



STATE OF RHODE ISLAND

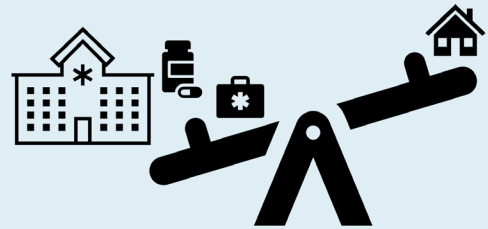
Office of The Health Insurance Commissioner

Department of Business Regulation

High Health Care Costs Impose Significant Financial Strain on Rhode Island Families and Employers

Little Room for Essentials

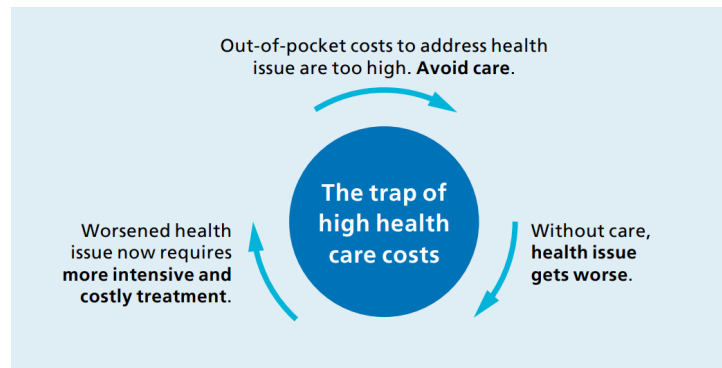
- In 2024, the annual premium for a family health insurance policy in Rhode Island was **over \$25,000**.¹
- This is equal to **28% of the state's median household income**², which is the **most** that financial experts say should be spent on a home mortgage³.
- This is a much bigger slice of a typical household budget than is comfortable for most families, leaving little room for necessities.
- It is no wonder that, according to one survey, approximately 40,000 Rhode Islanders are in debt due to medical expenses.⁴



The health insurance premium for a Rhode Island family is equivalent to **28% of the state's median household income**, which is the upper limit that should be spent on a home mortgage.

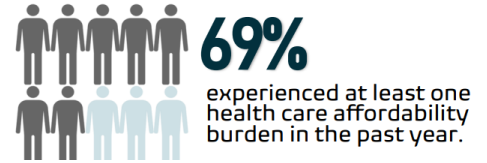
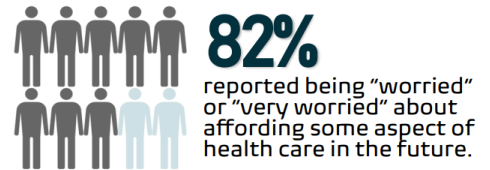
High Costs Force Rhode Islanders to Make Difficult Choices

- Many state residents get their insurance through their employer. Employers are put in a difficult position when facing high health care cost growth; they must take money away from wage growth and put it towards paying for health care coverage or increase health plan deductibles and co-pays.
- Consumers have reported making risky moves in response to high health care costs. In 2024, residents reported delaying or skipping care due to costs.⁵ This care avoidance can lead to a dangerous cycle where residents avoid or delay care due to costs and get more ill, then defer even costlier and more intensive treatments for their worsened health issue.



This Level of Health Care Spending is Unsustainable

- The gravity of these issues cannot be ignored any longer; anxiety about affordability is widespread.
- A January 2026 KFF Health Tracking Poll found that the cost of health care was the leading cost of living concern among households.⁶
- According to a 2024 survey, 8 in 10 Rhode Islanders reported being worried about affording some aspect of their health care in the future, and nearly 7 in 10 experienced at least one health care affordability burden in the last year.⁷



OHIC’s Work Is Critical to Improving Affordability for Residents

- The Office of the Health Insurance Commissioner has led the charge in reducing cost burdens for consumers and businesses through its rigorous rate review process for premium increases, restrictions on hospital price growth, and monitoring of health care spending.
- We can do more to improve the affordability of health care. Governor McKee’s FY 2027 budget proposes new authorities for OHIC to lower Rhode Islanders’ health care costs while investing in primary care. These new authorities are included in [Sections 12 and 13 of Article 11 – Relating to Affordability](#). These include:
 - Enforceable cost growth targets in the commercial market, an all-payer primary care investment target, robust public reporting on health care costs, and an annual public hearing.

1. Average Annual Family Premium per Enrolled Employee for Employer-Based Health Insurance. KFF. <https://www.kff.org/private-insurance/state-indicator/family-coverage/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>
2. Real Median Household Income in Rhode Island. FRED. <https://fred.stlouisfed.org/series/MEHOINUSRIA672N>
3. Elkins, Kathleen. “Here’s how much of your income you should be spending on housing.” CNBC. 2018. <https://www.cnbc.com/2018/06/06/how-much-of-your-income-you-should-be-spending-on-housing.html>
4. Rakshit S, Rae M, Claxton G, Amin K, and Cox C. “The burden of medical debt in the United States.” KFF. 2024. <https://www.kff.org/health-costs/the-burden-of-medical-debt-in-the-united-states/>
5. Consumer Healthcare Experience State Survey: Rhode Island. Altarum Health Care Value Hub. 2024. <https://healthcarevaluehub.org/consumer-healthcare-experience-state-survey/rhode-island/>
6. <https://www.kff.org/public-opinion/kff-health-tracking-poll-health-care-costs-expiring-aca-tax-credits-and-the-2026-midterms/>
7. See note 5.

Learn More about OHIC at www.ohic.ri.gov



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The Rhode Island Office of the Health Insurance Commissioner (OHIC) was established through legislation in 2004 to broaden the accountability of health insurers operating in Rhode Island. The Office is dedicated to: protecting consumers, encouraging fair treatment of medical service providers, ensuring solvency of health insurers, and improving the health care system’s quality, accessibility, and affordability.