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## OHIC Issues New Regulations to Strengthen Primary Care in Rhode Island

On February 28<sup>th</sup> the Office of the Health Insurance Commissioner (OHIC) finalized new regulations that mandate commercial health insurers to increase funding for primary care and begin reducing administrative burdens due to prior authorization policies.

- New funding requirements are designed to materially increase commercial insurer investment in primary care over the next four years, from approximately 6% of total medical spending to 10%.
- New oversight mechanisms will ensure that prior authorization practices are scrutinized, transparent, and reduced.

The new regulations are a preliminary step toward addressing the significant challenges facing primary care in Rhode Island that were documented in OHIC's December 2023 report: [Primary Care in Rhode Island: Current Status and Policy Recommendations \[suvj9dcab.cc.rs6.net\]](#). Other actions are needed by state and federal authorities to further sustain the primary care workforce and strengthen access for the future. The effective date of the regulations is March 20<sup>th</sup>.

### Read the Rulemaking Documents

[Public Comments from November 2024 \[suvj9dcab.cc.rs6.net\]](#)

[Concise Explanatory Statement \[suvj9dcab.cc.rs6.net\]](#)

[Regulatory & Cost-Benefit Analysis \[suvj9dcab.cc.rs6.net\]](#)

[Final Regulation 230-RICR-20-30-4 \[suvj9dcab.cc.rs6.net\]](#)

### Answers to Common Questions

#### Why did OHIC issue these new regulations?

The Health Insurance Commissioner has an obligation under Rhode Island law to discharge the powers and duties of the 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.”

With this mandate in mind, in December 2023, OHIC published the report: [Primary Care in Rhode Island: Current Status and Policy Recommendations \[suvj9dcab.cc.rs6.net\]](https://suvj9dcab.cc.rs6.net). The report examined state and national primary care data, and drawing on interviews with local primary care providers, identified pressing challenges facing Rhode Island's primary care system in the domains of workforce, payment, and administrative burdens. The challenges facing primary care are not unique to Rhode Island.

The report concluded with several recommended actions, including amendments to OHIC's powers and duties regulation (230-RICR-20-30-4), to strengthen primary care in the state by increasing commercial insurer funding requirements. By strengthening primary care, Rhode Island will be in a better position to keep rising health care costs and premiums under control, while promoting access to care and quality. In October 2024, OHIC issued proposed amendments to 230-RICR-20-30-4 and received public comments in November.

### **What key actions do the new regulations require?**

The new regulations require increased commercial health insurer funding for primary care and reduced administrative burdens due to prior authorization. This framework improves OHIC's ability to hold insurers accountable for the appropriate financing of primary care, which is necessary to ensure a high performing health care system and the provision of affordable health insurance.

- Building on OHIC's existing Affordability Standards, the regulations define a new annual primary care spending target that is designed to direct a greater proportion of Rhode Island's commercial health care spending to primary care. This change is calculated to increase commercial health insurer funding to primary care practices over a four-year period. Based on financial analysis performed as part of the rulemaking process, OHIC projects commercial insurer primary care spending, per member per month, to approximately double from 2022 levels by 2029.
- Commercial health insurers are directed to meet the new target by increasing reimbursement rates for primary care services, increasing primary care capitation rates (where the capitated payment model is used), and increasing funding for primary care practice-based population health management resources, including care management, integrated behavioral health, and staffing for team-based care.
- Currently, OHIC requires commercial health insurers to fund care management and infrastructure for OHIC-recognized [patient-centered medical home \[suvj9dcab.cc.rs6.net\]](https://suvj9dcab.cc.rs6.net) (PCMH) practices. The new regulations decouple primary care PCMH care management and infrastructure payments from total cost of care risk payment models to reduce financial risk to primary care practices and Accountable Care Organizations.
- Building on the work of OHIC's [Administrative Simplification Task Force \[suvj9dcab.cc.rs6.net\]](https://suvj9dcab.cc.rs6.net), the regulations mandate a reduction in prior authorization volume, with preference for requests managed by primary care providers. Additionally, health insurers will be required to follow specified guardrails, submit data and annual attestations on prior authorization practices to OHIC, and

participate in a new OHIC-convened statewide advisory committee on prior authorization. OHIC will make the data and attestations public.

#### **What resources made OHIC's new efforts possible?**

In 2022, the General Assembly authorized new program funding requested by Governor McKee for OHIC to create the [Health Spending Accountability and Transparency Program \[suvj9dcab.cc.rs6.net\]](#). Elements of the program were modelled on the work of the Massachusetts Health Policy Commission. A core focus of the program is the collection, analysis, and interpretation of health care spending data to develop interventions to make health care more affordable. Among other initiatives, OHIC has utilized the resources of this program to dig deeper into primary care spending data and to develop a new approach to measuring primary care spending. This new approach facilitates OHIC's efforts to hold health insurers accountable for appropriate funding of primary care. Appropriate funding of primary care will position the state to make headway against rising health care costs by emphasizing prevention and chronic care management. Going forward, OHIC will annually report primary care spending data, by insurer, as part of its annual reporting under the auspices of the Health Spending Accountability & Transparency Program.

#### **Will OHIC make changes to these regulations in the future?**

OHIC will continue to work collaboratively with primary care providers, health insurers, and patient advocates. Supported by public reporting on commercial health insurer primary care spending and the convening of OHIC's new statewide advisory committee on prior authorization, OHIC will take a data-driven approach and remain open to policy changes to continue to strengthen primary care in the state.

#### **What further actions are needed to solve the problems facing primary care?**

A host of state level and national actions are needed to fully address the challenges facing primary care. Some of these actions are included in Governor McKee's FY 2026 budget proposal, including primary care rate review for Medicaid and new funding for loan forgiveness for primary care providers.