal 2:** Create shared accountability for cost growth among insurers, providers, and government by measuring performance against a cost growth.
- ▶ **Goal 3:** Lessen the negative impact of rising health care costs on Rhode Island residents, businesses, and government.

## Price is the Primary Driver of Pharmaceutical Spending

The Rhode Island Cost Trends Project produced a series of Pharmacy Spotlights to focus attention on pharmacy spending in Rhode Island. These spotlights describe the actions the Steering Committee is taking to address pharmacy spending growth. The first spotlight published in December 2020 showed the degree to which pharmacy price increases have been driving total health care spending in the state. The second spotlight further demonstrates that price is the primary driver of growth in pharmaceutical spending. In response, the Rhode Island Health Care Cost Trends Steering Committee is recommending that legislative action be taken to address pharmaceutical price increases by imposing a financial penalty on manufacturers that increase their drug prices unreasonably.

“The Health Spending Accountability and Transparency Program is essential for finding innovative and effective solutions to making health care affordable for all Rhode Islanders. The Health Spending Accountability and Transparency Program is consistent with my Rhode Island 2030 priorities to support small businesses through more affordable premiums and less burdensome out-of-pocket health care costs for their employees and promoting conditions supportive of investments in public health and wellness.” - *Governor Dan McKee*



# Protecting Consumers and Increasing Health Care Affordability

## Commissioner Tigie Rejects Charges for Profits and Contributions to Reserves for Insurers

During the 2021 health insurance rate review process, Health Insurance Commissioner Patrick M. Tigie rejected all charges for profit and contributions to reserves in the 2022 rates that were filed with OHIC for review, citing the continued impact COVID-19 has had on the health and financial wellbeing of Rhode Islanders. In addition, several insurers were required to modify the actuarial assumptions set forth in their filings that produce additional savings for consumers. As a result of these changes, Rhode Islanders will save \$41,680,000 in 2022 compared to what the commercial health insurers requested.

After approving significantly modified health insurance premiums, OHIC saved Rhode Islanders:



# \$41,680,000

Since 2012, OHIC has saved Rhode Island consumers over **\$327,000,000** through the rate review process.

"As Rhode Islanders confront significant threats to their health and financial well-being due to the spread of COVID-19, my responsibility is to limit the burden of the cost of health insurance within the standards for review and approval set forth by law." - *Health Insurance Commissioner Patrick Tigie*



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

From 2018 - 2021, RIPIN saved Rhode Islanders



# \$4.9 million

## RIPIN consumer helpline continues to solve health insurance issues and decrease health care costs for 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 OHIC's 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.

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.





# Stay Connected With OHIC

If you want to stay up to date on Rhode Island health insurance news, follow us on Twitter and sign up for the office’s mailing list so that you will receive OHIC newsletters and notices for our monthly HIAC meetings. To sign up for OHIC’s mailing list, e-mail Cory King ([cory.king@ohic.ri.gov](mailto:cory.king@ohic.ri.gov)).



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