



For Immediate Release

Rhode Island Makes Significant Advances Toward Health Care Affordability and Transparency

Cranston, RI (April 22, 2022) – The State of Rhode Island Office of the Health Insurance Commissioner (OHIC), in collaboration with health care leaders from across the state, announced today the signing of a compact to accelerate the adoption of advanced value-based payment (VBP) models in Rhode Island and made available 2020 performance data against the state’s health care cost growth target. These efforts, led by the Rhode Island Health Care Cost Trends Steering Committee (Steering Committee), comprised of health care stakeholders, local businesses, and community advocates, represent critical strides toward reducing the rate of health care spending growth through transforming the way health care is paid for and pinpointing the key drivers of health care cost growth in the state. To further inform the public about Rhode Island’s health care cost containment strategies and promote transparency, the Steering Committee is hosting a public forum on April 27, 2022 at 9:00 A.M. at the Crowne Plaza Providence-Warwick in Warwick, Rhode Island.

Today, Rhode Island continues to be at the forefront of health care innovation as the state collaborates with health care stakeholders to advance payment reform and foster a sustainable foundation for health care cost containment. Members of the Steering Committee agree: a major barrier to slowing the growth of health care costs in the state is the long-standing fee-for-service (FFS) payment model that creates a financial reward for increasing the volume of health care services without consideration of quality. Shifting payment away from FFS to a prospective budget-based model can support improved affordability, quality of care, and flexibility for providers to care for patients in the right way at the right time.

“Rhode Island’s commitment to health care innovation and cost containment has served as a model for many states in recent years but the rising cost of health care remains unsustainable,” Health Insurance Commissioner Patrick M. Tigue said, who also co-chairs the Steering Committee. He continued, “This advanced VBP compact puts Rhode Island on a clear path toward a payment system that will improve affordability while supporting the reorientation of care delivery to better meet population needs and improve access, equity, patient experience, and quality.”

Members of the Steering Committee voluntarily signed on to the advanced VBP compact that aims to accelerate Rhode Island’s transition to an advanced VBP payment model with quality-linked financial implications for all provider types, wherever feasible. To read the full Compact to Accelerate Advanced Value-Based Payment Model Adoption in Rhode Island, please click [here](#).

“Given the two plus years of the pandemic and the enormous challenges it has created for our health care workforce, this coalition of payers, providers, regulators, employers, and community advocates has maintained remarkable focus on the long-term goal of advancing payment reform. Payment reform is designed to control health care costs, make payments more equitable and most importantly to improve

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the quality of care provided to patients, said G. Alan Kurose MD, President of Coastal Medical and Senior Vice President for Primary Care and Population Health for Lifespan. “Rhode Island is well served by the shared commitment of this group of leaders.”

“We’re fully committed to moving from a system of sick care to well care,” said Michele Lederberg, Executive Vice President, Chief Legal Officer, and Chief Administrative Officer, Blue Cross & Blue Shield of Rhode Island, who also co-chairs the Steering Committee. She continued, “Value-based payments will accelerate this change, take costs out of the system, and most important, will transform the patient experience, resulting in better health outcomes for all Rhode Islanders.”

Additionally, the Steering Committee has continued to measure trends in Rhode Island health care costs for three years and announced today that, after increasing 4.4% and 4.1% in 2018 and 2019, respectively, total health care expenditures per capita decreased 2.9% in 2020, due to effects of the coronavirus disease 2019 public health emergency. The category of health care spending that materially increased despite the per capita decrease in total health spending was retail pharmacy spending.

Health care cost growth remains a key issue with national forecasts pointing to continued growth in total health care expenditures over the next few years. To view the full presentation on 2020 cost growth target performance, please click [here](#).

Finally, the Steering Committee is hosting a forum on April 27, 2022 at 9:00 A.M. at the Crowne Plaza Providence-Warwick in Warwick, Rhode Island to enhance transparency through further discussion of the advanced VBP compact, 2020 performance against the state’s health care cost growth target, and consumer and employer perspectives on affordability and the importance of controlling cost trends.

Governor Dan McKee will provide opening remarks, which will be followed by three panel discussions. To view the full agenda for the forum, please click [here](#).

“Reducing the cost of health care for Rhode Island families and small businesses is more important now than ever before,” said Governor McKee. He continued, “My state fiscal year 2023 budget proposal includes a health spending accountability program that does just that by building on the innovative and vital work of the Rhode Island Health Care Cost Trends Steering Committee.”

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