



Bulletin 2022-2

Issued August 1, 2022

Effective September 5, 2022

Health Spending Accountability and Transparency Program

Introduction

The State of Rhode Island Office of the Health Insurance Commissioner (OHIC) issues this bulletin to inform health insurers, health care providers, and the public at large of the basic information concerning OHIC's Health Spending Accountability and Transparency Program. This program is consistent with OHIC's mission to improve health care access, affordability, and quality.

Health Spending Accountability and Transparency Program Overview

The program came into being as of July 1, 2022. It has three key goals that are designed to curb health care spending growth:

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

The program seeks to achieve these goals by collecting and analyzing health care spending data and utilizing that data to create meaningful actions to slow spending growth. These actions include publication of insurer and provider performance on cost growth relative to a predetermined health care cost growth target. Additionally, annual public meetings will be held on performance relative to the target and actions that are developed in collaboration with health care entities to slow spending growth while improving health care access and quality.

This program builds on the important work of the Rhode Island Health Care Cost Trends Steering Committee (Steering Committee) which developed and, on December 19, 2018, executed the [Compact to Reduce Growth in Health Care Costs and State Health Care Spending in Rhode Island](#). It represented and continues to represent a voluntary commitment by health care stakeholders to take all reasonable and necessary steps to annually keep cost growth below the target at the organizational level and state level while maintaining (or improving) quality and access. More recently, the [Compact to Accelerate Advanced Value-Based Payment Model Adoption in Rhode Island](#) was also developed and, on April 13, 2022, signed in order to issue a set of recommendations for accelerating the adoption of advanced value-based

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payment models in Rhode Island in order to help to reduce the growth rate of health care spending and support attainment of the state’s target.

OHIC has created and implemented this program pursuant to the following statues and executive order:

1. [State of Rhode Island General Laws § 42-14.5-2](#) provides that the health insurance commissioner shall discharge the powers and duties of office to, among other directives, “view 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.” The program furthers the efficiency of the health care system as a whole by creating accountability for cost growth by insurers, as well as government and providers. This accountability shall be effectuated through the collection and analysis of total medical expense data submitted by insurers that will be leveraged to motivate the actions of private health care entities to manage health care spending and provide actionable information to inform executive branch and legislative branch policymaking aimed at addressing the causes of excessive spending growth.
2. [Executive Order 19-03: Establishing a Target for Health Care Spending Growth in Rhode Island](#) recognized the target memorialized in the [Compact to Reduce Growth in Health Care Costs and State Health Care Spending in Rhode Island](#) and directed OHIC to “report annually . . . on performance relative to the target” and “engage relevant parties . . . to develop strategies to help meet the target direct that are data-based and practicable.” This executive order also called upon OHIC to otherwise support the Steering Committee’s recommendations.
3. [2022-H 7123 Substitute A as Amended: An Act Making Appropriations for the Support of the State for the Fiscal Year Ending June 30, 2023](#) appropriated \$0.5 million to OHIC for a Health Spending Accountability and Transparency Program that was described as follows in Governor McKee’s [State Fiscal Year 2023 Budget Proposal: Executive Summary](#), “To curb health care spending, the governor proposes spending [\$0.5 million] for the Health Spending Accountability and Transparency Program at the [State of Rhode Island] Office of the Health Insurance Commissioner.” The State of Rhode Island House of Representatives Fiscal Advisory Staff also noted in its [Budget as Enacted: State Fiscal Year 2023](#) analysis that “the budget includes \$0.5 million from general revenues to support . . . data analysis of health care claims . . . to develop an annual cost growth target to be used as the benchmark to track and curb health care spending in the state.”

Together, what is noted above fundamentally informs OHIC’s creation and implementation of the program. OHIC will carry out the program consistent with the statues and executive order noted.

Conclusion

This bulletin shall take effect on September 5, 2022.

Dated at Cranston, Rhode Island this [day]th day of [month] 2022.

Patrick M. Tigie
Health Insurance Commissioner