



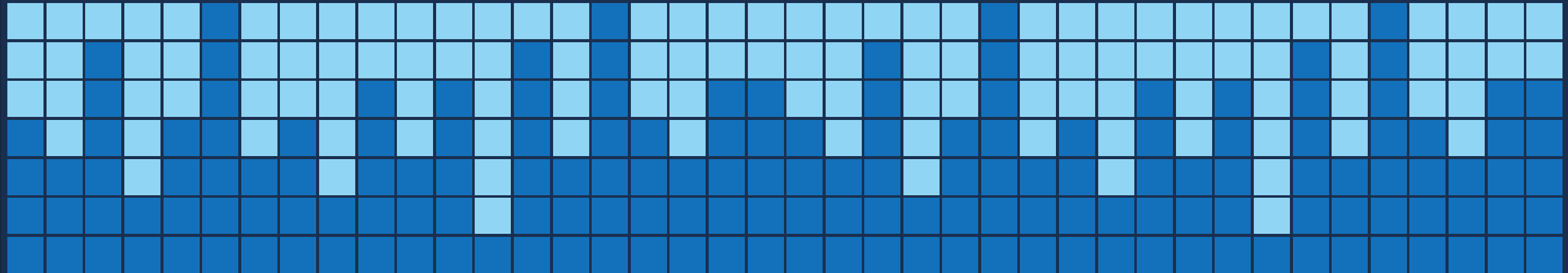
STATE OF RHODE ISLAND

Office of The Health Insurance Commissioner

Department of Business Regulation

State Fiscal Year 2027 Budget Request Strategic Plan & Accomplishments

OCTOBER 1, 2025



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Background and Mission

The State of Rhode Island Office of the Health Insurance Commissioner (OHIC) is Rhode Island's commercial health insurance policy reform and regulatory enforcement agency. OHIC seeks to improve health care access, affordability, and quality. The office does so as it:

- Protects the interests of consumers,
- Encourages fair treatment of health care providers by commercial health insurers,
- Improves the health care system as a whole, and
- Guards the solvency of health insurers.

Powers & Duties of the Health Insurance Commissioner

Solvency

Rate Review

Form Review

Network Plan
Oversight

Market Conduct

Utilization
Review Agent
Oversight

Social & Human
Service Provider
Rate Reviews

Other

Powers & Duties of the Health Insurance Commissioner

“With respect to health insurance as defined in § 42-14-5, the health insurance commissioner shall discharge the powers and duties of office to: ...

... 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.”

P.L. 2004, ch. 446, § 2; P.L. 2004, ch. 557, § 2.

Goals

OHIC applies data and strategic thinking to solve problems, protect consumers, and improve the health care system.

1. Oversee increasing commercial payer investment in primary care
2. Promote transparency and stronger accountability for health care costs by insurers and large provider organizations
3. Complete the legislatively mandated primary care rate review
4. Begin the third cycle of social and human service programs reviews
5. Oversee the three-year pilot program on prior authorization recently enacted by the legislature

1. Increasing commercial payer investment in primary care

Rhode Island underinvests in primary care. OHIC has taken action to change that.

- OHIC's March 2025 rules require health insurers to increase funding for primary care.
- By the end of 2028, insurers shall direct at least 10% of spending to primary care. OHIC has directed insurers to meet progressively increasing funding targets by increasing reimbursement rates among other forms of payment.
- OHIC collects and analyzes primary care spending data annually as part of the Health Spending Accountability & Transparency Program.
- OHIC plans to publish an annual report to track Rhode Island's progress on improving primary care.

Completion Date: Ongoing. Regulatory targets ramp up through 2028.

2. Transparency and accountability for health care costs

OHIC will continue to implement the Health Spending Accountability and Transparency Program. The program 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
- OHIC is submitting a proposal to codify specific components of the program and create new authorities to hold insurers and large provider organizations accountable for commercial spending growth.

Completion Date: Ongoing

3. Completing the primary care rate review

The FY2026 budget enacted legislation that requires OHIC to submit a “one-time report making and justifying recommendations for adjustments to primary care services reimbursement and financing. The report shall include consideration of Medicaid, Medicare, commercial, and alternative contracted payments” by September 1, 2026.

- OHIC has engaged a contractor to support this work.
- OHIC is working directly with primary care providers to understand the reasonable cost of running their practices. OHIC will consider models of advanced primary care.
- The analysis will be guided by the following question, which was recently posed by a primary care leader: “what is the cost of delivering primary care, in its best form?”

Completion Date: September 1, 2026.

4. Begin third cycle of social and human services reviews

The office will begin the third cycle of social and human service programs reviews with the final report due by September 1, 2027, and a public forum on the recommendations to be held in September 2027. OHIC will support implementation of the recommendations, as necessary.

- Work includes the delivery of legislatively mandated reports in January and April 2027. These reports will inventory current rates, measure utilization trends, and produce rate benchmarks, among other topics.
- OHIC will employ rate review methods to evaluate reimbursement rates and recommend adjustments.
- Stakeholder engagement will continue to be a core focus.

Completion Date: September 2027.

5. **Oversee three-year prior authorization pilot**

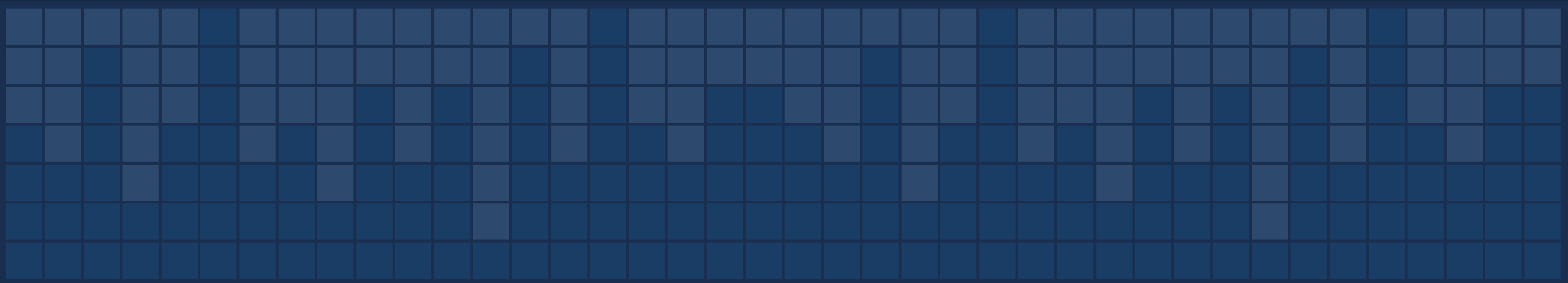
In 2025, the General Assembly enacted a three-year pilot program involving the suspension of prior authorizations ordered by in-network primary care providers in the normal course of delivering primary care services, excluding drugs.

- As required by the statute, OHIC will oversee the three-year pilot, collect data, evaluate the impact, and convene a workgroup to recommend improvements to prior authorization processes.
- The workgroup is being convened in fall of 2025 and will meet periodically through October 2028.
- Annual reports will be submitted to the General Assembly and the Governor.

Completion Date: October 2028.

Accomplishments

INVESTING IN PRIMARY CARE, SLOWING SPENDING GROWTH, AND CONTROLLING PREMIUM INCREASES



Overview

Linking agency goals to accomplishments

Primary Care

Making strategic investments in primary care to improve health and lower costs

Slowing Trend

Slowing spending trends to keep premiums and out of pocket payments in check

System Performance

Improving the performance of the health care system as a whole

Taking Action to Address the Primary Care Crisis

The Providence Journal

HEALTHCARE

New rules will offer a cure to some of RI's health care woes. What's being done

Blue Cross & Blue Shield of Rhode Island, the state's largest private insurer, announced it will increase payments for primary care by \$40 million by 2028



Jonny Williams

Providence Journal

April 26, 2025, 5:04 a.m. ET

Key Points

The Office of the Health Insurance Commissioner recently implemented new rules requiring insurers to raise payments for primary care in Rhode Island

The rules could boost payments for primary care, which is in crisis, by up to \$100 million, according to Commissioner Cory King

BCBSRI already announced it is raising reimbursements by 15% on July 1 and cutting prior authorization by 65%



Insurers face new rules to bolster primary care

By **Katie Castellani** - 08/29/2025

Rhode Island **Current**

McKee outlines his plan to tackle Rhode Island's primary care shortage

Bringing New Medicare Money to Rhode Island for Primary Care

OHIC partnered with EOHHS co-develop the state's application to the AHEAD program. OHIC also co-led negotiations with CMS.

- ✓ New monthly Medicare payments for participating primary care practices averaging \$21 per beneficiary beginning 2028.
- ✓ Material incentives for hospitals to join in the first two years (2028 – 2029).
- ✓ AHEAD brings a focus to making health care more affordable for the state's residents.

The Providence Journal

HEALTHCARE

RI looks AHEAD for health care reform. Could it be a cure for the state's ailing system?

The pilot program promises to control health care spending, making it more affordable, and to promote and invest in primary care

Jonny Williams and Wheeler Cowperthwaite Providence Journal

Aug. 8, 2025 | Updated Aug. 9, 2025, 1:25 p.m. ET

Key Points

Rhode Island is one of six states approved by the Centers for Medicare and Medicaid Services to join AHEAD

The pilot program runs for 10 years and seeks to shift the payment model for health care services

One of its pillars is investing and promoting primary care, shifting from expensive in-patient services

Reducing Premiums: May 2025 Evaluation Findings

COSTS & SPENDING

- ✓ 9% relative reduction in hospital prices
- ✓ Fully insured premiums savings of \$1,000 per member
- ✓ Per member premium savings translate to \$4,000 for a family of four.

By Andrew M. Ryan, Christopher M. Whaley, Erin C. Fuse Brown, Nandita Radhakrishnan, and Roslyn C. Murray

Rhode Island's Affordability Standards Led To Hospital Price Reductions And Lower Insurance Premiums

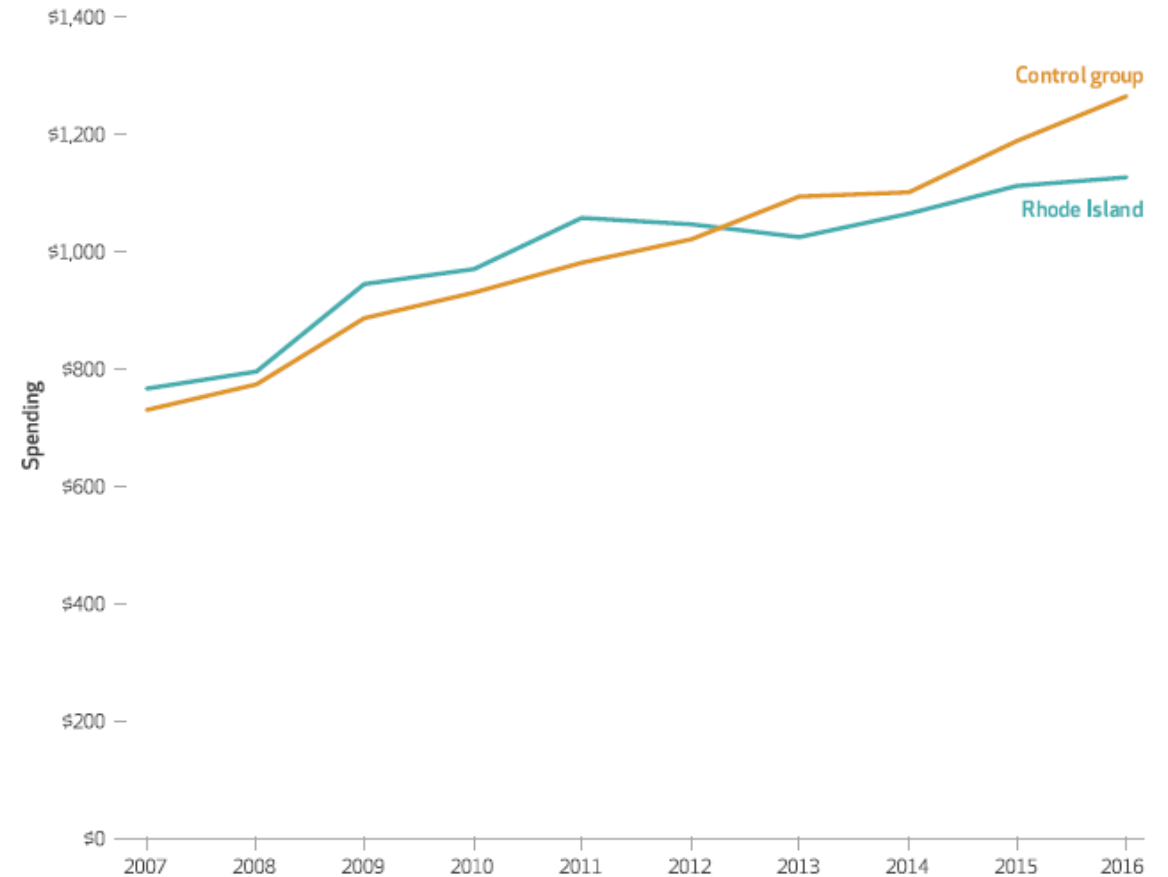
DOI: 10.1377/hlthaff.2024.01146
HEALTH AFFAIRS 44,
NO. 5 (2025): 597-605
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The People-to-People Health
Foundation, Inc.

Slowing Trend: February 2019 Evaluation Findings

“State regulators in Rhode Island achieved among the largest total health care spending changes observed from payment reforms to date. Our analysis suggests that price inflation caps and diagnosis-based payments ... drove a broad and sustained reduction in commercially insured health care spending growth. Furthermore, combining price control measures with a requirement to markedly increase funding to primary care practices led to a redistribution of spending toward primary care without net losses to payers.”

Baum, A., Song, Z., Landon, B., Phillips, R., Bitton, A., Basu, S. (2019). Health Care Spending Slowed After Rhode Island Applied Affordability Standards To Commercial Insurers. *Health Affairs*, 38(2), 237-245. <https://doi.org/10.1377/hlthaff.2018.05164>

Quarterly per enrollee fee-for-service spending in the Rhode Island and control-group cohorts, 2007-16



Lower Average Commercial Trend than Peer States with Cost Growth Targets

- ✓ Since 2019, Rhode Island's average annual commercial medical trend has been lower than peer states that have cost growth targets and similar measurement systems.
- ✓ This data includes self-insured, as well as the state employee health benefit plan and municipalities.

Commercial Market (TME)						
Trend	2019	2020	2021	2022	2023	Average
CT	6.1%	-3.4%	18.8%	2.4%	6.2%	6.0%
DE	12.3%	-2.3%	16.5%	8.3%	8.7%	8.7%
MA	4.9%	-2.2%	16.3%	4.0%	8.9%	6.4%
OR	4.5%	-1.6%	12.1%	1.5%	6.3%	4.6%
RI	4.7%	-3.0%	9.7%	3.3%	6.9%	4.3%

4th Best State Health System Performance: Commonwealth Fund 2025 State Scorecard

Rhode Island ranks #4 overall.

	National rank
Access & Affordability	6 of 51
Prevention & Treatment	16
Avoidable Hospital Use & Cost	33
Healthy Lives	8
Income Disparity	12
Racial Health Equity	3

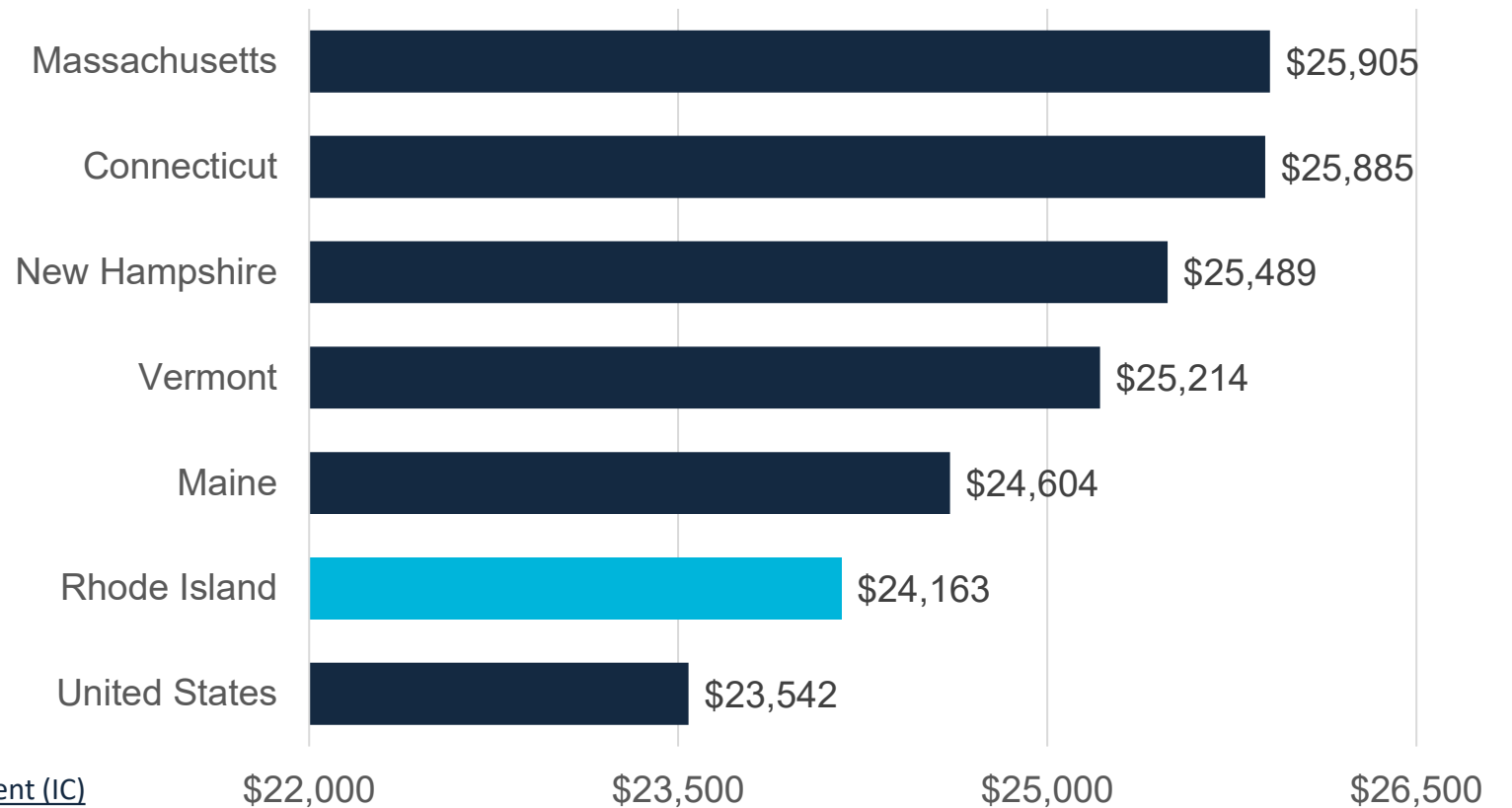
Dimension and indicator	Data year	State rate	U.S. average	Best state rate	State rank ^a
Access & Affordability					
2025 Scorecard					
Individuals under age 65 with high out-of-pocket medical costs relative to their annual household income	2022–23	5.6%	9.7%	5.6%	1

- ✓ Rhode Island ranked 4th best nationally for state health system performance.
- ✓ Ranked #1 for lowest percentage of residents under 65 with high out-of-pocket medical costs relative to their annual household income.

Lowest Average Family Premium in New England

- ✓ Rhode Island had the lowest average family premium among New England States (2022-2024)
- ✓ Data include fully insured and self-insured private sector employers.

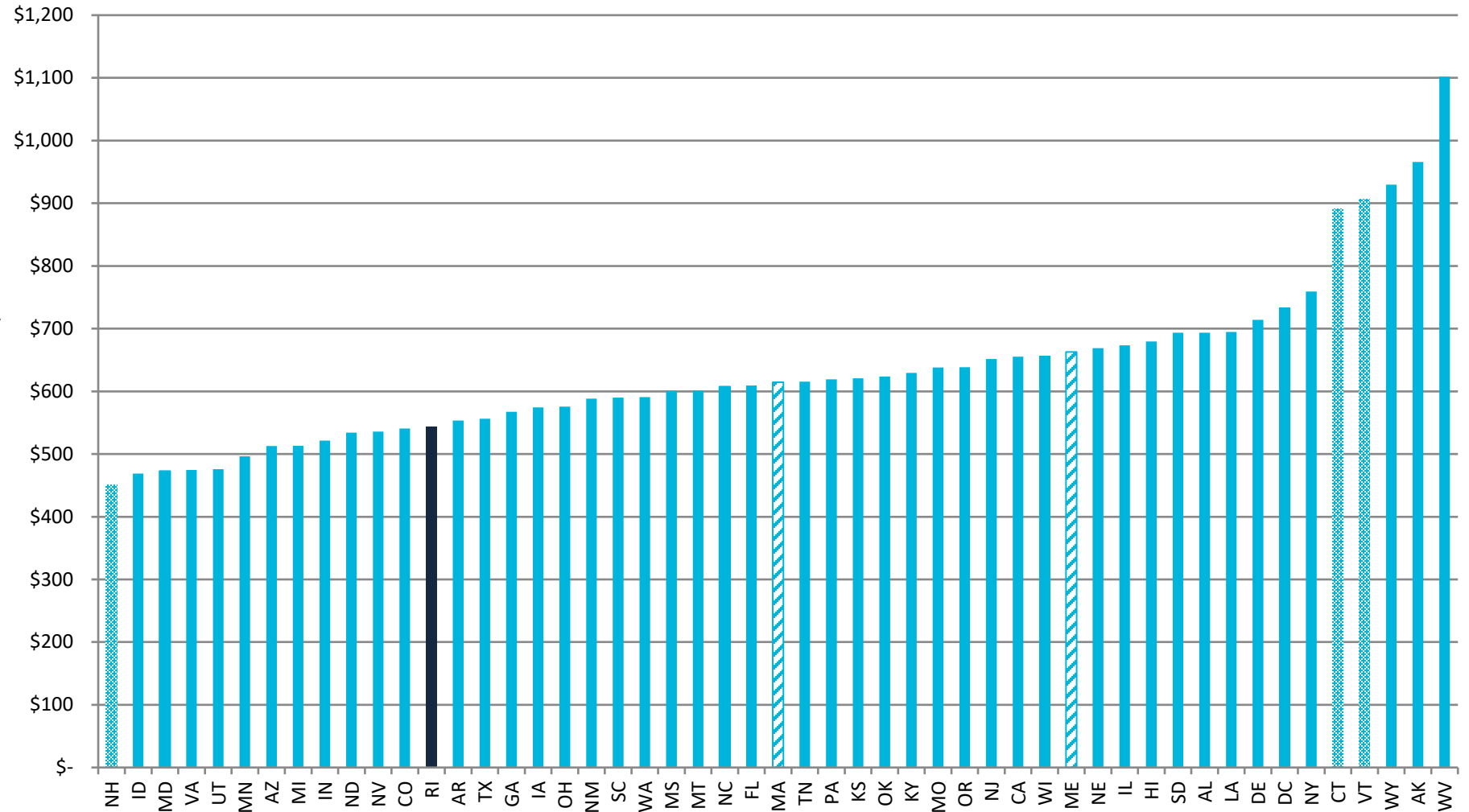
Average Family Premium at Private-Sector Employers (2022-2024)



Source: [Medical Expenditure Panel Survey \(MEPS\) Insurance Component \(IC\)](#)

Rhode Island had the 13th lowest INDIVIDUAL market premium compared to other states in 2024

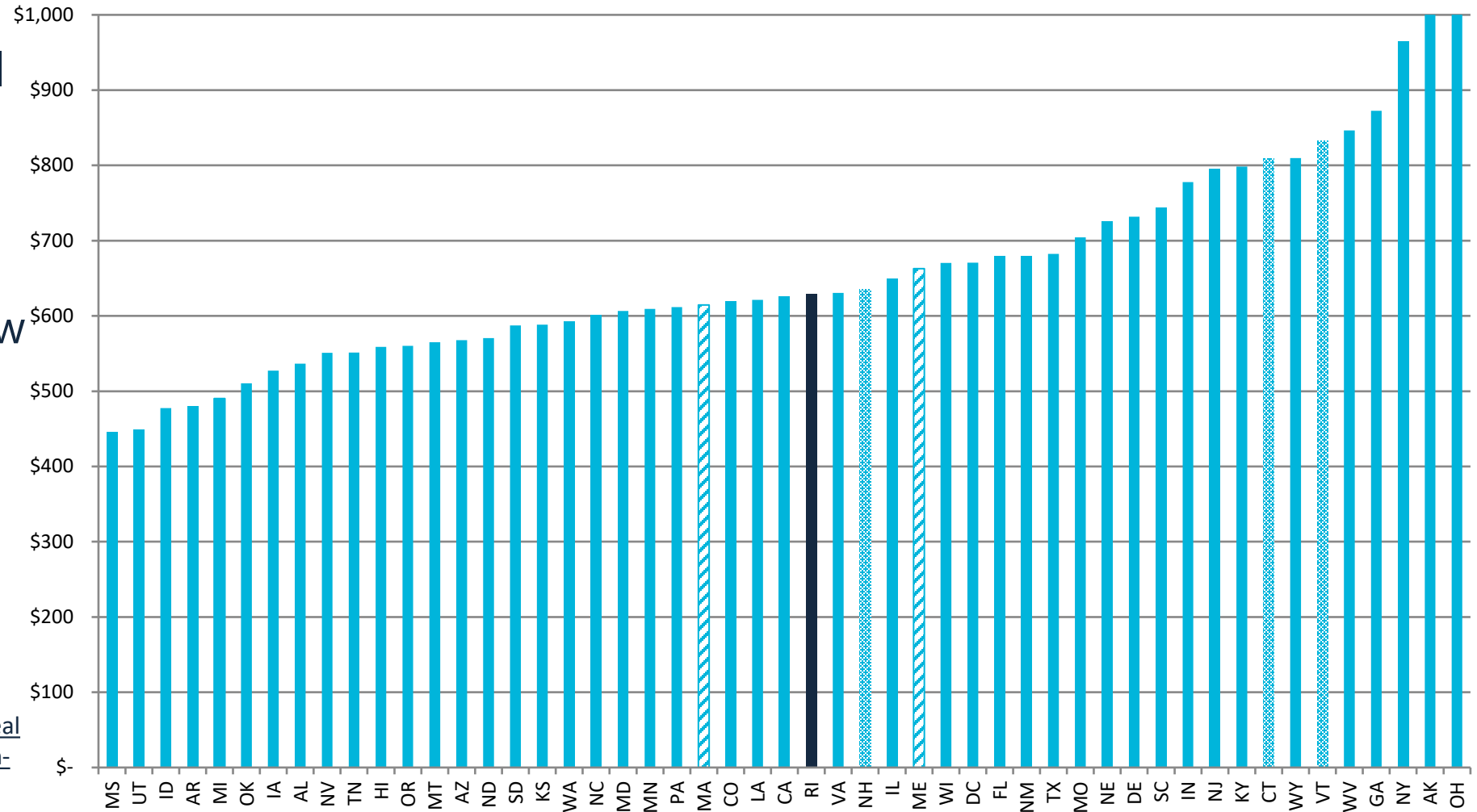
- ✓ 13th lowest individual market premium in the US
- ✓ 2nd lowest in New England



Source: Centers for Medicare and Medicaid Services. Risk Adjustment Report.
<https://www.cms.gov/marketplace/health-plans-issuers/premium-stabilization-programs>

Rhode Island had the 27th lowest SMALL GROUP market average premium compared to other states in 2024

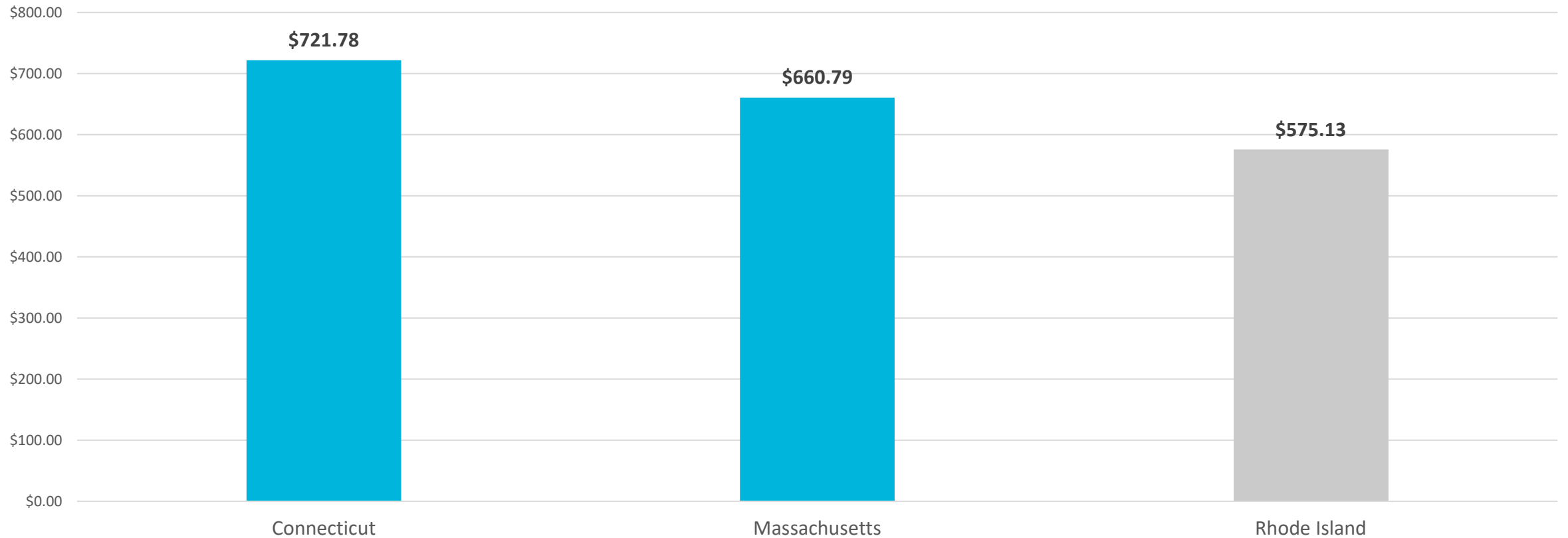
- ✓ 27th lowest small group market premium in the US
- ✓ 2nd lowest in New England.



Source: Centers for Medicare and Medicaid Services. Risk Adjustment Report.
<https://www.cms.gov/marketplace/health-plans-issuers/premium-stabilization-programs>

Lower Average Large Group Premiums than Neighboring States

2023 Earned Premium PMPM - Large Group



Source: Centers for Medicare and Medicaid Services. Medical Loss Ratio Filings. Summarized by OHIC's actuary Oliver Wyman.



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Questions

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