



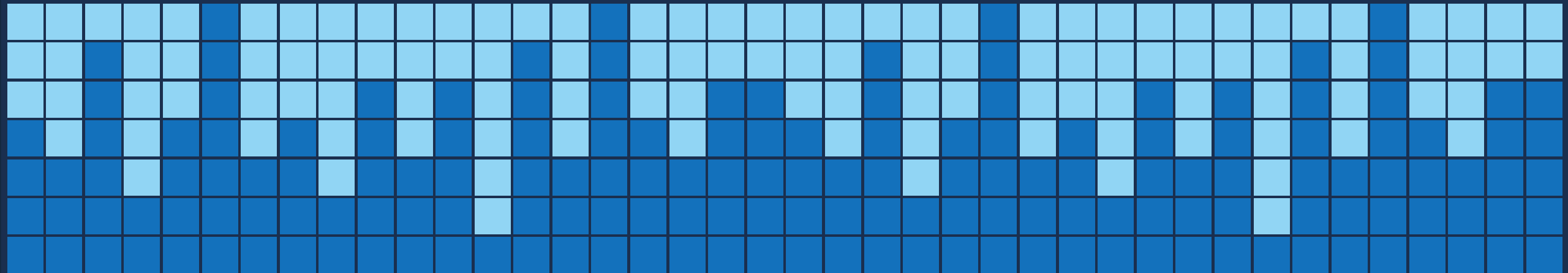
STATE OF RHODE ISLAND

Office of The Health Insurance Commissioner

Department of Business Regulation

2024 Health Care Spending and Quality in Rhode Island

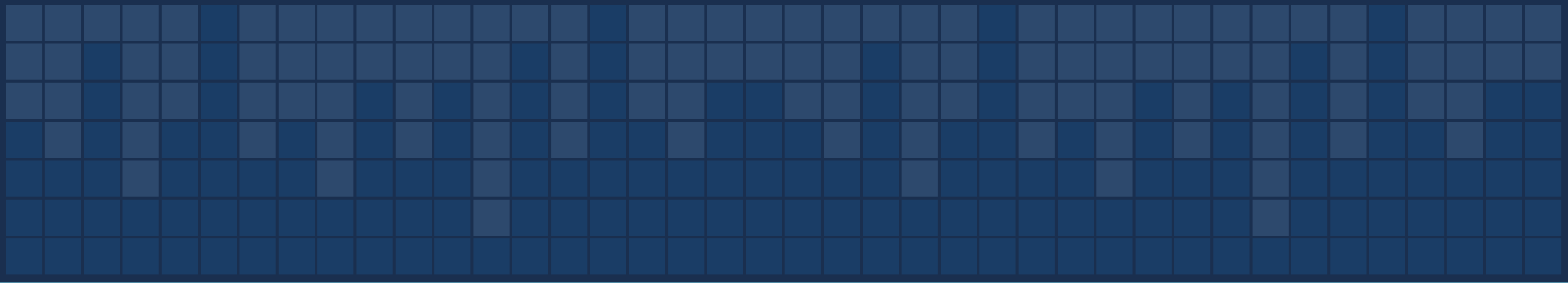
MAY 18, 2026



Agenda

1. Cost Growth Target Background
2. Performance Against the Cost Growth Target
 - State and Market
 - Service Category Trends
 - Insurer
 - Large Provider Entity
3. Focused Analyses:
 - Pharmacy Rebates
 - Humira and Biosimilars
 - The Drop in Insulin Prices
4. Statewide and Market-Level Quality Performance
5. Performance on Public Health and Health Equity Measures

Cost Growth Target Background



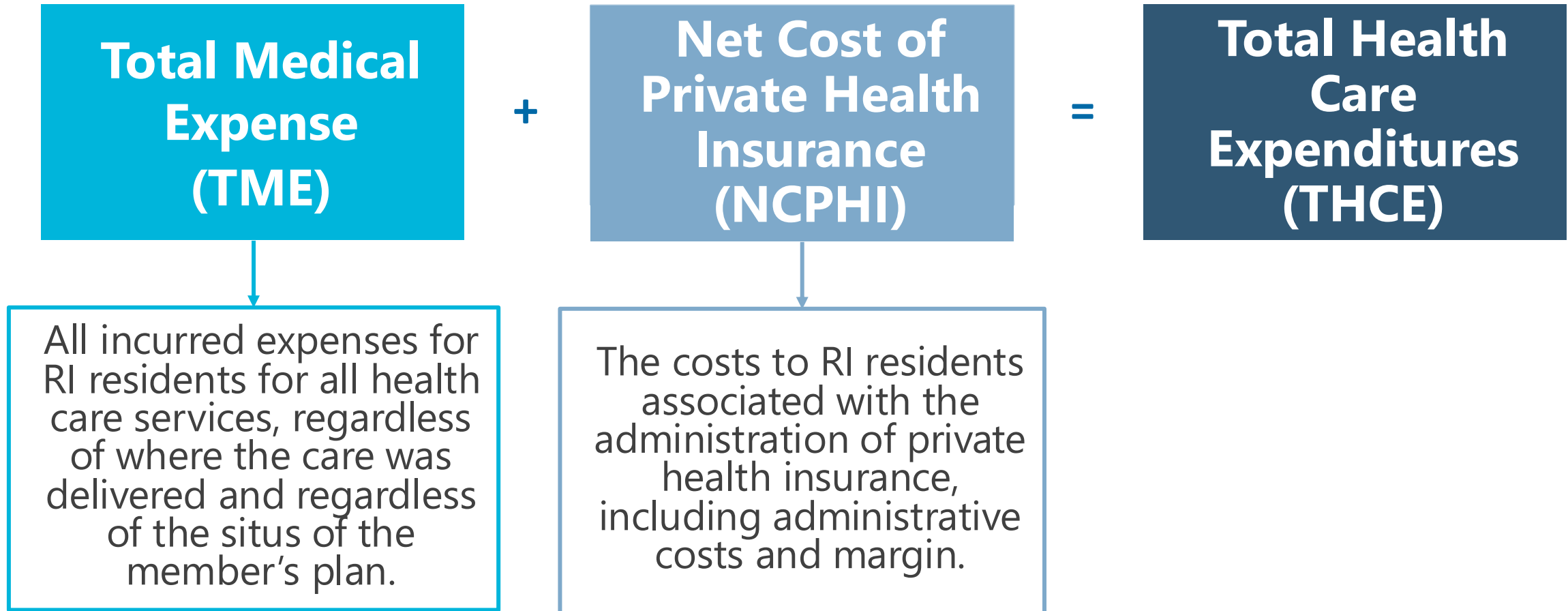
Rhode Island's Cost Growth Target

In 2018, the Cost Trends Steering Committee resolved to constrain health care spending growth and improve affordability of health care by instituting a cost growth target.

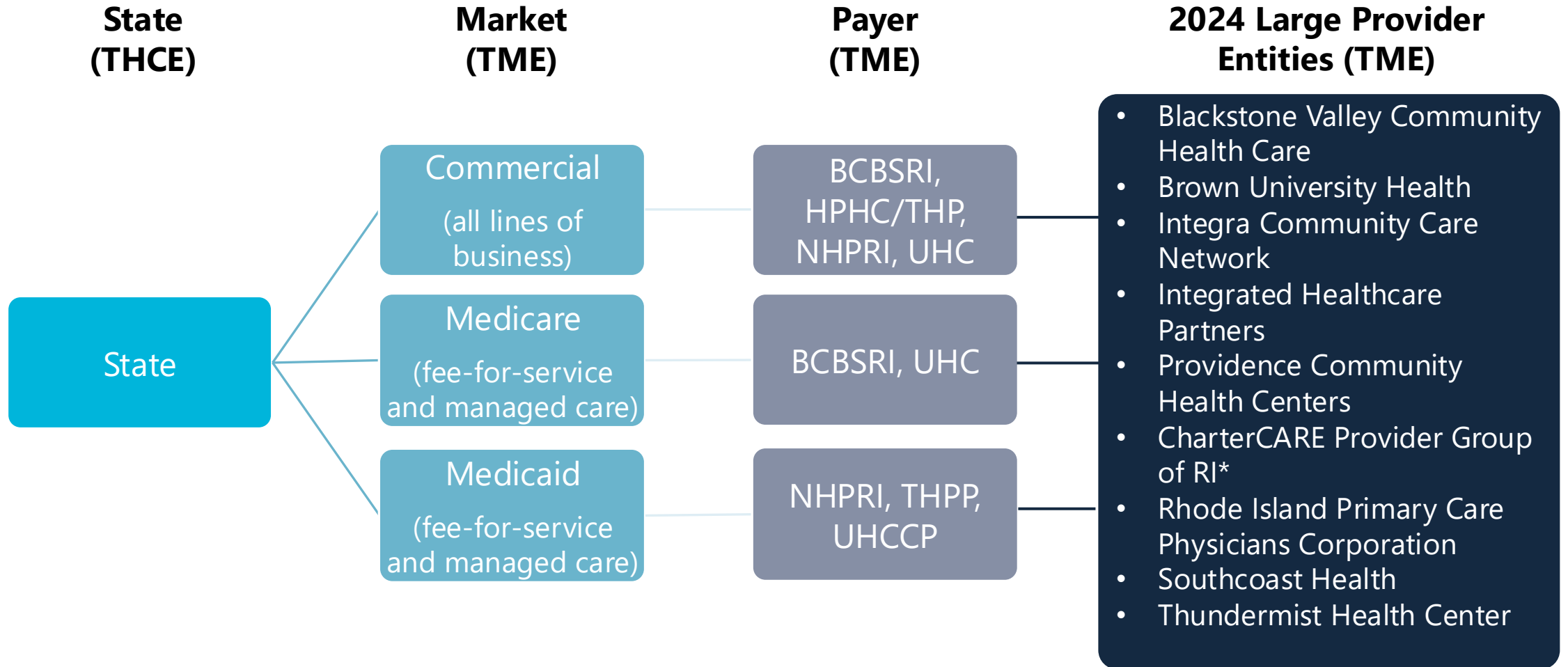
- The Committee set a statewide per person annual health care spending growth of 3.2%, which was in place for the 2019 through 2022 performance years.
- In 2023, the Committee selected new targets for 2023 through 2027 that accounted for both projected state economic and median household income growth. In addition, members made a conscious effort to account for inflation and consumer impact in its establishment of target values. The cost growth target for 2024 was set at 5.1% in anticipation of the lagged impact of the 2021-22 inflation spike in the U.S.

Rhode Island is one of eight states (CA, CT, DE, MA, NJ, OR and WA) that have cost growth target programs. In addition, five other states (CO, ME, IN, MN and UT) have active health care affordability initiatives.

What Is Measured Against the Target



Four Levels of Performance Measurement Against the Target



*CharterCARE became Astrana Health in 2025

Important Notes for Today's Presentation (1 of 2)

Today's presentation includes analyses using data from both the Cost Growth Target data collection and analyses using data from the All-Payer Claims Database (APCD).

Analyses using APCD data are not directly comparable with analyses using cost growth target data because of the inclusion or exclusion of:

- total spending for the self-insured population;
- non-claims payments, and
- pharmacy rebates.

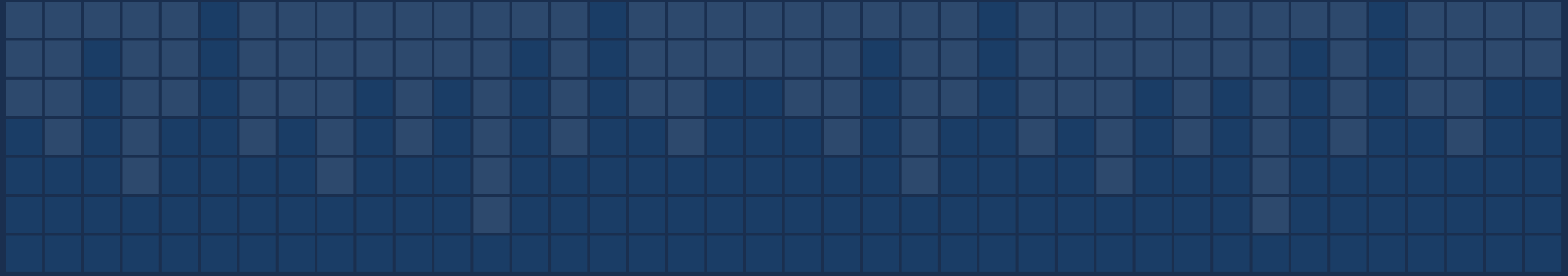
Important Notes for Today's Presentation (2 of 2)

Rhode Island's APCD does not include all spending for residents with commercial insurance due to the State's inability to require claims submissions from self-insured employers, although some do voluntarily submit data.

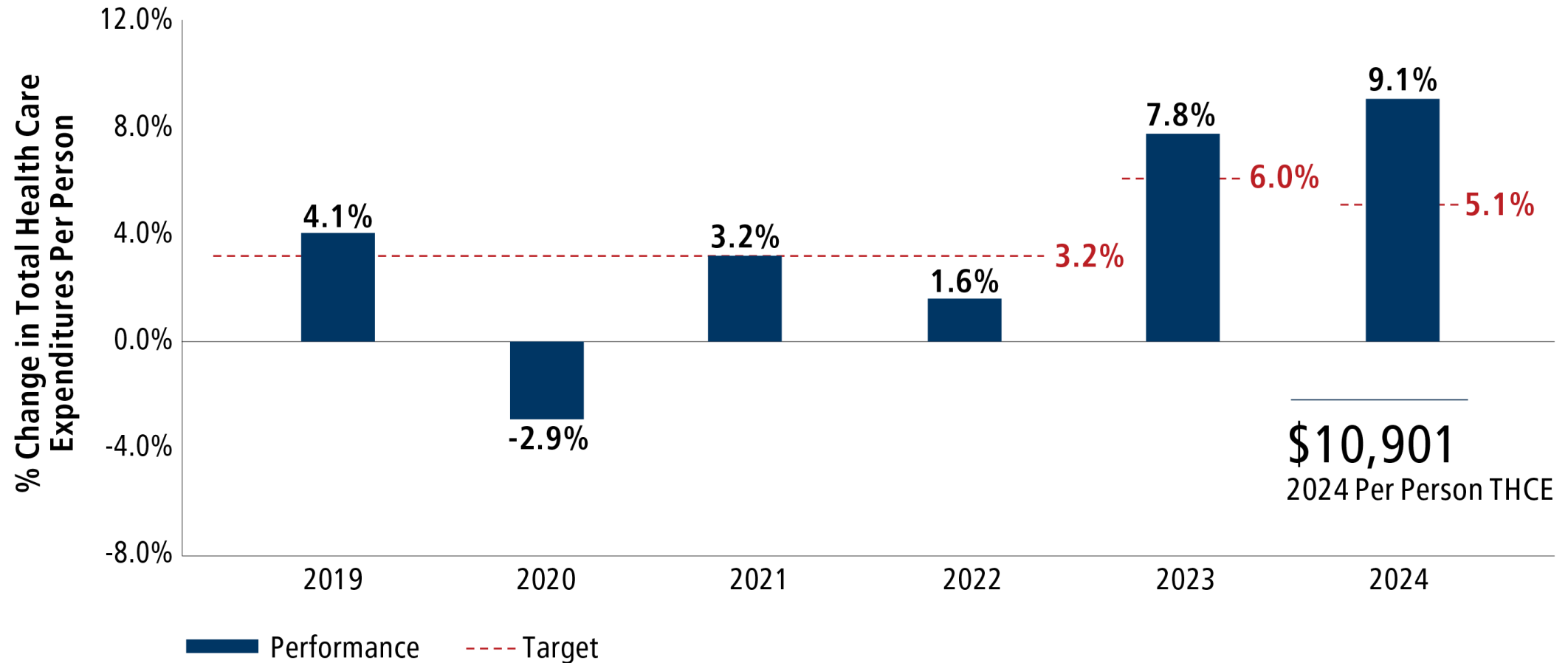
- This contrasts with the data received as part of the Cost Growth Target data collection, which includes data for residents covered by both fully insured and self-insured plans.

Based on OHIC's analysis, approximately 80 percent of total commercial spending for medical services and 80 percent of commercially covered lives in the state are represented in the APCD.

State and Market Performance Against the Cost Growth Target



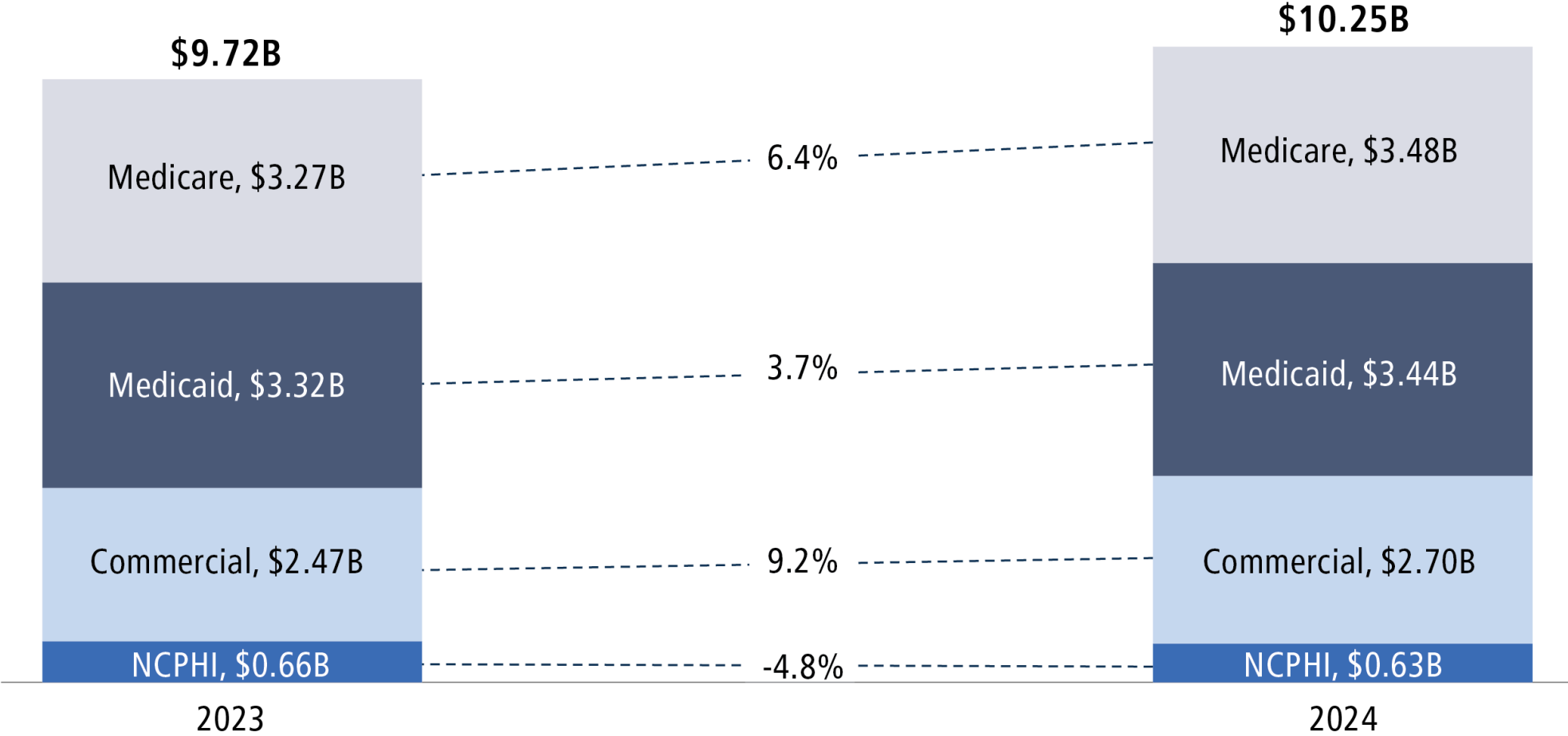
Rhode Island Did Not Meet Its Cost Growth Target in 2024



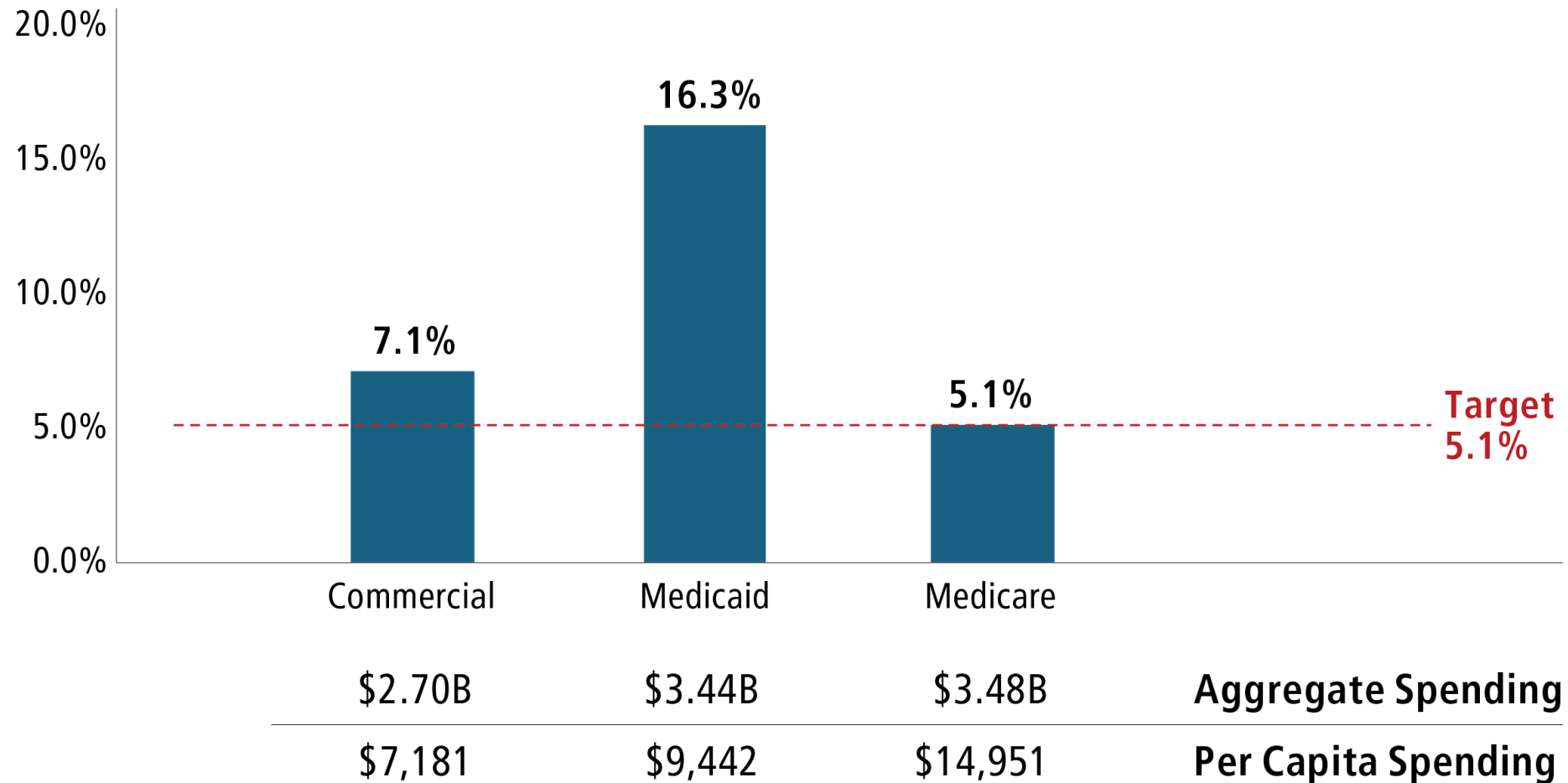
RI Was Not Alone In Having High Per Person Spending Growth Statewide in 2024

- Other states that measure health care spending also experienced spending growth above their targets for 2024.
 - Connecticut's statewide spending grew **7.9 percent**, nearly **double** its 4.0 percent target.
 - Massachusetts' statewide spending grew at **5.7 percent**, more than two percentage points above its benchmark of 3.6 percent.
 - Delaware's statewide spending grew **12.2 percent**, more than **four times** its 3.0 percent target.

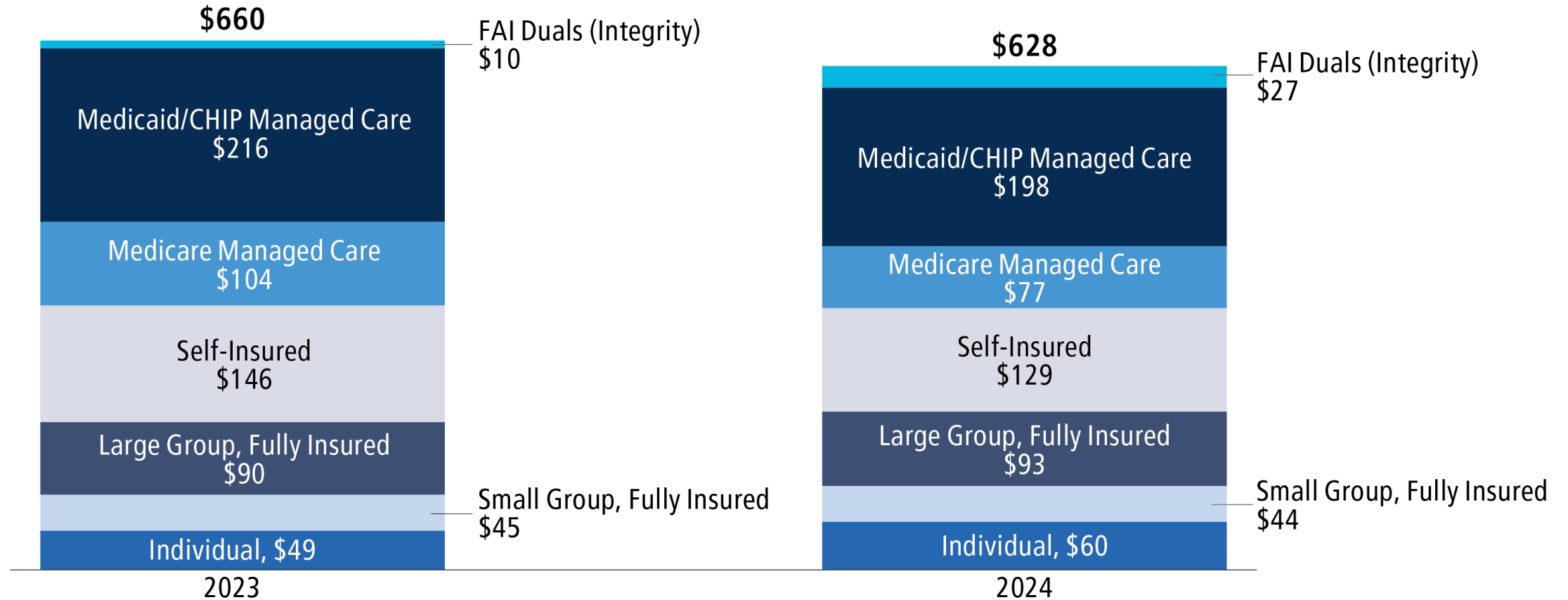
Total Health Care Spending in Rhode Island Was \$10.25 Billion in 2024



Growth in the Medicaid Market Significantly Outpaced Growth in Other Markets

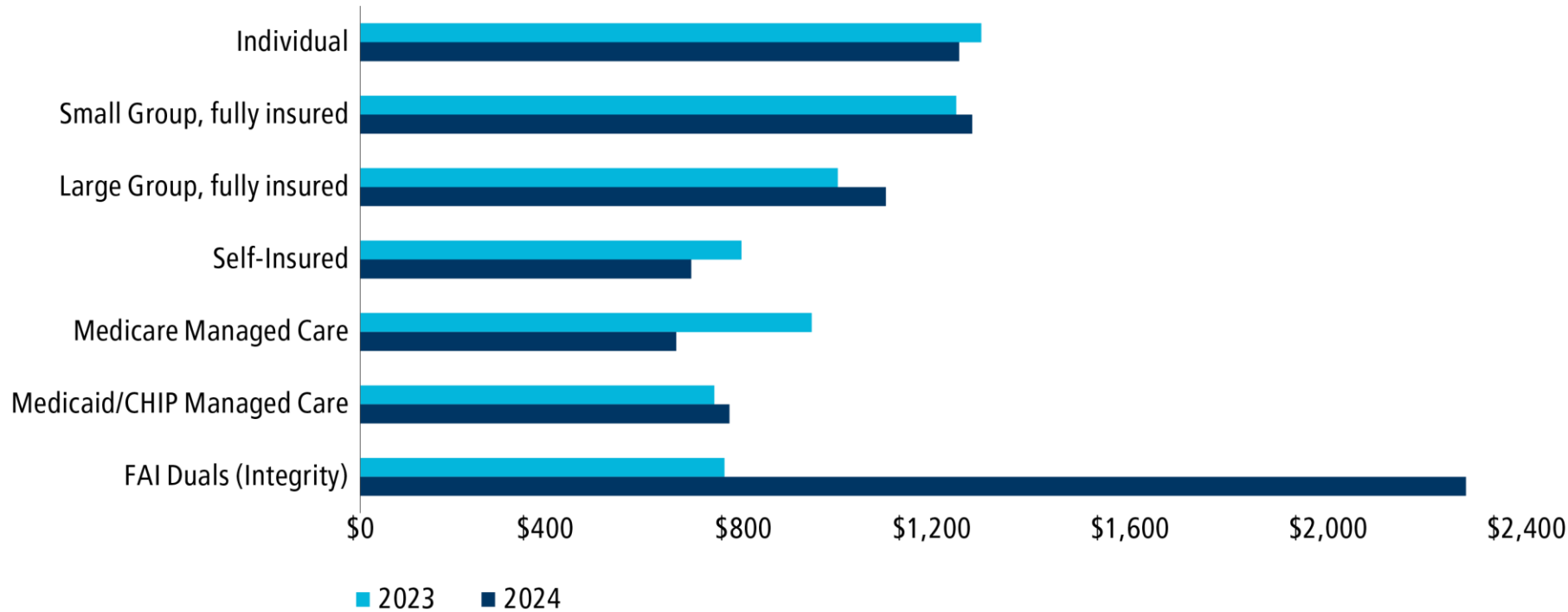


NCPHI Decreased Slightly to \$628 Million in 2024, Down From \$660 Million in 2023



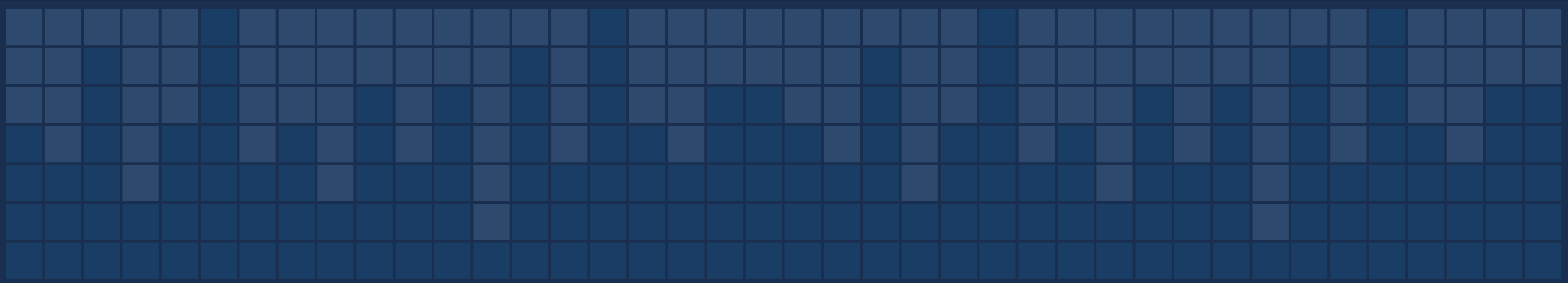
NCPHI by Market Segment

Aggregate NCPHI
2023: \$660M
2024: \$628M

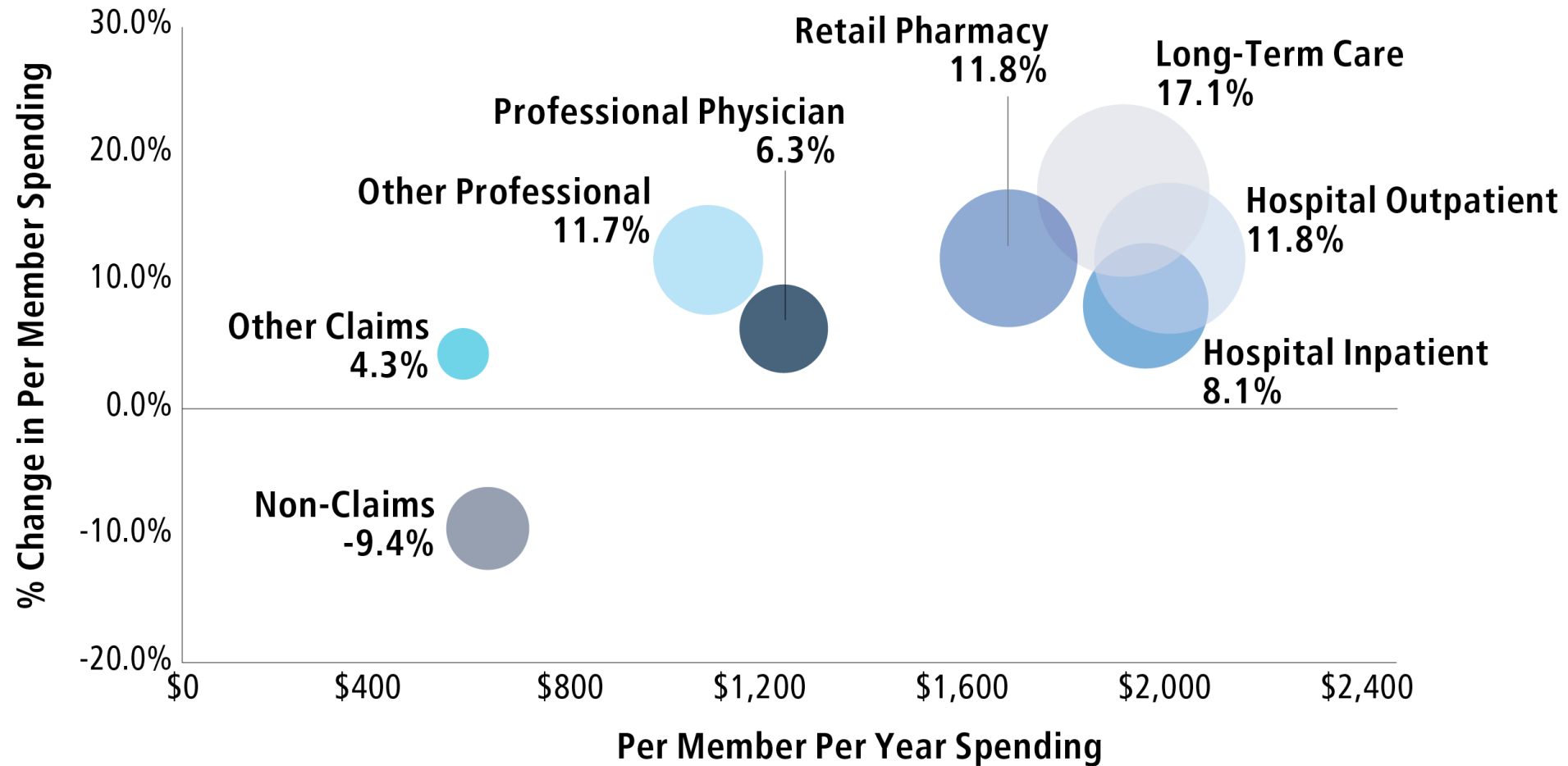


<u>Category</u>	<u>2023-2024 PMPY Trend</u>
Individual	-3.5%
Small Group	2.7%
Large Group	10.0%
Self-Insured	-13.2%
Medicare MCO	-30.0%
Medicaid MCO	4.0%
FAI Duals (Integrity)	204.0%

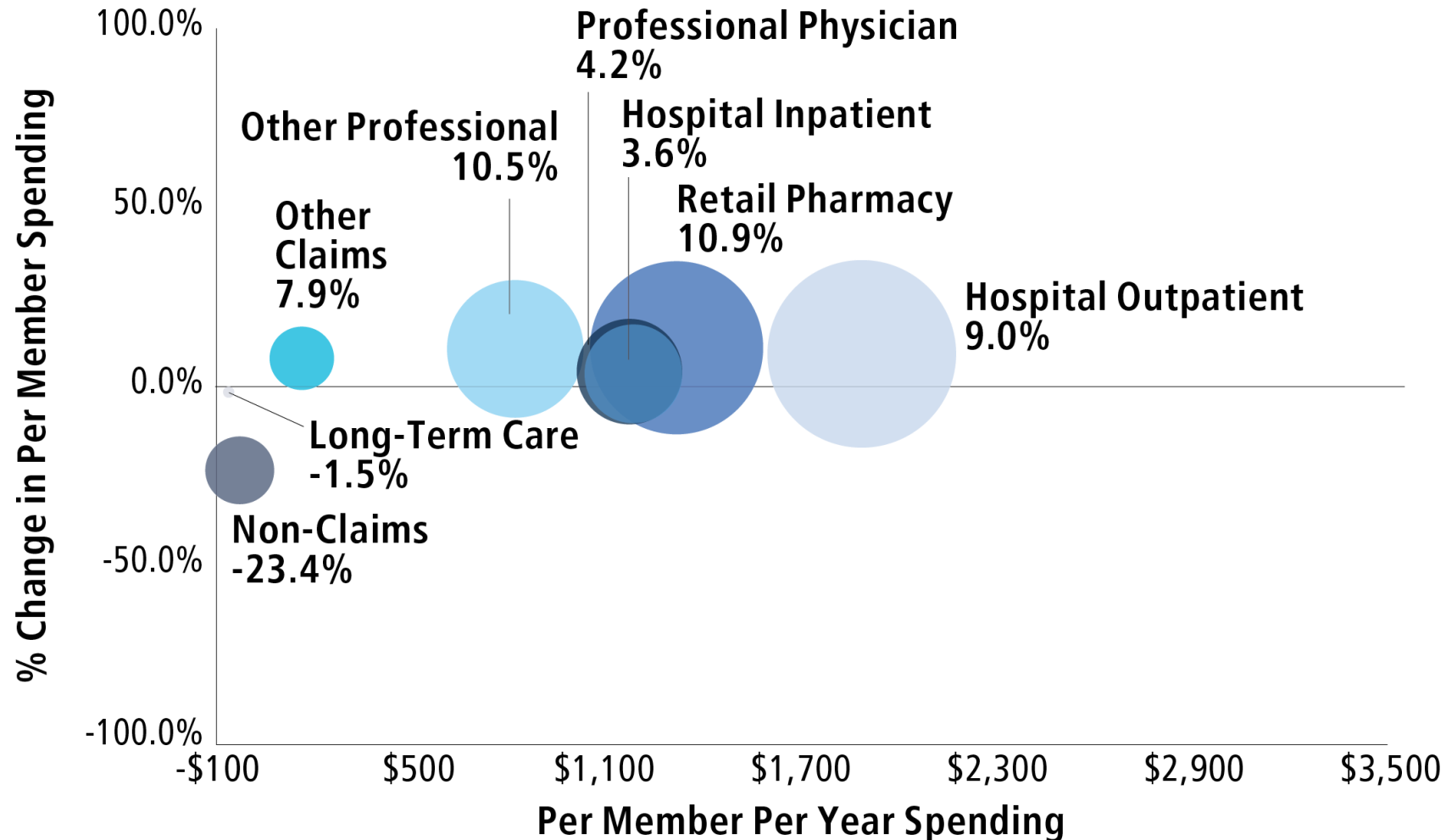
Service Category Trends



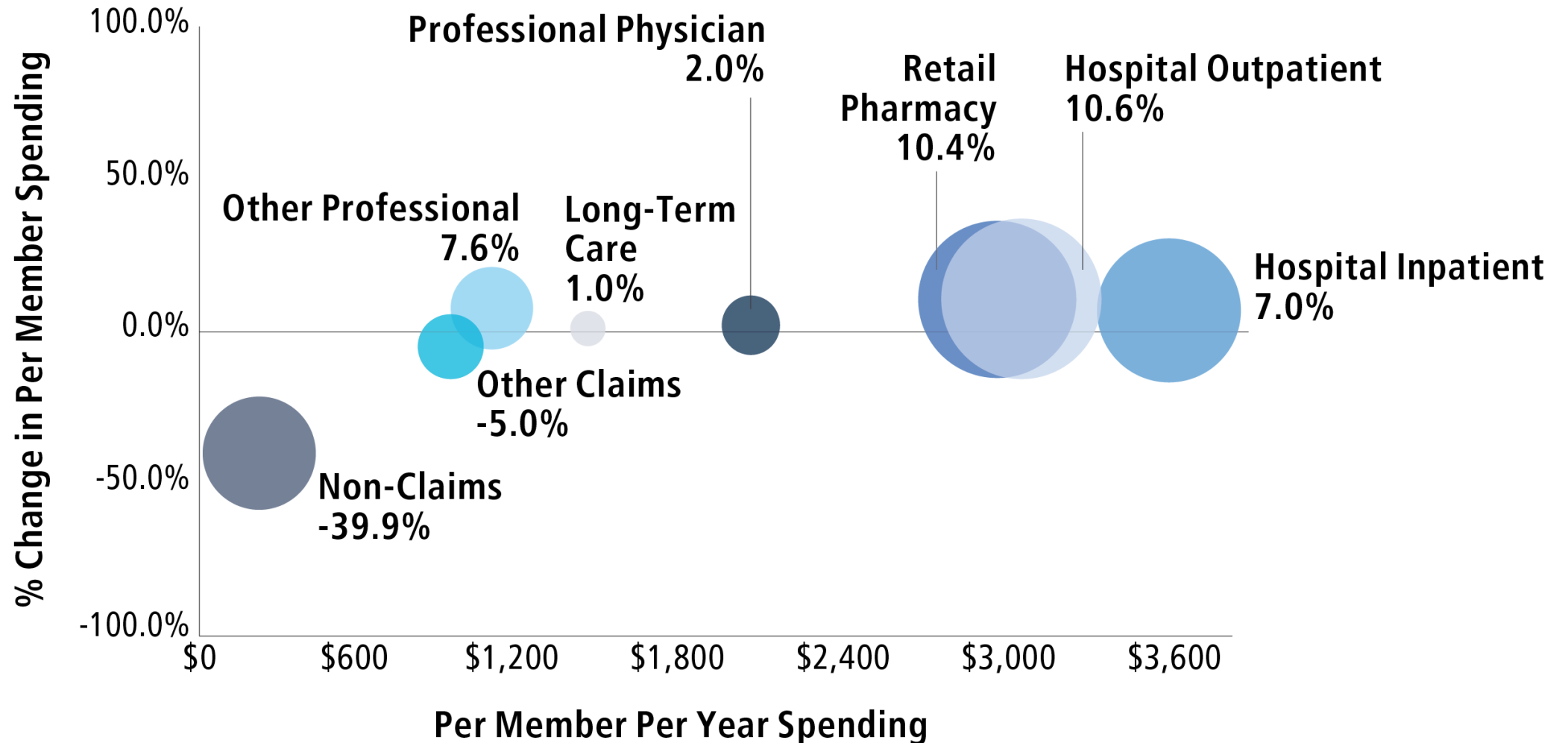
Long-Term Care, Retail Pharmacy and Hospital Outpatient Spending Drove Statewide Growth in Spending in 2024



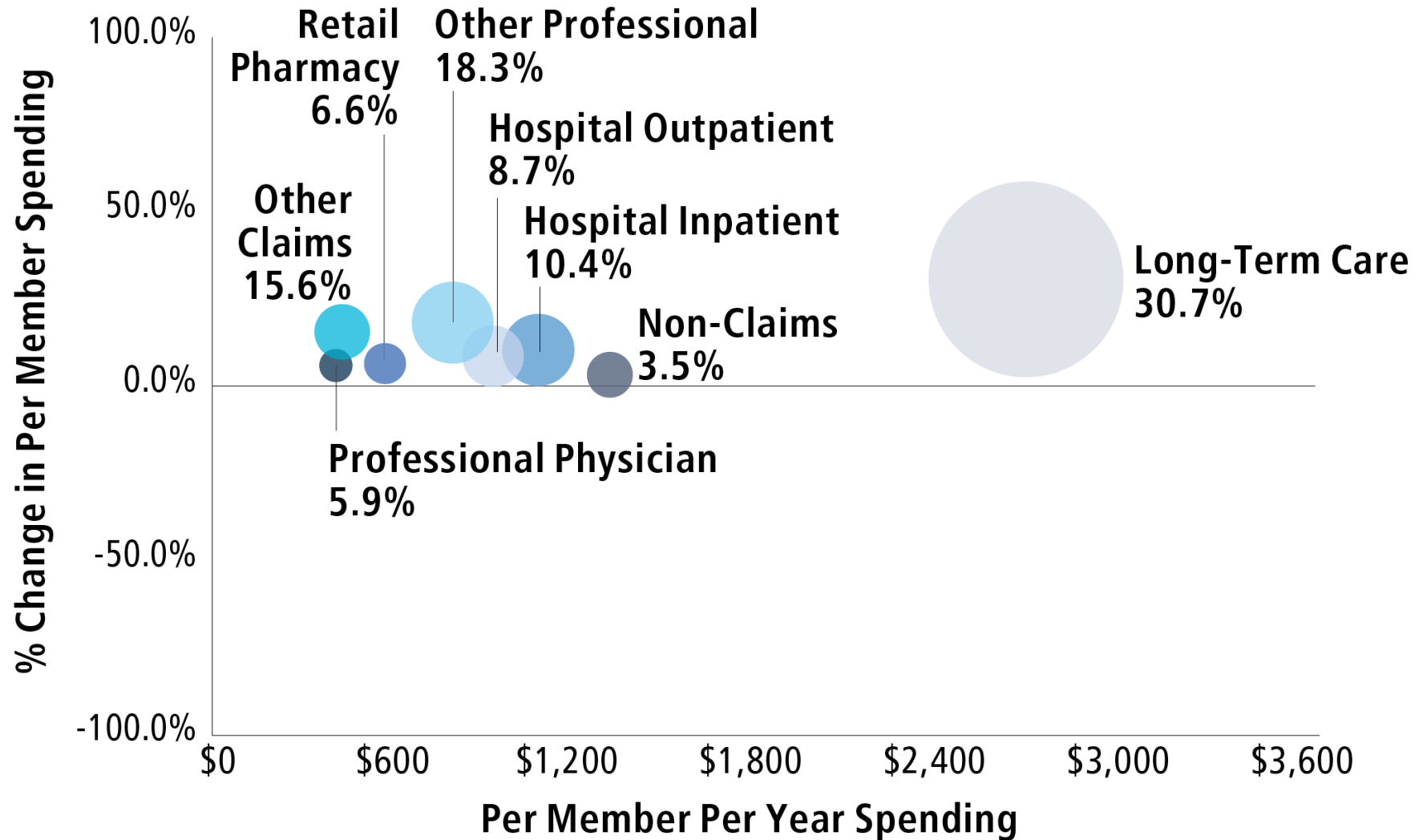
Hospital Outpatient and Retail Pharmacy Spending Drove Spending Growth in the Commercial Market in 2024



Hospital Outpatient, Retail Pharmacy, and Hospital Inpatient All Fueled Growth for Medicare in 2024



Long-Term Care Drove Cost Growth in the Medicaid Market in 2024



Explaining Medicaid Service Category Spending (1 of 2)

2024 was an unusual year for Medicaid in Rhode Island. A few factors contributed to its extremely high per person spending growth:

- 1) Following the conclusion of the Medicaid “unwinding” period, the Medicaid population dropped by 11 percent. Many of the members who were removed from the Medicaid rolls were healthy, with comparatively low health care spending. This resulted in substantially elevated per-person spending growth in 2024.
- 2) The disbursement of state-directed payments from the Medicaid MCOs to hospitals for inpatient and outpatient services added hundreds of millions of dollars to Medicaid spending.

Explaining Medicaid Service Category Spending (2 of 2)

- 3) Long-Term Care spending grew nearly 31 percent, largely due to increased payment rates OHIC recommended for many services covered under long-term care.
- These payment increases also impacted the Other Professional service category which includes the provision of behavioral health services by non-physician professionals. Spending on this category increased nearly 20 percent.
 - The spending growth in Other Professional was also influenced by the EOHHS' launch in late 2024 of Certified Community Behavioral Health Clinics, which offer expanded behavioral health services.

Key Takeaways

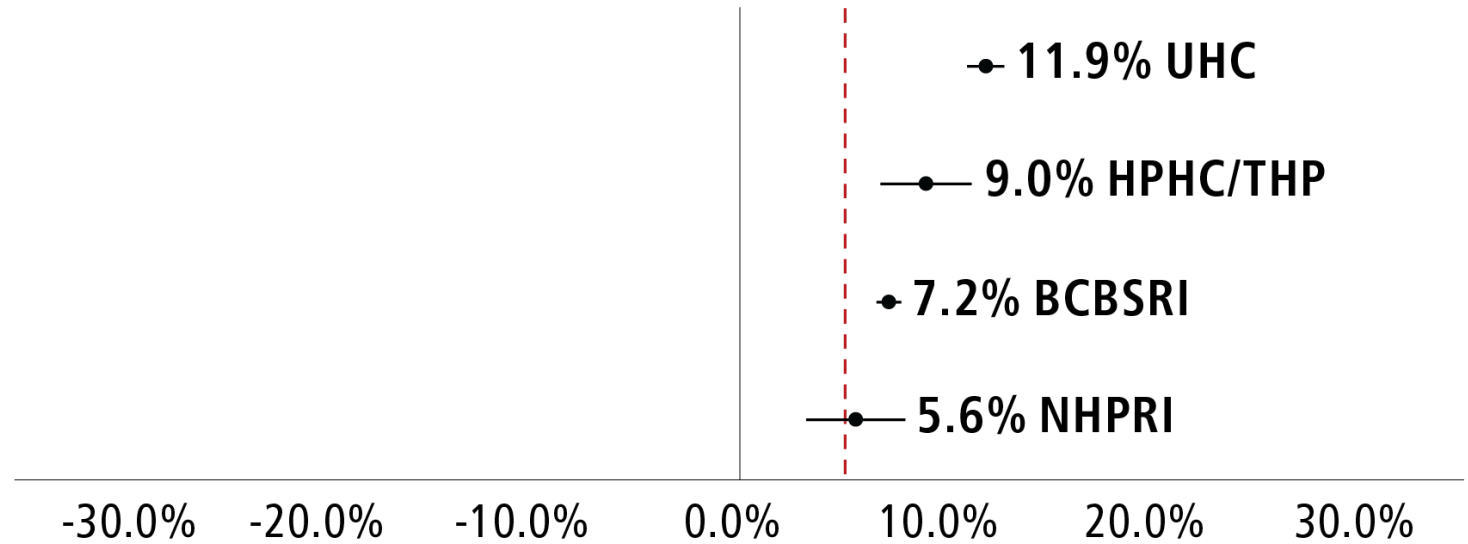
1. Statewide spending growth was the highest ever since RI established its target.
 - All claims categories experienced increases in spending.
2. Hospital Outpatient was the largest cost driver at the state level.
 - This marks the **third year in a row** where Hospital Outpatient has been identified as the most significant driver of health care spending growth in the state.
3. Medicaid spending growth was unusually high in 2024 (16.3%); historically Medicaid per person spending growth has been modest:
 - 2020 and 2021: spending decreased or remained flat
 - 2022: spending grew just over 3 percent
 - 2023: spending grew nearly 7 percent, owing in part to the April 2023 expiration of the federal requirement to maintain continuous coverage.

Insurer Performance Against the Target

Commercial Insurers' Performance Against the Target

Target performance is calculated using Total Medical Expense data, after applying truncation and age/sex risk adjustment.

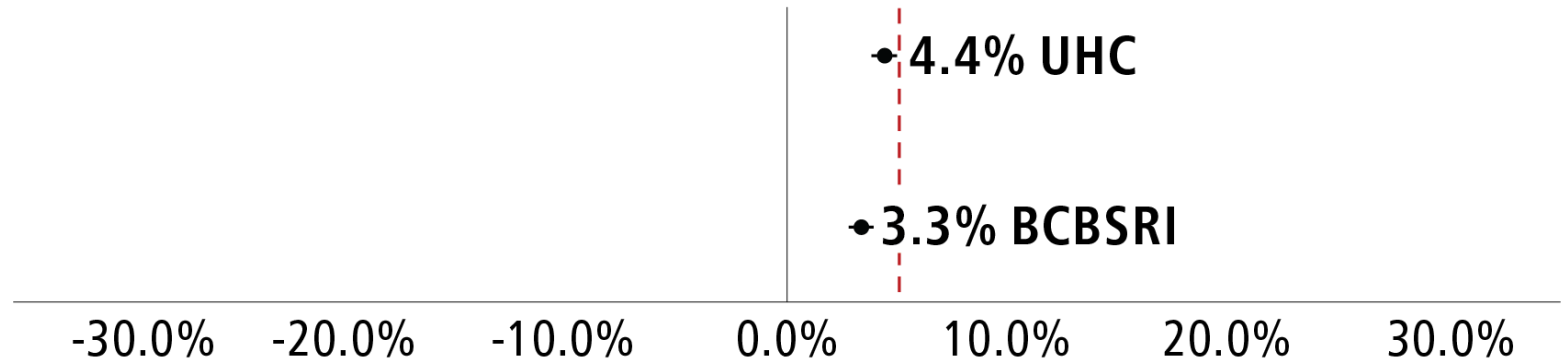
Data represent spending on fully insured and self-insured products, including the Federal Employee Health Benefits Program.



Payer	Target Performance
Blue Cross Blue Shield of RI	Did not meet the target
Neighborhood Health Plan of RI	Unable to determine
Harvard Pilgrim Health Care / Tufts Health Plan	Did not meet the target
UnitedHealthcare	Did not meet the target

Medicare Advantage Insurers' Performance Against the Target

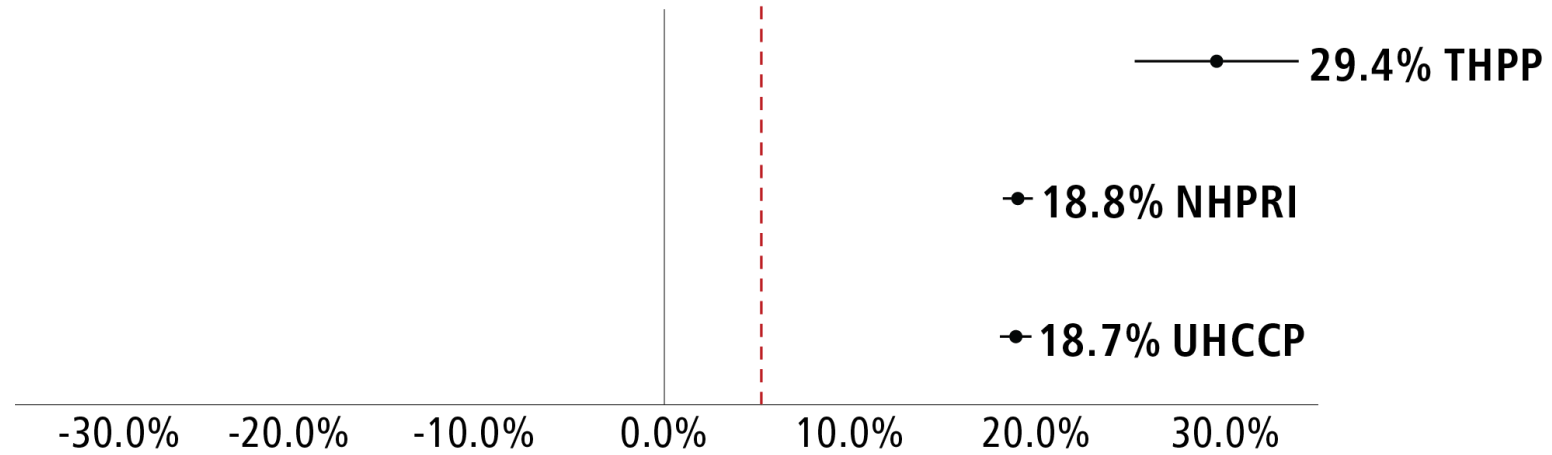
Target performance is calculated using Total Medical Expense data, after applying truncation and age/sex risk adjustment.



Payer	Target Performance
Blue Cross Blue Shield of RI	Met the target
UnitedHealthcare	Met the target

Medicaid Managed Care Insurers' Performance Against the Target

Target performance is calculated using Total Medical Expense data, after applying truncation and age/sex risk adjustment.



Payer	Target Performance
Neighborhood Health Plan of RI	Did not meet the target
Tufts Health Public Plans	Did not meet the target
UnitedHealthcare Community Plan	Did not meet the target

Medicare-Medicaid Plans' Performance Against the Target

Target performance is calculated using Total Medical Expense data, after applying truncation. Spending is not risk-adjusted, as risk adjustment is not performed at the market level and NHPRI's population represents the entire population of individuals enrolled in this market.

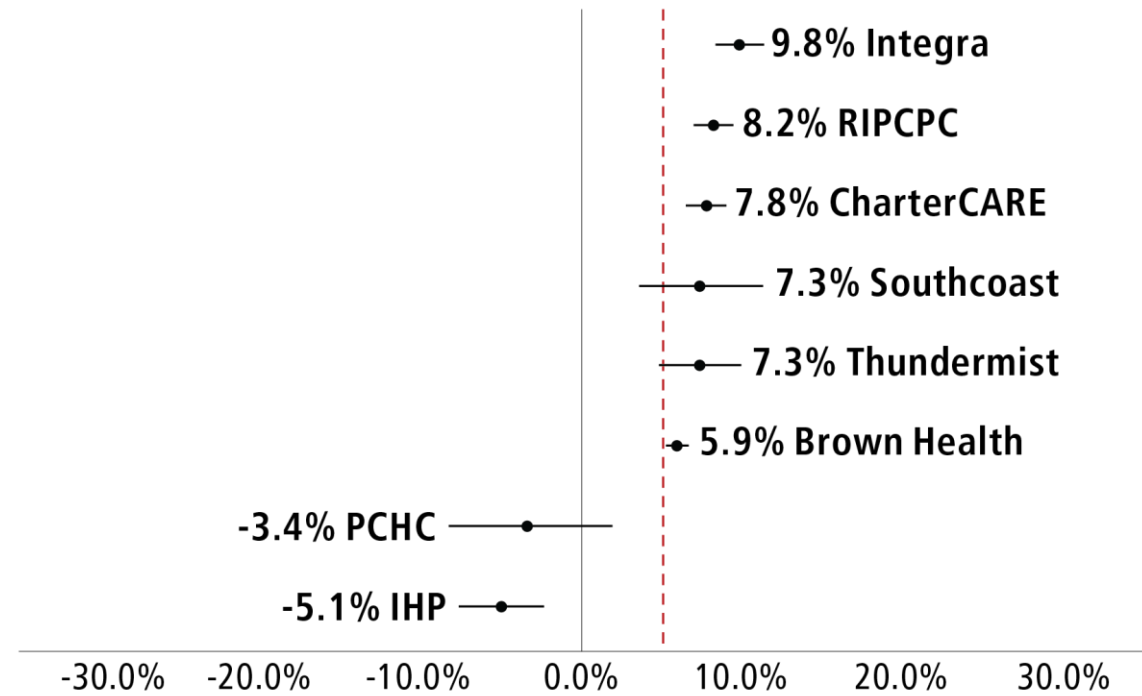
- Through CMS' Financial Alignment Initiative, EOHHS has provided coverage to individuals who are dually eligible for Medicare and Medicaid through a combined Medicare-Medicaid Plan (MMP).
- NHPRI was the only insurer to offer such a product in 2024. For the 2024 performance period, NHPRI's MMP spending growth was 8.2 percent, which exceeded the target.

Large Provider Entity (LPE) Performance Against the Target

Commercial LPEs' Performance Against the Target

Target performance is calculated using truncated and age/sex risk-adjusted spending.

2024 performance is not published for Blackstone Valley Community Health Care (BVCHC) because it did not have the minimum number of commercial attributed lives required for public reporting.

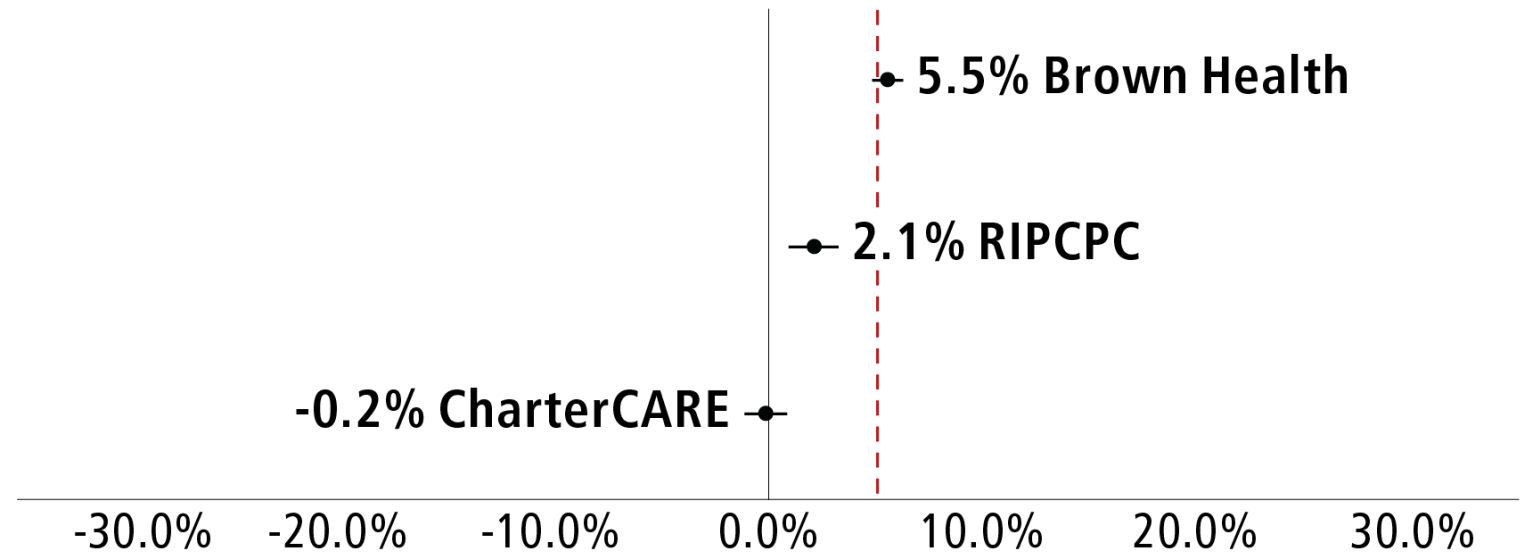


LPE	Target Performance
Brown University Health (Brown Health)	Did not meet the target
CharterCARE Provider Group of RI (CharterCARE)	Did not meet the target
Integra Community Care Network (Integra)	Did not meet the target
Integrated Healthcare Partners (IHP)	Met the target
Providence Community Health Centers (PCHC)	Met the target
Rhode Island Primary Care Physicians Corporation (RIPCPC)	Did not meet the target
Southcoast Health (Southcoast)	Unable to determine
Thundermist Health Center (Thundermist)	Unable to determine

Medicare Advantage LPEs' Performance Against the Target

Target performance is calculated using truncated and age/sex risk-adjusted spending.

2023 performance is not published for the same LPEs as for the commercial market because they lacked sufficient commercial attributed lives to meet the minimum required for public reporting.

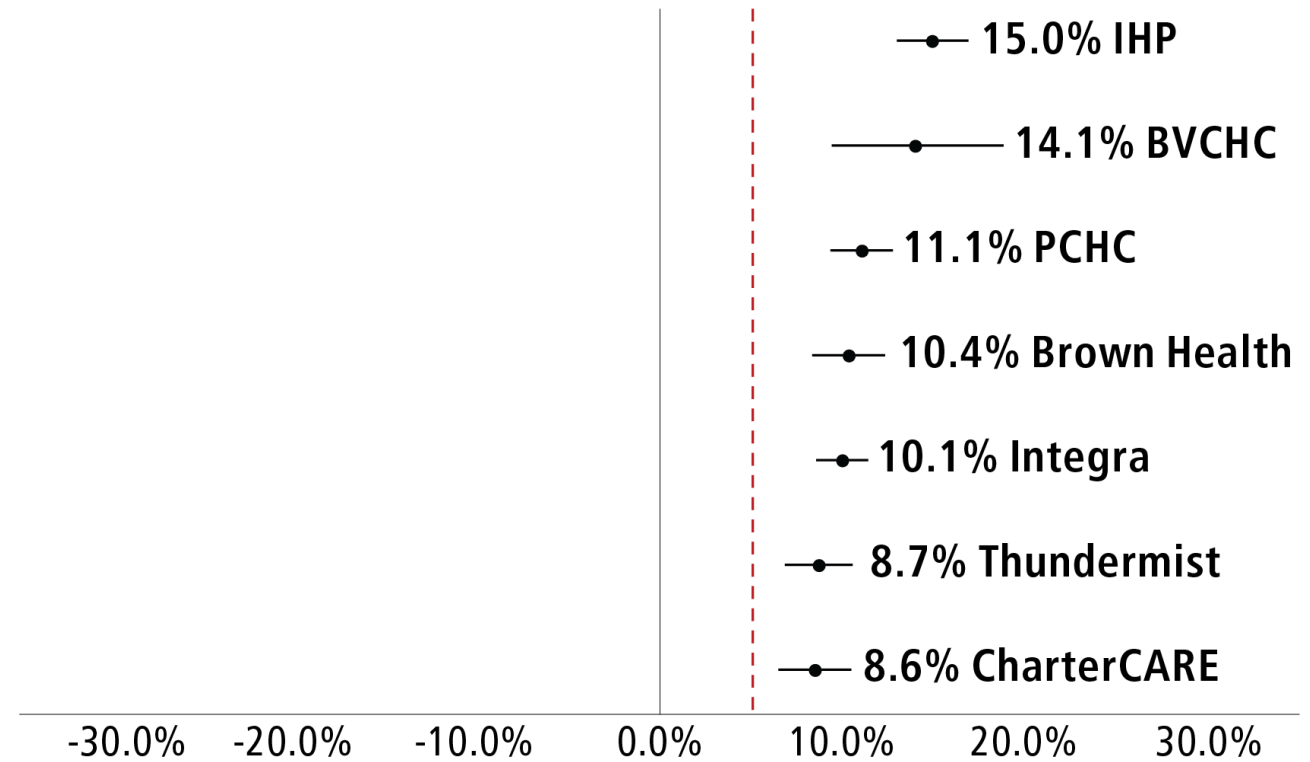


LPE	Target Performance
Brown Health	Unable to determine
CharterCARE	Met the target
RIPCPC	Met the target

Medicaid Managed Care LPEs' Performance Against the Target

Target performance is calculated using truncated and age/sex risk-adjusted spending.

Note: RIPCPC participated in the Accountable Entity (AE) program as part of Integra in 2023 and 2024. For this reason, RIPCPC is not identified as a separate provider for the purposes of this analysis. RIPCPC separated from Integra in 2025 and became a Medicaid AE.



LPE	Target Performance
BVCHC	Did not meet the target
Brown Health	Did not meet the target
CharterCARE	Did not meet the target
Integra	Did not meet the target
IHP	Did not meet the target
PCHC	Did not meet the target
Thundermist	Did not meet the target

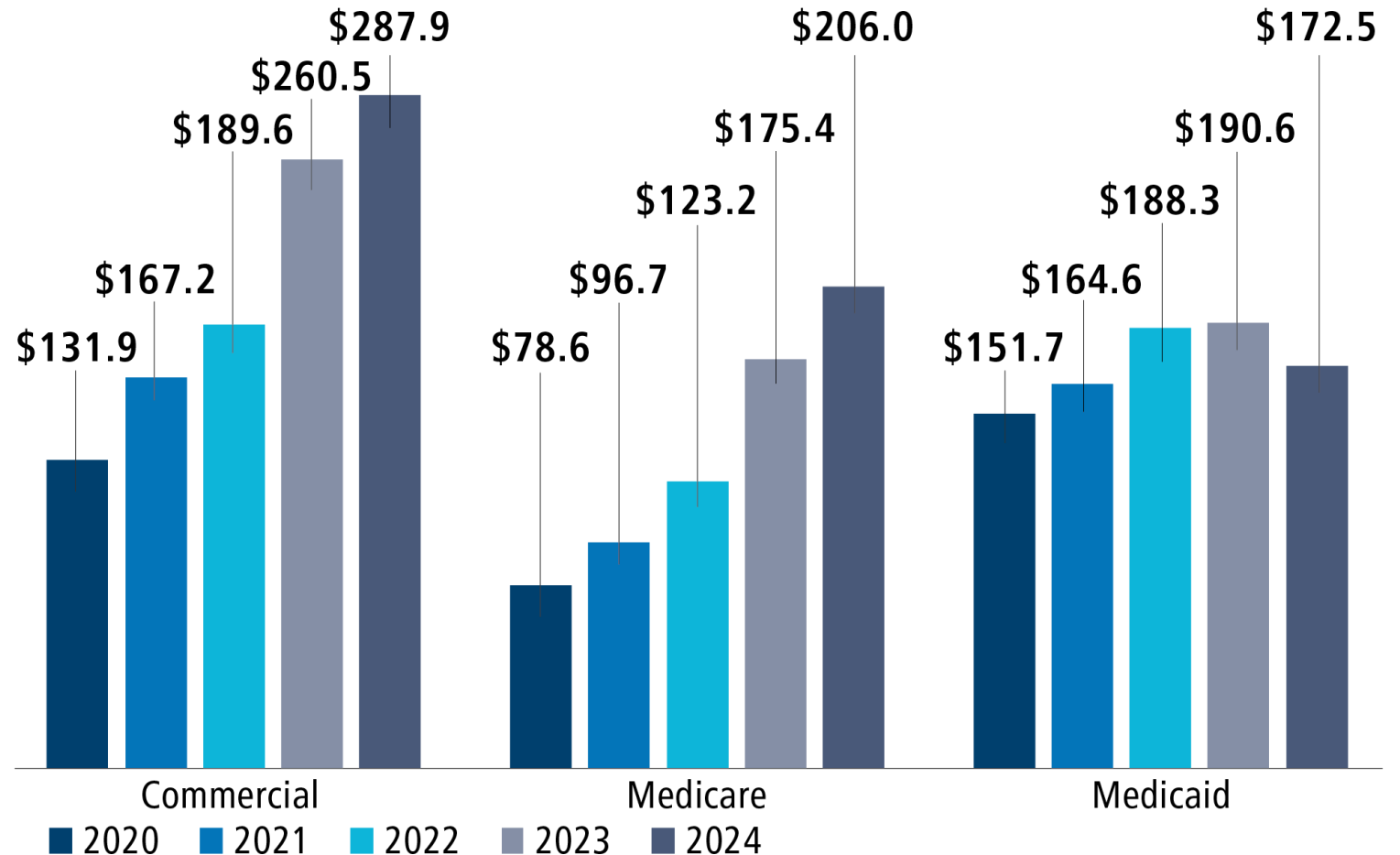
Focused Analysis: Pharmacy Rebates

Introduction

- Pharmacy rebates are discounts that drug manufacturers give to third-party entities such as health insurers for the cost of prescription drugs.
- OHIC analyses rely on pharmacy rebate data reported in aggregate for the cost growth target data collection. OHIC does not receive data on drug-specific rebates.
- The data in this section reflect total pharmacy rebates for both medical (clinician-administered) and retail drugs.
- The vast majority of rebates is associated with retail drugs.

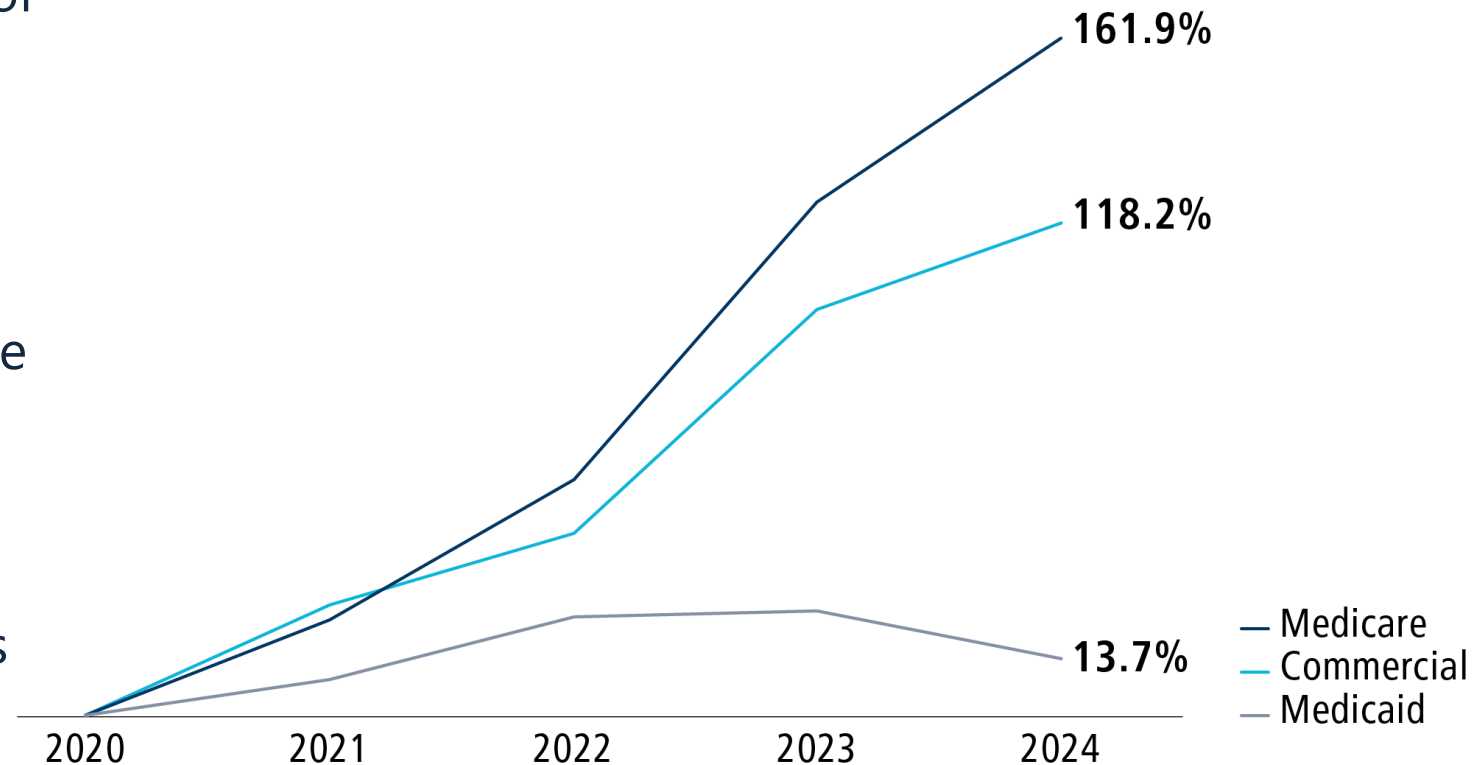
Pharmacy Rebates by Market (in Millions)

- Commercial and Medicare pharmacy rebates increased rapidly between 2020 and 2024.
- While Medicaid pharmacy rebates increased between 2020 and 2023, the change was more moderate compared to the commercial and Medicare markets.

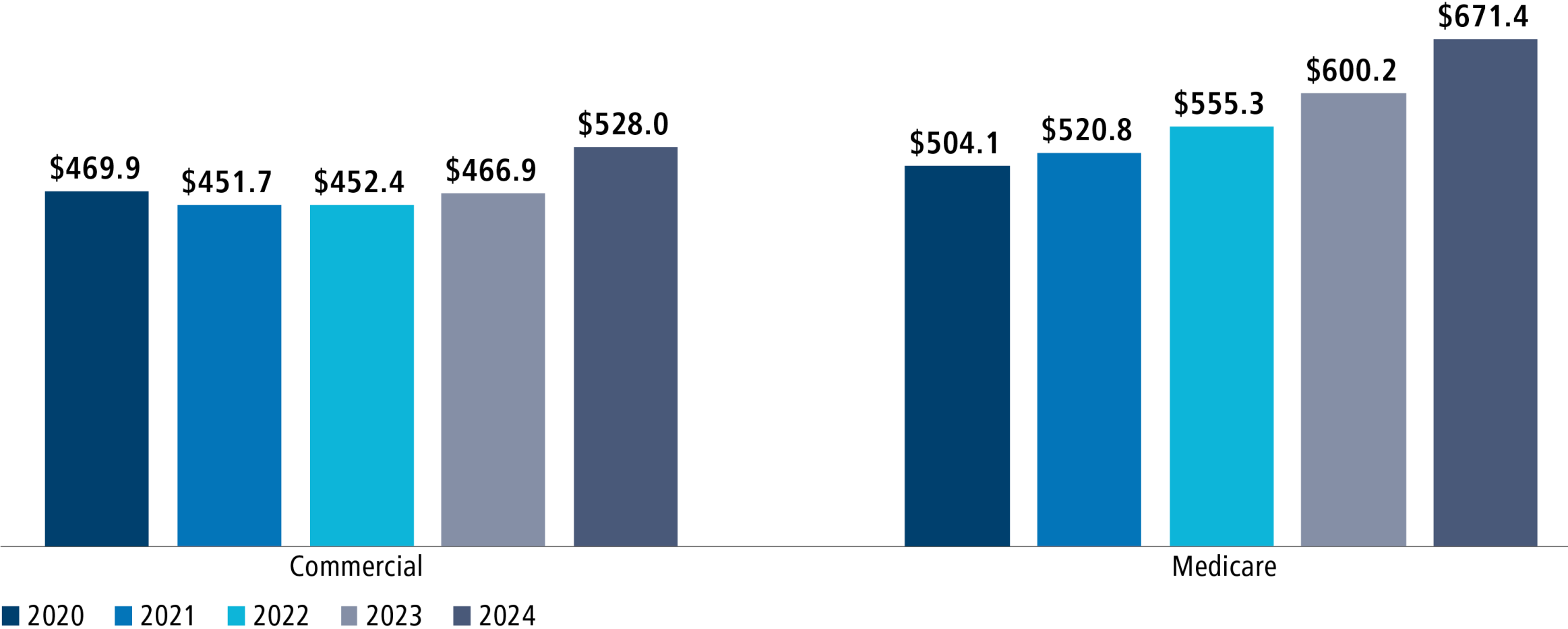


Cumulative Percentage Change in Rebates for Commercial, Medicaid, and Medicare Markets

- Pharmacy rebates have increased substantially since 2020, both in terms of dollars as well as a percentage of gross pharmacy claims.
- While traditionally the financial offset has been greatest for Medicaid, rebate amounts have grown substantially in the commercial and Medicare markets.
- Separate OHIC cost growth target data analysis demonstrates that these increases have not stemmed high levels of retail pharmacy spending growth in both markets (see next slide).



Pharmacy Claims, Net of Rebates For the Commercial and Medicare Markets (in Millions)

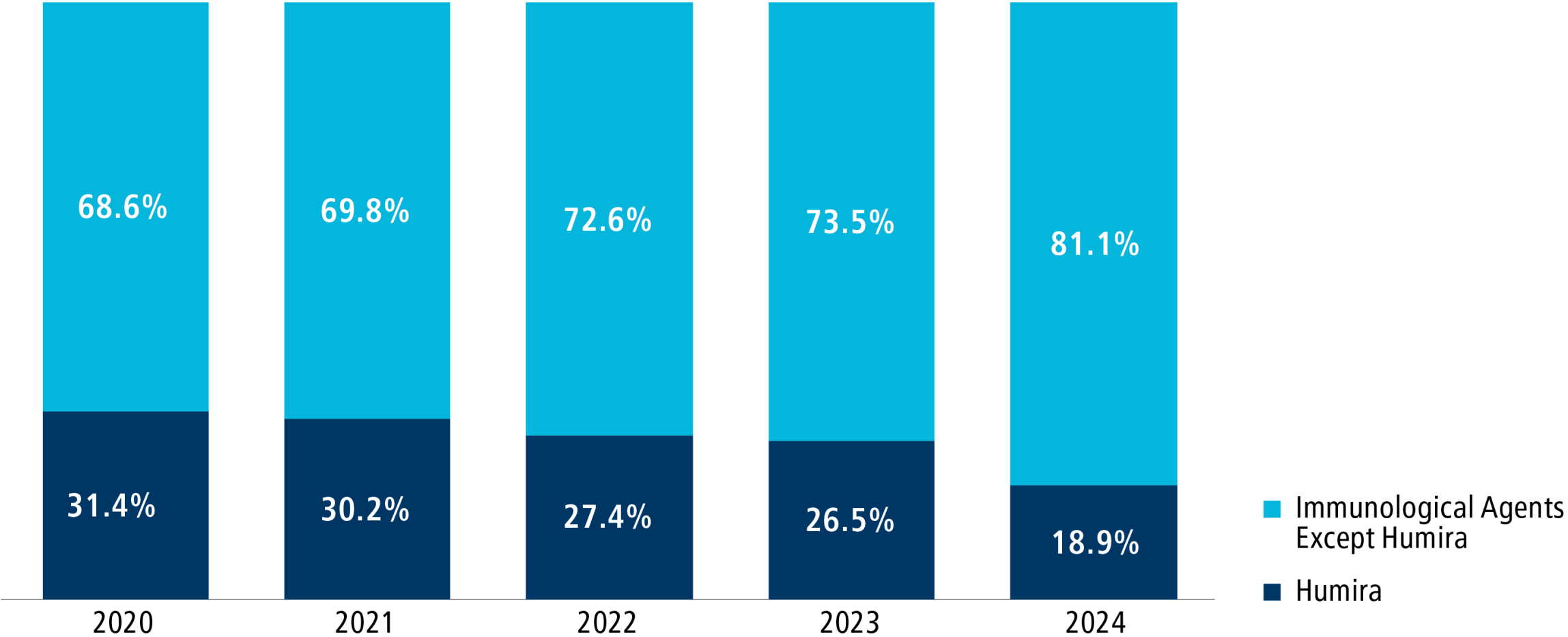


Focused Analysis: Humira and Biosimilars

Why focus on Humira?

- In prior public reporting, OHIC has spotlighted Humira, the best-selling drug of all time, as a prime example of a high-cost prescription drug that threatens health care affordability.
- In early 2023, Humira lost its patent exclusivity, which previously kept the blockbuster drug's prices high and growing. This allowed biosimilar competitors to enter the market.
- The following slides present the impact of this change in Rhode Island using data from the APCD.

In 2024, Humira Represented a Significantly Smaller Share of Spending on Immunologic Agents



Utilization for Humira Dropped, but Price Remained Unchanged

Year	PMPM	PPU	UPK	PMPM % Change	PPU % Change	UPK % Change
2020	\$11	\$6,329	21	–	–	–
2021	\$13	\$6,865	22	14.7%	8.5%	5.8%
2022	\$13	\$7,441	22	7.6%	8.4%	-0.7%
2023	\$15	\$8,080	22	8.0%	8.6%	-0.6%
2024	\$11	\$7,947	17	-21.5%	-1.6%	-20.2%

PMPM = Per Person Per Month

PPU = Payment Per Unit

UPK = Units per 1,000 members

Units are defined as 30-day equivalents.

There was an Uptake in Humira Biosimilars in 2024, Priced at About \$1,500 Per Unit Compared to Humira's \$8,000 Per Unit Price

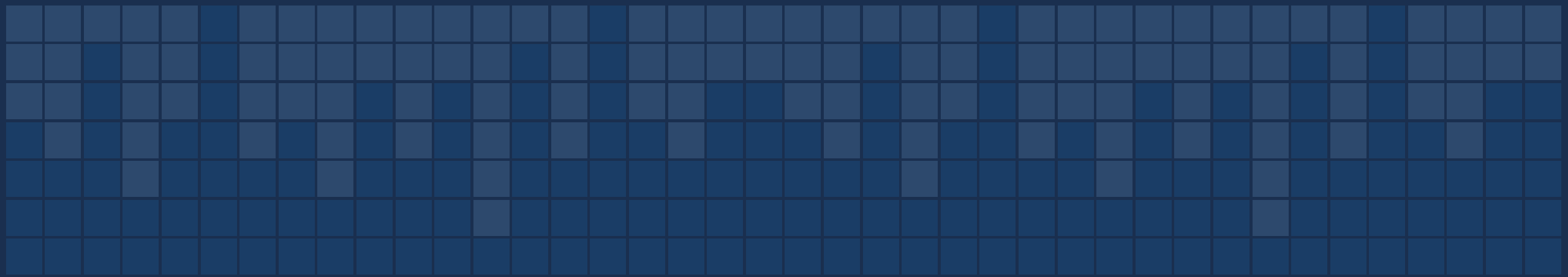
Biosimilar Name	2024 PPU	2024 Units (30-Day Equivalents)
Hyrimoz	\$1,537	658
Adalimumabadaz	\$1,695	124
Adalimumab-Ryvok(Cf) Autoinject	\$1,221	128
Pushtouch	\$1,356	95

PPU = Payment Per Unit

Conclusion

- Data indicate that Rhode Island residents have begun transitioning to biosimilars for treatment of autoimmune conditions such as Crohn's Disease and severe plaque psoriasis. OHIC expects this trend to continue.
- The state's 2024 data show the early stages of this transition towards effective, more affordable treatment options for patients
- OHIC will continue to monitor these spending and utilization patterns.

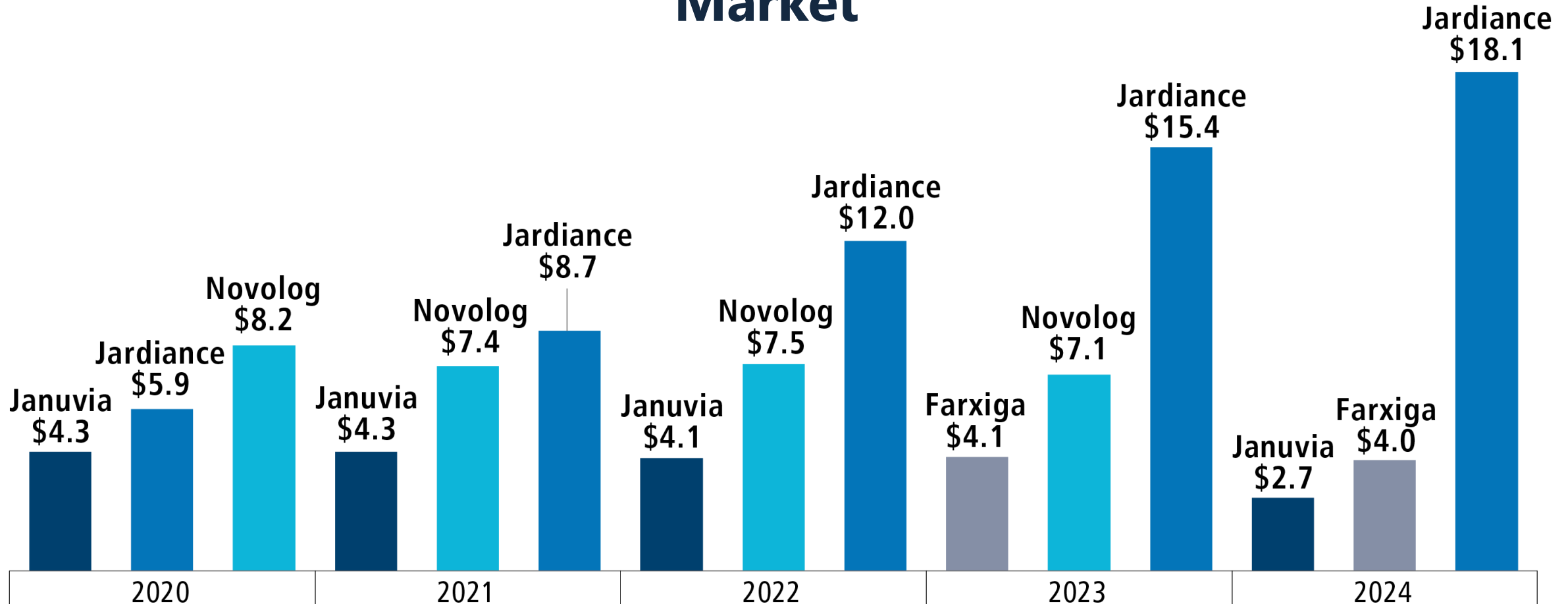
Focused Analysis: The Drop in Insulin Prices



Introduction

- In 2024, about 12 percent of Rhode Island adults were diabetic.
 - This rate is comparable to CDC national prevalence estimates. There are large racial disparities.
- From 2020 to 2024, of the defined therapeutic categories, diabetes medications accounted for the second-highest category of commercial prescription drug spending in Rhode Island.
- Unsurprisingly, glucagon-like peptide-1 receptor agonist drugs (GLP-1s) make up a large share of this spending. When GLP-1s are removed from spending, attention quickly shifts to insulin and other diabetes control drugs.
- The following slides present spending, utilization, and prices of insulin and non-insulin diabetes medications, cornerstones of diabetes management and treatment using data from the APCD.

The Top Three Drugs Each Year Made up Between 40 and 62 Percent of Total Spending for the Non-GLP-1 Diabetes Market



Of these medications, only Novolog is an insulin medication; the other three are non-insulin medications primarily used for blood sugar control.

What Happened with Insulin?

- Recent events suggest why there was a huge drop in price for Novolog, a popular insulin drug.
 - In 2023, the three top diabetes drug manufacturers cut their prices on their insulin products.
 - The nonprofit drug company Civica committed to rolling out a low-cost biosimilar insulin in 2024.
 - Also in 2024, California announced it would manufacture biosimilar insulin.
- In Rhode Island, price per unit for Novolog and other top spend insulin products dropped dramatically in 2024.

Drug	2023 PPU	2024 PPU	PPU % Change
Novolog	\$627	\$162	-74.2%
Lantus Solostar	\$317	\$72	-77.3%
Humalog	\$641	\$156	-75.7%
Lantus	\$323	\$81	-74.9%

Conclusion

- Rhode Islanders with diabetes can now obtain the life-saving medication they need – insulin – at a dramatically lower cost.
- High prices for other diabetes drugs, such as GLP-1s, will continue to saddle Rhode Islanders with high costs, until those prices also drop significantly.

Statewide and Market-Level Quality Performance

Quality Performance Background

- To complement public reporting of spending growth and provide a balanced perspective of health system performance, OHIC reports health care quality data.
- OHIC reports on commercial and Medicaid quality performance for the Core Measures in OHIC's ACO Aligned Measure Set. This year's report contains performance for Calendar Year 2024.

What is the ACO Aligned Measure Set?

OHIC maintains common sets of quality measures ("Aligned Measure Sets") for use in contracts between insurers and providers. OHIC requires commercial plans to adhere to these Aligned Measure Sets for use in primary care, ACO, acute care hospital, and behavioral health hospital contracts. "Core Measures" refers to the measures in the Aligned Measure Set that insurers must use in applicable provider contracts. "Menu Measures" and "Developmental Measures" are for permitted optional use.

ACO Aligned Measure Set Measures

The 2024 ACO Core Measure Set contained ten measures addressing chronic disease management, behavioral health, prevention and screening, and pediatric care:

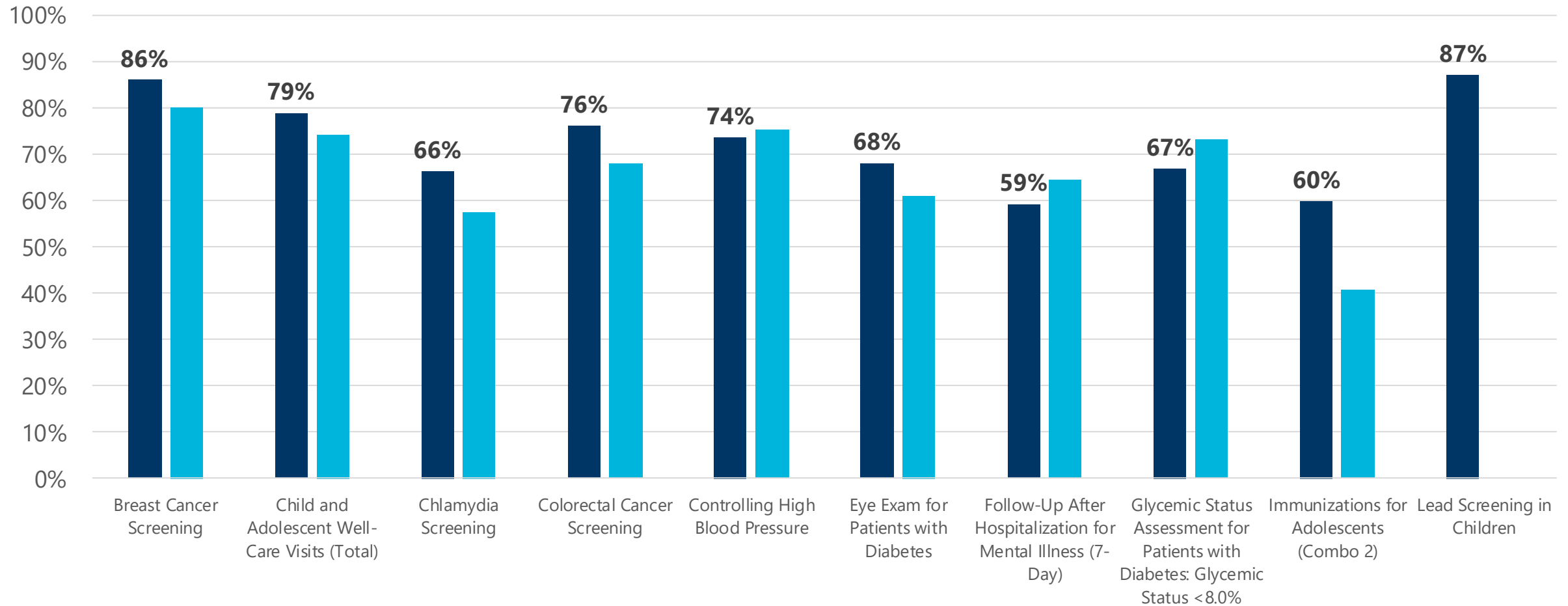
1. *Breast Cancer Screening*
2. *Child and Adolescent Well-Care Visits*
3. *Chlamydia Screening*
4. *Colorectal Cancer Screening*
5. *Controlling High Blood Pressure*
6. *Eye Exam for Patients with Diabetes*
7. *Follow-Up After Hospitalization for Mental Illness (7-Day)*
8. *Glycemic Status Assessment for Patients with Diabetes (<8.0%)*
9. *Immunizations for Adolescents*
10. *Lead Screening in Children*

Data Collection and Analysis Methodology

Market	Data Source	Methodological Summary
Commercial	OHIC obtained commercial performance directly from insurers as part of the cost growth target data collection.	Statewide commercial performance is based on a weighted average of insurer performance because multiple insurers submitted measurement data using population samples.
Medicaid	EOHHS provided data to calculate Medicaid market performance. EOHHS collects these data annually when it assesses AE quality performance on the Medicaid AE Common Measure Slate.	Medicaid performance represents the full population for the measures because EOHHS requires that insurers submit performance data for their full population.

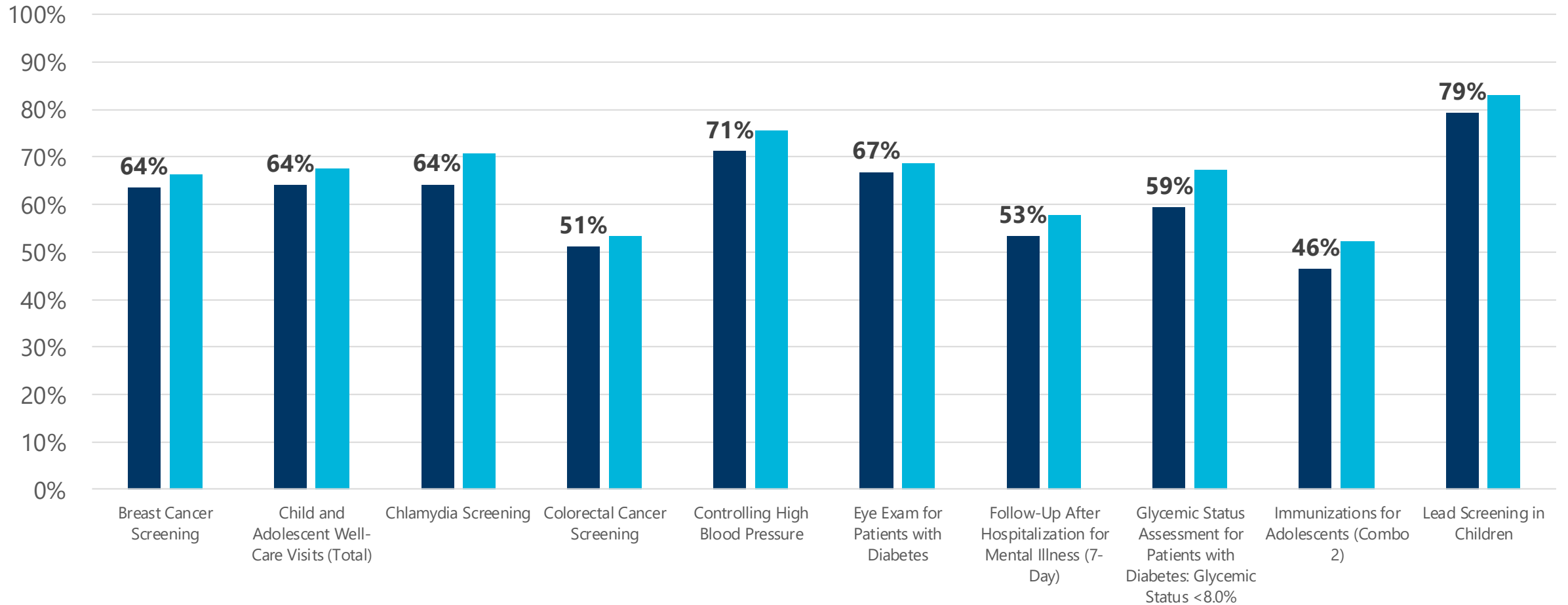
2024 Statewide Commercial Performance on the ACO Core Measure Set

■ RI Commercial Performance ■ National Commercial 90th Percentile

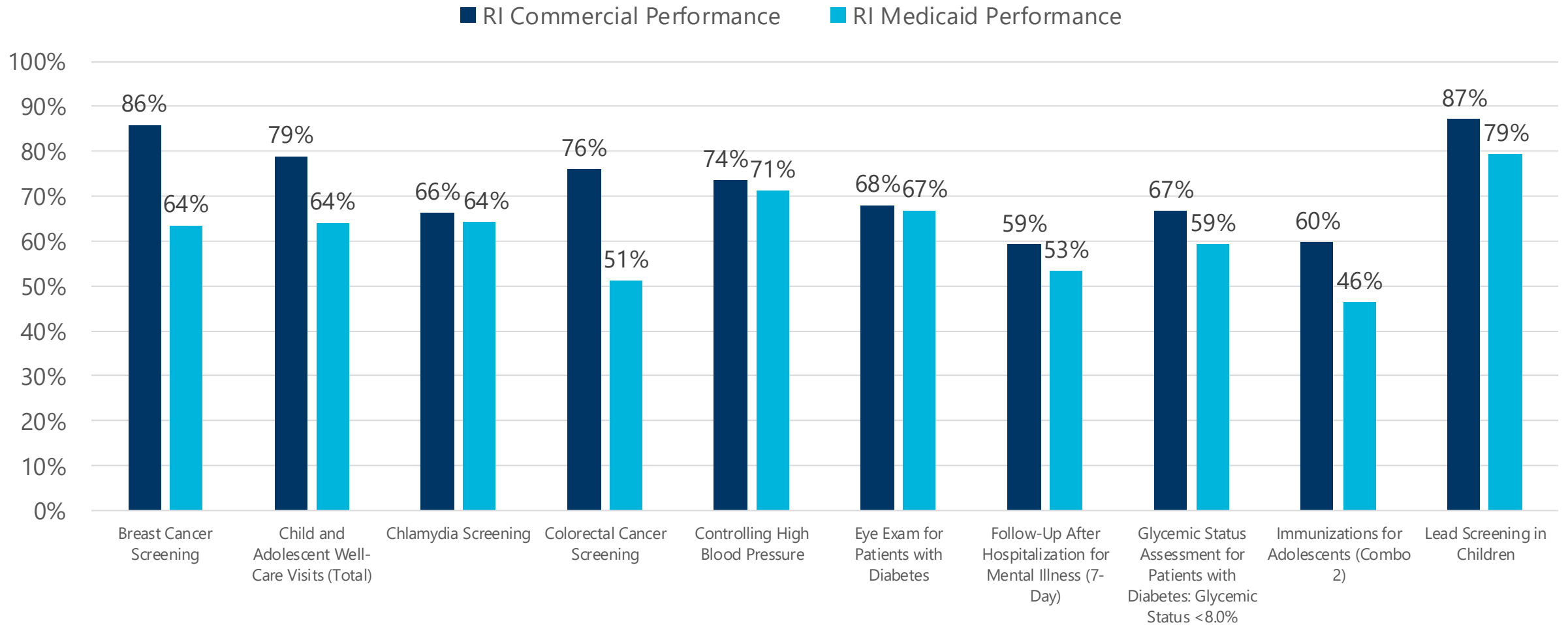


2024 Statewide Medicaid Performance on the ACO Core Measure Set

■ RI Medicaid Performance ■ National Medicaid 90th Percentile



2024 Statewide Medicaid and Commercial Performance on the ACO Core Measure Set



Longitudinal Quality Performance in the Commercial Market (2011-2024)

Measure	Rhode Island	Connecticut	Massachusetts	National
Breast Cancer Screening	+1.2%	+5.3%	+/- 0%	+6.3%
Chlamydia Screening	+14.0%	-3.2%	+2.9%	+3.3%
Colorectal Cancer Screening	-2.1%	+/- 0%	-7.9%	+0.7%
Controlling High Blood Pressure	-5.9%	+3.1%	-2.3%	+1.9%
Follow-up After Hospitalization for Mental Illness (7-Day)	-16.0%	-7.8%	-18.4%	-6.1%
Glycemic Status <8.0%	-8.6%	+1.7%	-3.1%	+5.1%

Performance on Public Health and Health Equity Measures

Public Health and Health Equity Measures Background

- In 2023, the Cost Trends Steering Committee recommended that OHIC select a set of public health and health equity (PH & HE) accountability measures, with associated improvement goals, and report them publicly.
- In response, OHIC convened a PH & HE Target Measures Work Group which recommended six measures for inclusion. The Steering Committee and OHIC accepted the recommendation.
- OHIC reports data annually against performance targets for 2027 using data available from the Rhode Island Department of Health (RIDOH) and from other public sources.

PH & HE Measure Set: Six Measures in Four Domains

- The Public Health and Health Equity Measure Set contains six measures spanning four domains: childhood obesity, behavioral health, health care access, and maternal and infant health.

Measure Name	Data Source
Adults without a Usual Source of Care	Behavioral Health Risk Factor Surveillance System data, Commonwealth Fund
Childhood Obesity Rate	BMI clinical and billing records, RI KIDS COUNT
Fatal Overdoses	CDC State Unintentional Drug Overdoses Reporting System
Inadequate Prenatal Care	Vital Records Birth Certificate data, RI Department of Health
Infant Mortality Rate	Vital Records Birth Certificate data, RI Department of Health
Severe Maternal Morbidity	Hospital Discharge Data, RI Department of Health

2024 Performance on the PH & HE Measure Set (1 of 2)

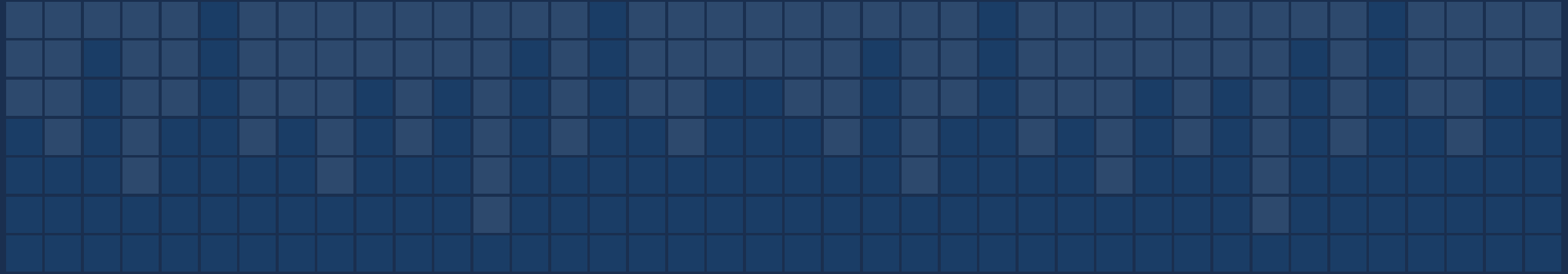
Measure Name	Population	Baseline Performance	2023 Performance	2024 Performance	2027 Target
Adults without a Usual Source of Care	Hispanic adults	24% <i>Compared to 11.4% statewide</i>	30%	32%	≤17%
Childhood Obesity Rate	Separate targets for Black and Hispanic children	Black children: 29% Hispanic children: 33% <i>Compared to 23% statewide</i>	Black children: 28% Hispanic children: 32%	Black children: 26% Hispanic children: 30%	Black children: ≤23% Hispanic children: ≤27%
Fatal Overdoses	Total population	39.8 deaths per 100,000 persons <i>Compared to 35.0 nationally</i>	37.6 deaths per 100,000 persons	30.6 deaths per 100,000 persons	≤35.0 deaths per 100,000 persons

2024 Performance on the PH & HE Measure Set (2 of 2)

Measure Name	Population	Baseline Performance	2023 Performance	2024 Performance	2027 Target
Inadequate Prenatal Care	Ages < 20 years	8.1% <i>Compared to 3.3% statewide</i>	8.8%	10.7%	≤4.0%
Infant Mortality Rate	Combined target for Black and Hispanic mortality rate	7.7 deaths per 1,000 live births <i>Compared to 5.5 statewide</i>	6.6 deaths per 1,000 live births	5.8 deaths per 1,000 live births	≤5.5 deaths per 1,000 live births
Severe Maternal Morbidity	Total population	86.2 per 10,000 delivery hospitalizations	86.7 per 10,000 delivery hospitalizations	NA*	≤75.0 per 10,000 delivery hospitalizations

*The CDC made a significant change to the definition of severe maternal morbidity in 2024. The 2027 target was set using baseline data using the old definition, making 2024 performance not comparable to the target.

Q&A





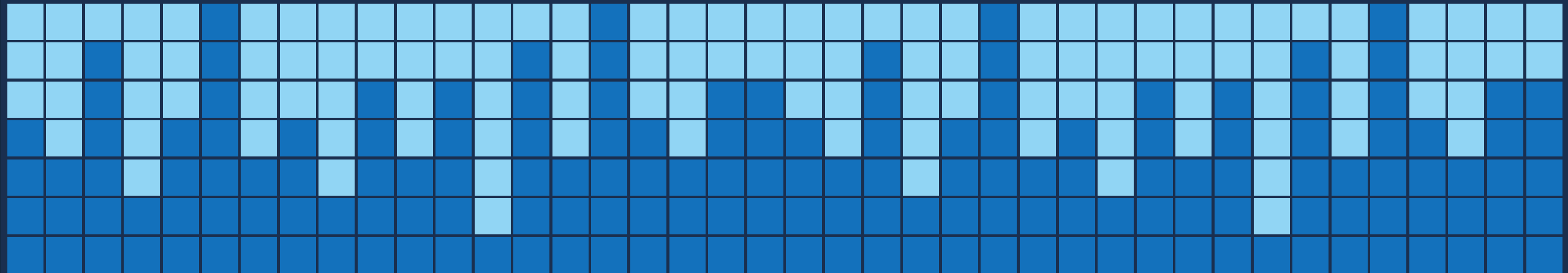
STATE OF RHODE ISLAND

Office of The Health Insurance Commissioner

Department of Business Regulation

Perspective and Recommendations from the Commissioner

2026



Health Care Costs Are Rising Faster than Wages and Inflation

Rising costs erode wage growth and consume a greater share of working families' budgets.



From: **US Medical Prices and Health Insurance Premiums, 1999-2024**

JAMA Netw Open. 2025;8(12):e2547462. doi:10.1001/jamanetworkopen.2025.47462

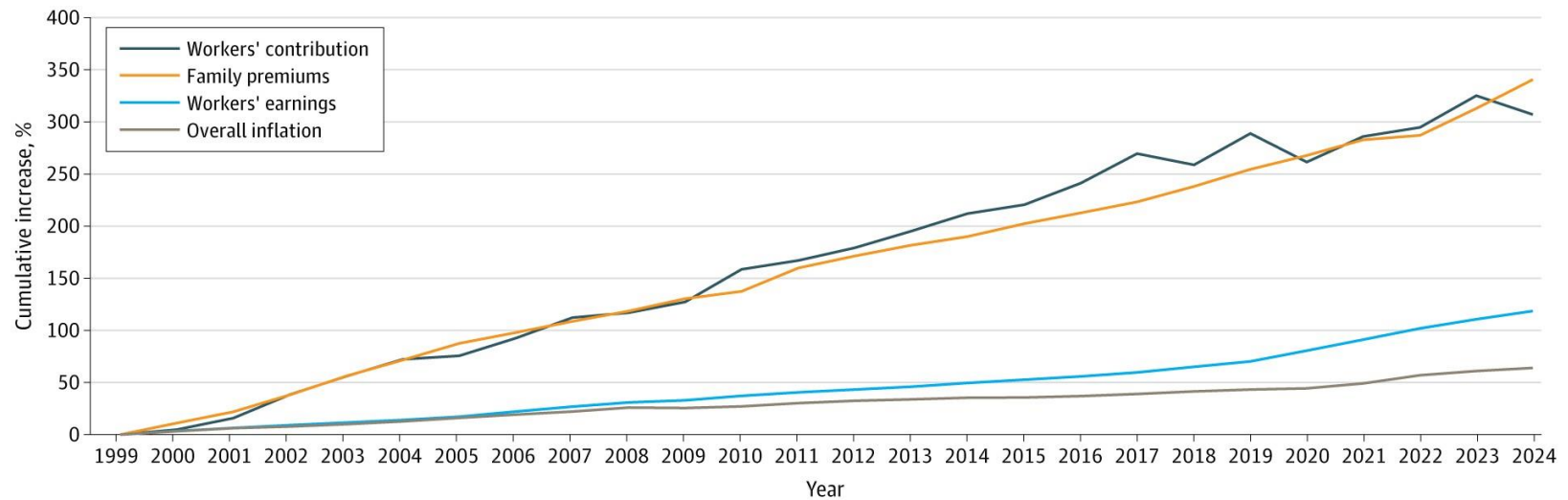


Figure Legend:

Cumulative Increases in Workers' Contribution, Family Premiums, Overall Inflation, and Workers' Earnings Data were collected from the Kaiser Family Foundation Employer Health Benefits Survey, 1999-2024; Bureau of Labor Statistics, Consumer Price Index, Historical Inflation Rates: 1999-2024; Bureau of Labor Statistics, Seasonally Adjusted Data from the Current Employment Statistics Survey, 1999-2024. Bureau of Labor Statistics workers' earnings are based on the change in total mean hourly earnings of production and nonsupervisory employees. Employment, hours, and earnings data are from the Current Employment Statistics Survey by the Department of Labor.

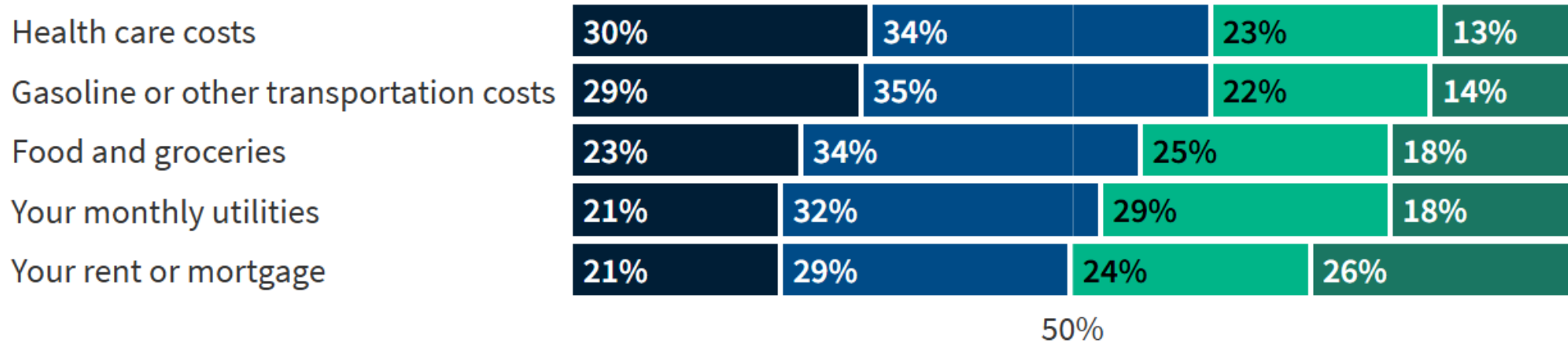
Date of download: 12/17/2025

The Top Economic Worry for Americans

Health Care Costs and Gas Prices Top the List of Economic Worries for U.S. Adults

How worried, if at all, are you about being able to afford each of the following for you and your family?

■ Very worried ■ Somewhat worried ■ Not too worried ■ Not at all worried



Note: The item "health care costs" includes the cost of health insurance and out-of-pocket costs for things like office visits and prescription drugs. The item "monthly utilities" includes electricity or heat. See topline for full question wording.

Source: KFF Health Tracking Poll (April 14-19, 2026) • [Get the data](#) • [Download PNG](#)

KFF

Health Care Costs in the Headlines

 PBS NEWS HOUR

**1 in 3 Americans forced to
make financial sacrifices for
health coverage**

Apr 17, 2026 6:35 PM EDT

**Healthy workers are ditching company
insurance to save \$1,000 a month**

By Taylor Nicole Rogers Bloomberg, Updated April 29, 2026, 5:23 p.m.

**Millions of Americans are skipping meals or
cutting back on utilities to afford health care**

MAR 12, 2026 

What are Consumers Saying?

On 2026 Premium Increase:

"My wife is 63 years old ... Her proposed increase this year is 27.13%. This equals almost a \$5000 annual increase!!! Almost \$20,000 per year for an individual plan. This is crazy."

On 2025 Premium Increase:

"Consider the average income of a married couple, cost of housing, automobiles that require insurance, food, clothing, basic necessities and then throw in your rate increase and where does it put people??"

Quotes from consumer emails to Cory King

Health Insurance Premiums are Increasingly Unaffordable

The annual premium for a family health insurance policy in Rhode Island in 2024 was \$25,960. **This amounts to 28% of median household income**, or the maximum amount that financial experts say should be spent on a mortgage.



How Do We Address Rising Costs? Only So Many Options

Premium
Subsidies

Cost Growth
Targets

Price
Regulation

Payment
Reform

Plan Design

Market
Oversight

Investing in
Primary Care

Care Delivery
Redesign

Eliminating
Insurance
Mandates

Affordability for All: Lowering Health Care Costs (1/2)

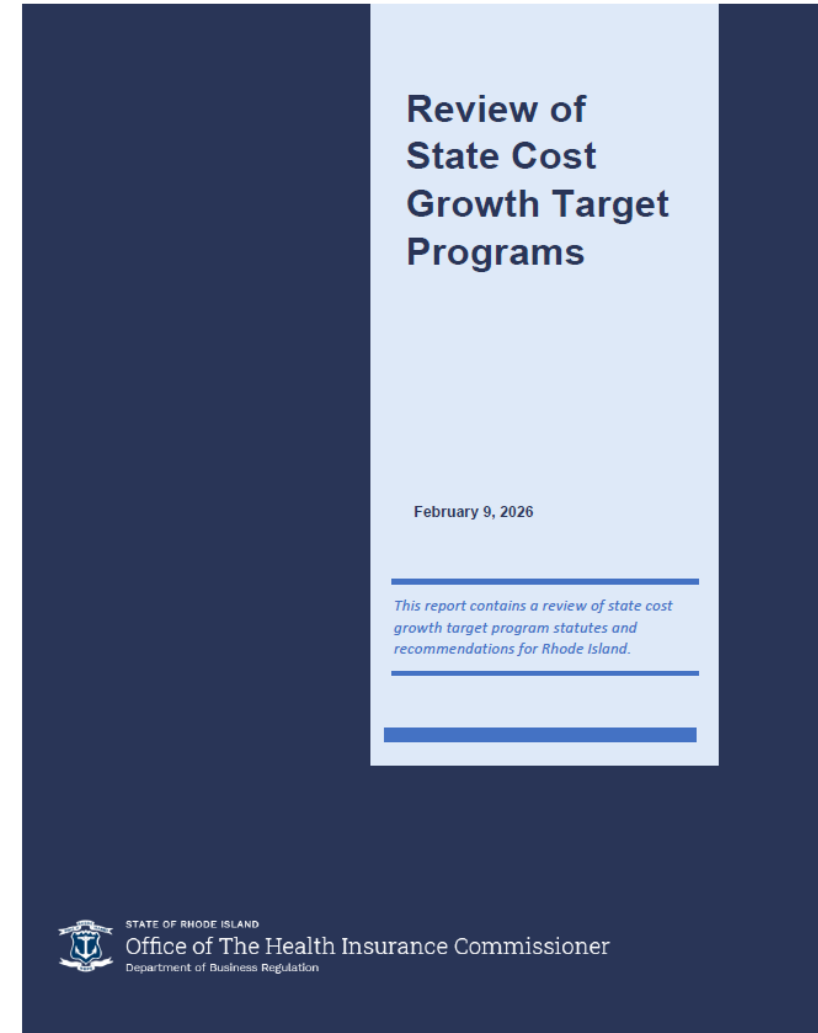
- The McKee Administration has prioritized health care affordability and transparency through a series of targeted policy and regulatory initiatives, including:
 - Reducing administrative burden by easing prior authorization requirements
 - Requiring commercial insurers to increase investment in primary care to strengthen value-based care and improve outcomes
 - Issuing Executive Order 26-03 *Lowering Marketplace Premiums, Increasing Transparency, and Making Health Coverage More Affordable*.
 - Reforming Certificate of Need (CON) requirements to promote competition and expand access to cost-effective care settings
 - Prioritizing lower-cost, high-value care delivery models through the Rural Health Transformation Program (RHTP)

Affordability for All: Lowering Health Care Costs (2/2)

- **Article 11 of the proposed FY 2027 budget** advances three central components of the Governor's affordability agenda: curbing health care cost growth, increasing transparency in prescription drug pricing, and lowering marketplace premiums.
 - Authorizes the Office of the Health Insurance Commissioner to set multi-year health care cost growth targets, require payer reporting and performance monitoring, and implement performance improvement plans with potential penalties for entities that exceed targets.
 - Requires Pharmacy Benefit Managers to report detailed pricing, rebate, and business practice data to improve transparency, and directs a comprehensive benchmarking study to evaluate regulatory options aimed at lowering prescription drug costs.
 - Create the state's first-ever premium assistance program to fully replace the Affordable Care Act's Enhanced Advance Premium Tax Credit for individuals who earn less than 200% of the federal poverty level, keeping coverage affordable for approximately 20,000 Rhode Islanders.

Review of State Cost Growth Target Programs

- OHIC reviewed cost growth target programs in six peer states.
- These findings are presented in the February 2026 report: Review of State Cost Growth Target Programs.
- Article 11, Sections 12 and 13 was informed by this review.



Key Elements of Article 11 Sections 12 & 13

A Cost Growth
Target Tied to
Economic
Indicators

An All-Payer
Primary Care
Investment Target

Public Reporting

Public Hearings

Enforcement
Authority

Target Setting, Measurement, and Enforcement

Cost Growth Target

- Ties health care cost growth to growth of the economy and household income.
- Sets a key performance measure for our health care system.
- Allows flexibility to adjust for changing economic and market conditions over time.
- OHIC will also set quality targets and health equity targets.

All-Payer Primary Care Investment Target

- Ensures that all payers are investing in primary care while managing overall costs.
- Rebalances Rhode Island's health care spending toward primary care and chronic disease management.
- Builds on OHIC's existing regulatory requirement for commercial insurers.

Public Reporting

- Comprehensive reporting on over \$9 billion of health care spending for Rhode Island residents.
- Reporting of trends at the state and market level.
- Transparency into trends by insurer and large provider organization.
- Annual policy recommendations.

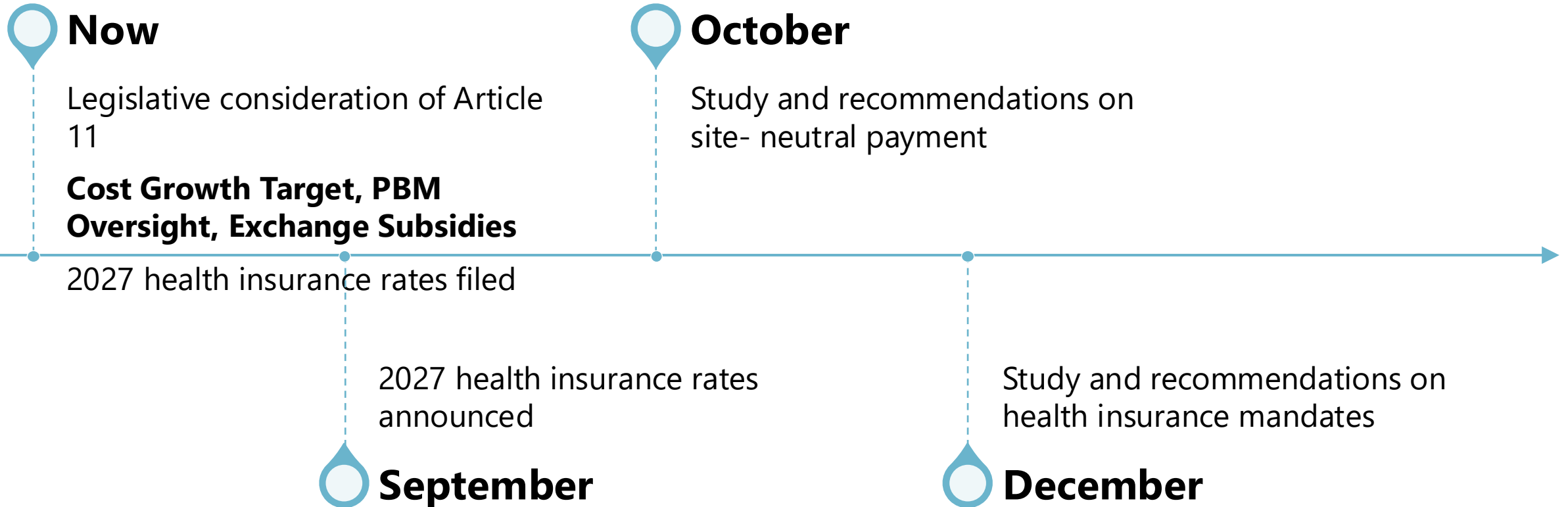
Annual Public Hearing

- Public testimony by insurers, PBMs, large providers, drug manufacturers, and other entities that contribute to increased costs and premiums.
- Review analysis from public reporting.
- Take public comment from consumers, employers, and others.

New Enforcement Authority

- Authority will extend to commercial market spending. It will not include Medicare or Medicaid.
- OHIC may require commercial insurers and large provider entities to implement performance improvement plans.
- OHIC may levy financial penalties for excessive cost growth.

Looking Forward





STATE OF RHODE ISLAND

Office of The Health Insurance Commissioner

Department of Business Regulation

Thank You

For more information, contact:

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Health Insurance Commissioner

Cory.King@ohic.ri.gov

Data for this presentation were obtained through an approved request to the Rhode Island All-Payer Claims Database as administered by the Rhode Island Department of Health (RIDOH). Data were obtained for 2020 through 2024. RIDOH is not responsible for the author's analysis, opinions, or conclusions contained in this document.



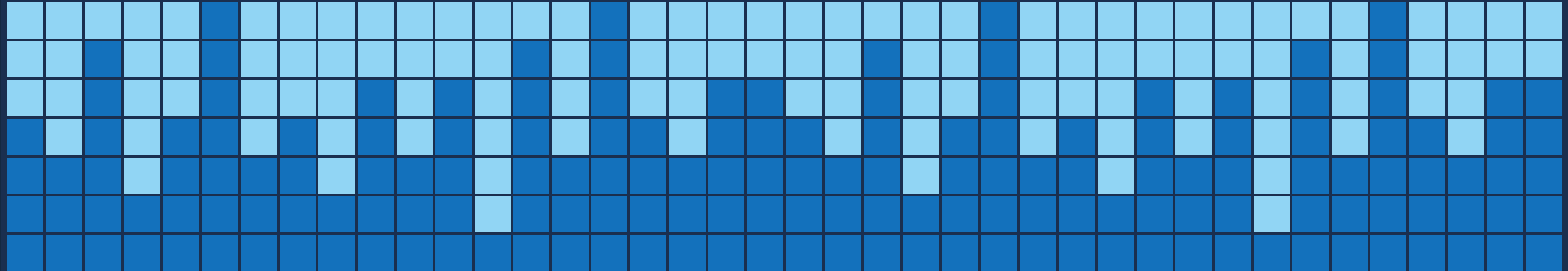
STATE OF RHODE ISLAND

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Department of Business Regulation

2024 Primary Care Spending and Utilization in Rhode Island

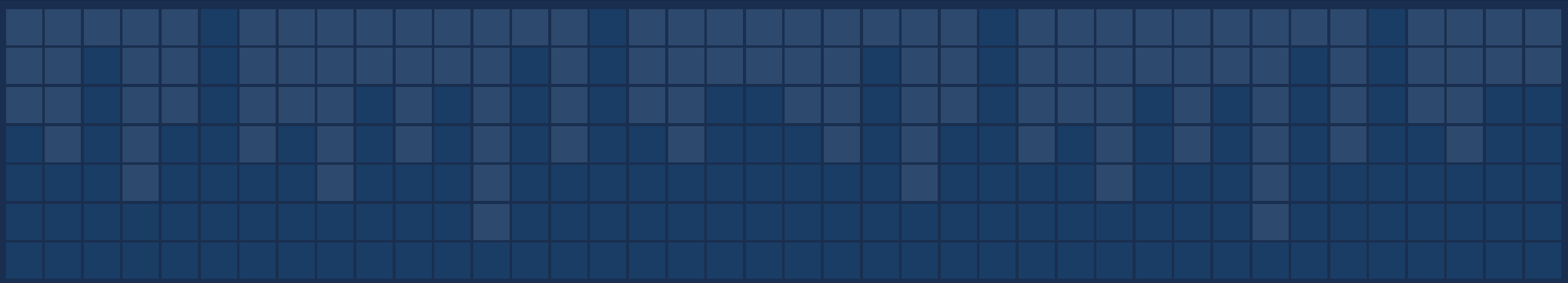
MAY 18, 2026



Agenda

1. Primary Care Background
2. Access to Primary Care in Rhode Island
3. Spending on Primary Care
4. Primary Care Delivery
5. Well-Care Visit Utilization

Primary Care Background



OHIC's Focus on Primary Care (1 of 3)

- OHIC has prioritized strengthening the state's primary care foundation.
- In 2023, OHIC published *Primary Care in Rhode Island* with policy recommendations for advancing this goal.
- In 2024, the Commissioner joined other state health policy leaders and clinicians in developing systemwide efforts, including initiatives for primary care, through the Health System Planning Cabinet.

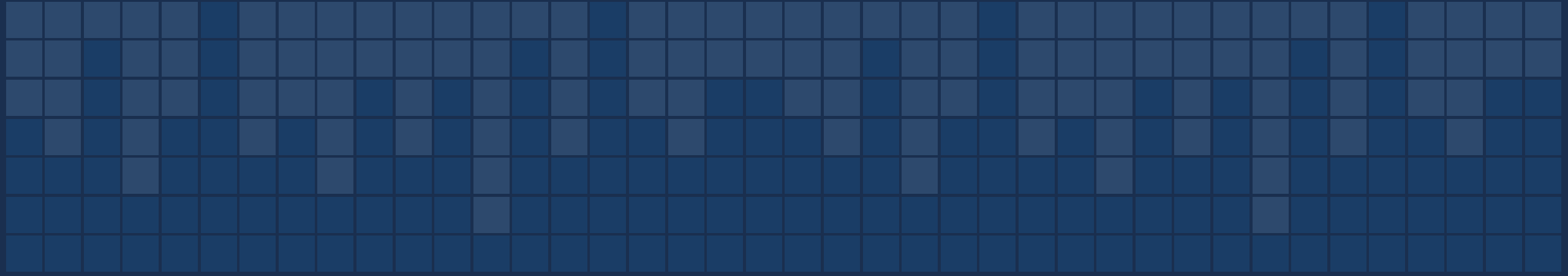
OHIC's Focus on Primary Care (2 of 3)

- In early 2025, OHIC promulgated new regulations to implement several of its recommendations from the December 2023 report. The updated regulation requires health insurers to:
 - Reduce the administrative burdens put on providers due to prior authorization, and
 - Increase investment in primary care by meeting OHIC's investment targets by:
 - raising reimbursement for primary care services,
 - increasing primary care capitation rates where applicable, and
 - expanding support for primary care practice-based population health management resources.

OHIC's Focus on Primary Care (3 of 3)

- In June 2025, Governor McKee and the Executive Office of Health and Human Services (EOHHS) awarded \$6.7M in grants to primary care practices to bolster the workforce and support access to care.
- In July 2025, the General Assembly enacted legislation to ease administrative burdens on primary care by eliminating prior authorizations and directed EOHHS to increase Medicaid reimbursement rates to 100 percent of the Medicare fee schedule in FY 2026.

Access to Primary Care in Rhode Island

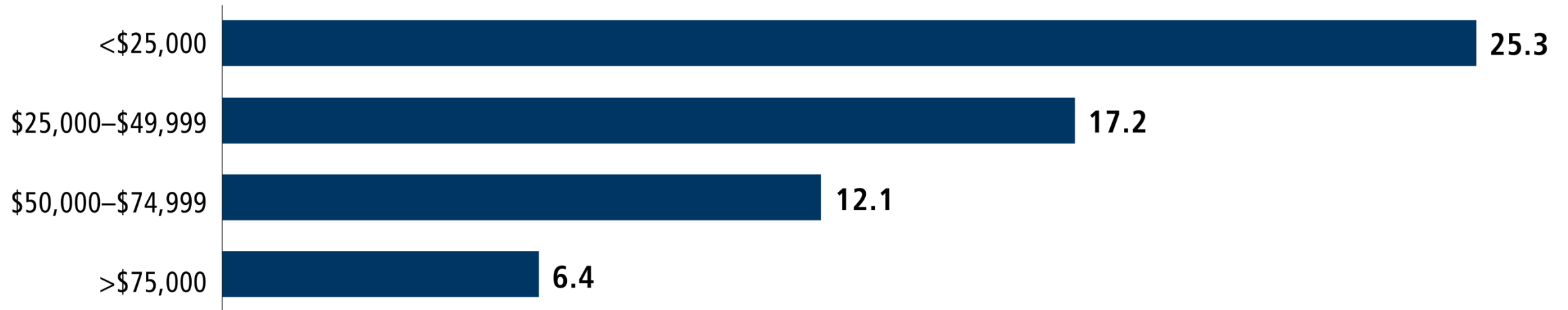


Primary Care Workforce Shortages

- Research from Brown University estimated that Rhode Island has about 700 primary care full-time equivalents (FTEs) to serve just over one million residents – roughly one clinician FTE per 1,700 residents.
 - Even if each provider saw 1,200 patients annually, an estimated 343,000 residents would still be left without a provider.
- To meet demand, Rhode Island would need at least 300 more primary care FTEs.
- The primary care workforce shortage is projected to become more severe in the future, as the gap between the demand and availability services continues to grow.

Source: Leslie, A. (2025, February 18). [Hundreds more physicians needed to address RI primary care shortage, experts say. WPRI.](#)

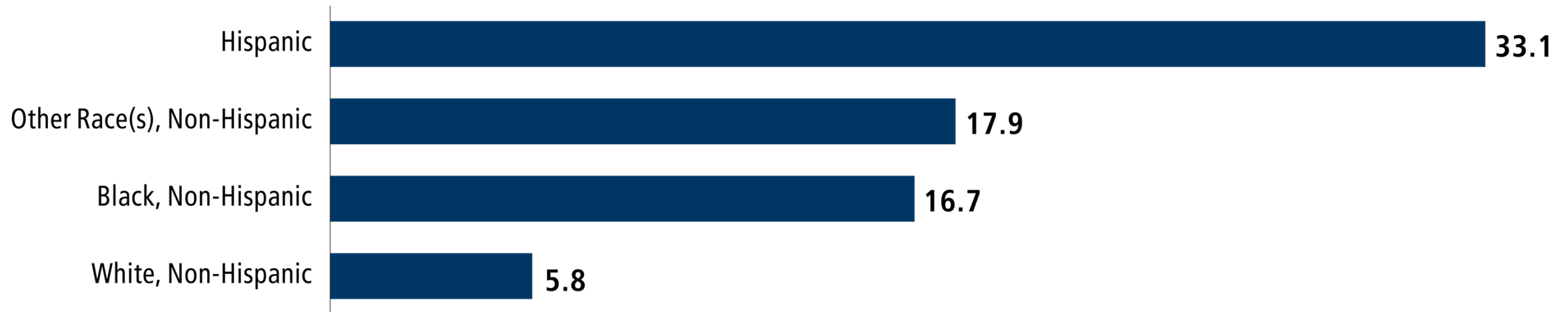
Share (%) of Rhode Island Adults Without a Usual Source of Care by Household Income (2024)



Individuals with lower household income are more likely to lack a usual source of care than individuals with higher household income.

Source: [Rhode Island Behavioral Health Risk Factor Surveillance System.](#)

Share (%) of Rhode Island Adults Without a Usual Source of Care by Race and Ethnicity (2024)

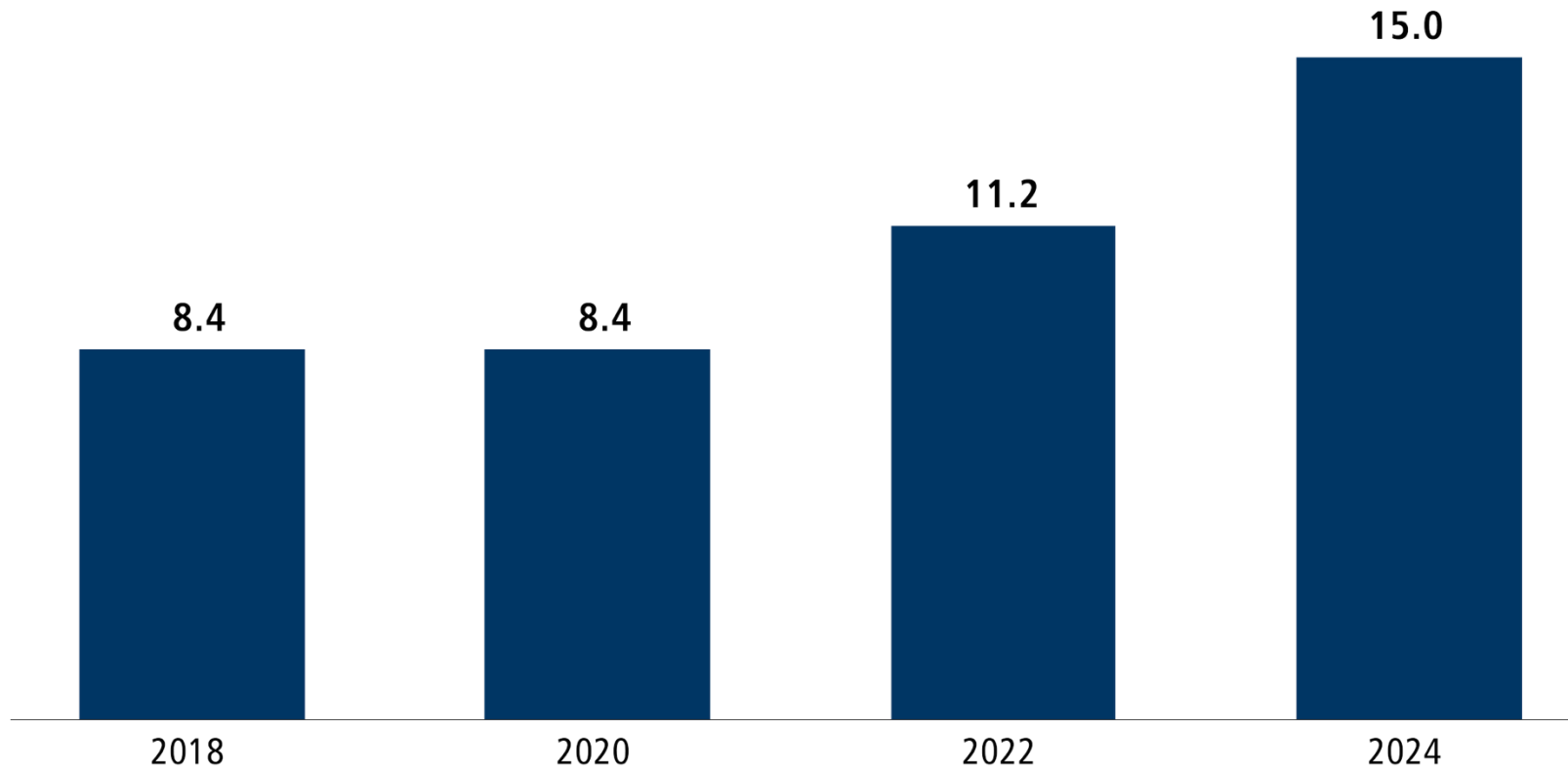


One-third of Hispanic adults reported not having a usual source of care, a rate nearly six times higher than that of White, non-Hispanic adults.

Source: [Rhode Island Behavioral Health Risk Factor Surveillance System.](#)

Share (%) of Rhode Island Survey Respondents Answering 'Yes' to Question on Inability to Get Appointment with PCP

Proportion of 'Yes' Answers to: During the past 12 months, were you unable to get an appointment with a primary care physician at a convenient time?

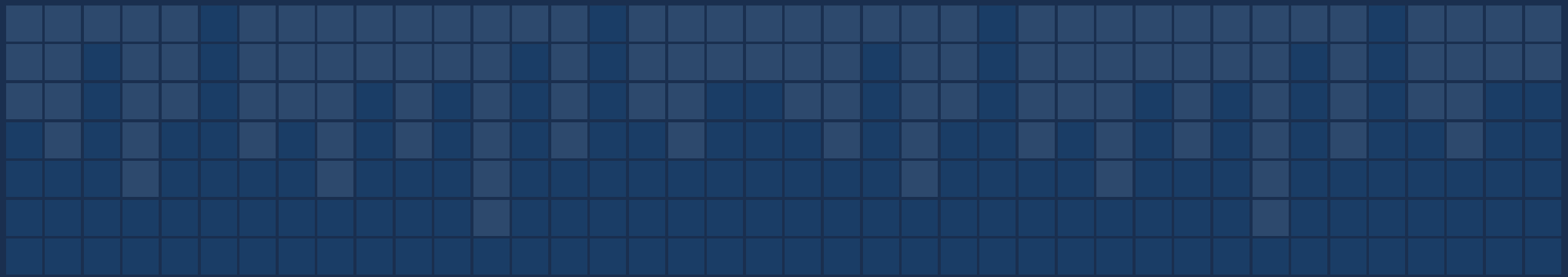


Source: HealthSource RI.

Key Takeaways

1. Access to primary care is uneven, and is limited for many Rhode Islanders.
2. Rhode Island does not have enough primary care providers to support its population.
3. Many Rhode Islanders – particularly those with lower incomes and some racial minorities – do not have a usual source of care.
4. Constrained access is evident in the challenges some residents report scheduling timely primary care appointments.

Spending on Primary Care



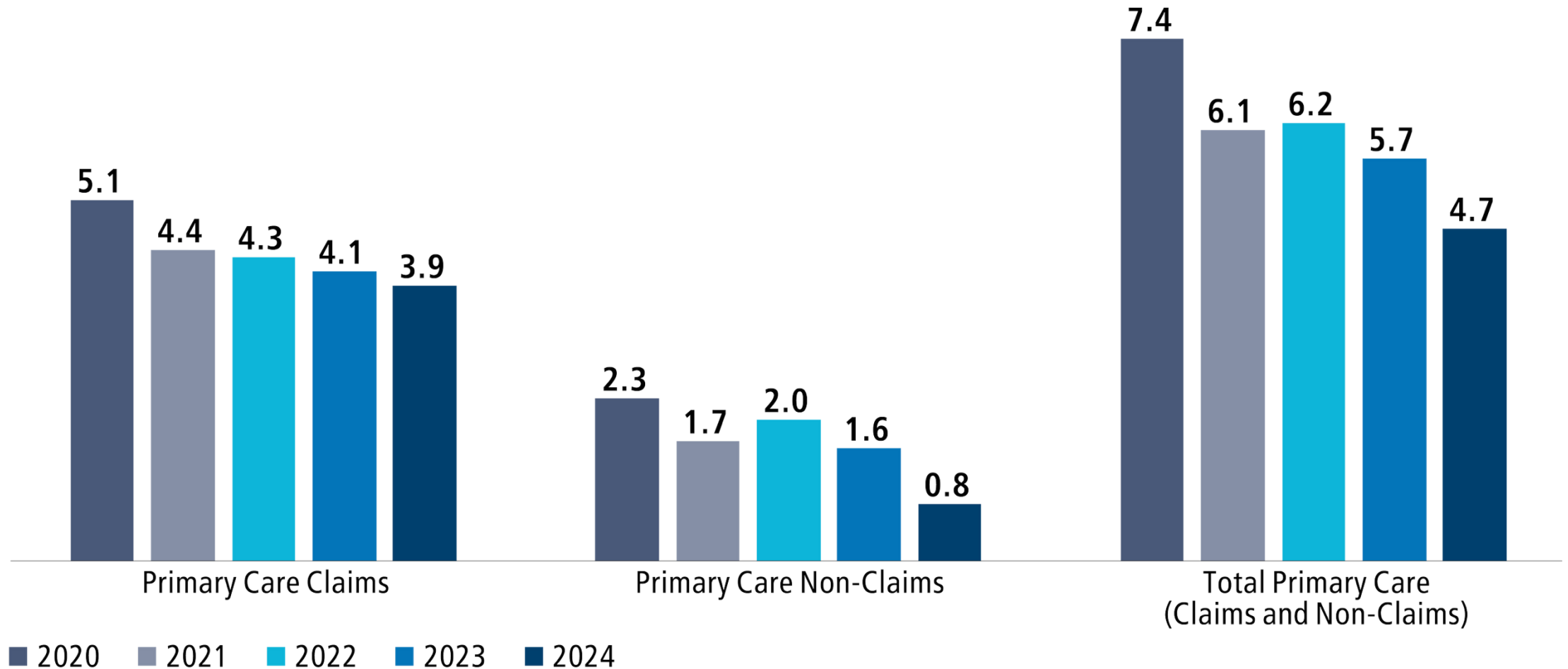
Per Member Per Month Spending on Claims-Based Primary Care by Market

Since 2020, claims-based spending on primary care services has fluctuated from year to year across the three major insurance markets.

Insurance Market	Primary Care Claims PMPM				
	2020	2021	2022	2023	2024
Commercial	\$23.48	\$24.76	\$26.30	\$22.62	\$23.32
Medicare Advantage	\$32.74	\$36.66	\$37.73	\$30.80	\$30.60
Medicaid (MCO Only)	\$13.82	\$14.31	\$14.74	\$15.43	\$16.23

Source: OHIC analysis of cost growth target data submitted by insurers.

Share (%) of Total Medical Expense Spent on Primary Care for the Fully Insured Market

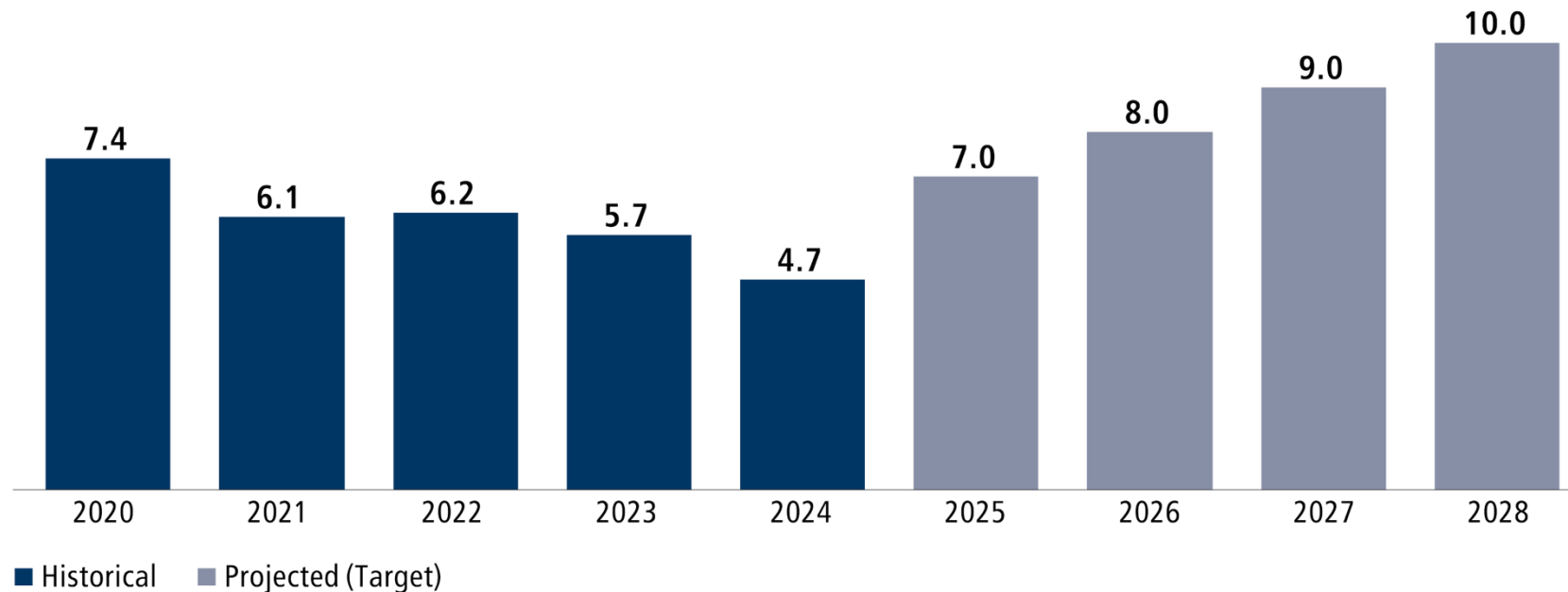


Source: OHIC analysis of primary care expenditure obligation data submitted by insurers.

OHIC's New Primary Care Expenditure Requirements

- Recognizing the urgency of addressing Rhode Island's lagging investment in primary care, OHIC promulgated new regulations in March 2025 that require commercial health insurers to progressively increase funding for primary care over the next four years for their fully insured population.
- These new rules are designed to specifically boost reimbursement for primary care services and resources for population health management.
- The rules also tackle one key source of administrative burden experienced by primary care practices by reducing the volume of prior authorization requests.

Proportion (%) of TME Spent on Primary Care for the Commercial Fully Insured Market (2020–2024) and Projected Investment per OHIC Primary Care Expenditure Obligation (2025–2028)



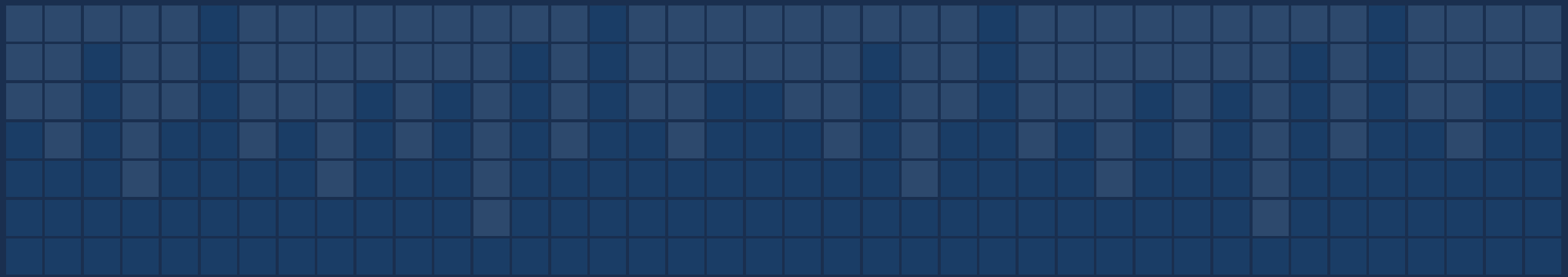
OHIC projects that increasing primary care spending as a percentage of total medical spending will double per capita primary care funding by commercial payers by 2028.

Source: OHIC analysis of primary care expenditure obligation data submitted by insurers.

Key Takeaways

1. Rhode Island public and private payers have invested too little in primary care to secure an adequate workforce to meet the current and future needs of residents.
2. Claim-based spending on primary care services has remained largely flat across insurance markets in recent years growing only for Medicaid, and then modestly.
3. Commercial insurers' annual payments through 2024 fell far below OHIC's stated 2028 target of at least 10 percent of total claims spending.

Primary Care Delivery



Utilization and Average Unit Payment for Primary Care Visits in Offices and Urgent Care (Commercial)

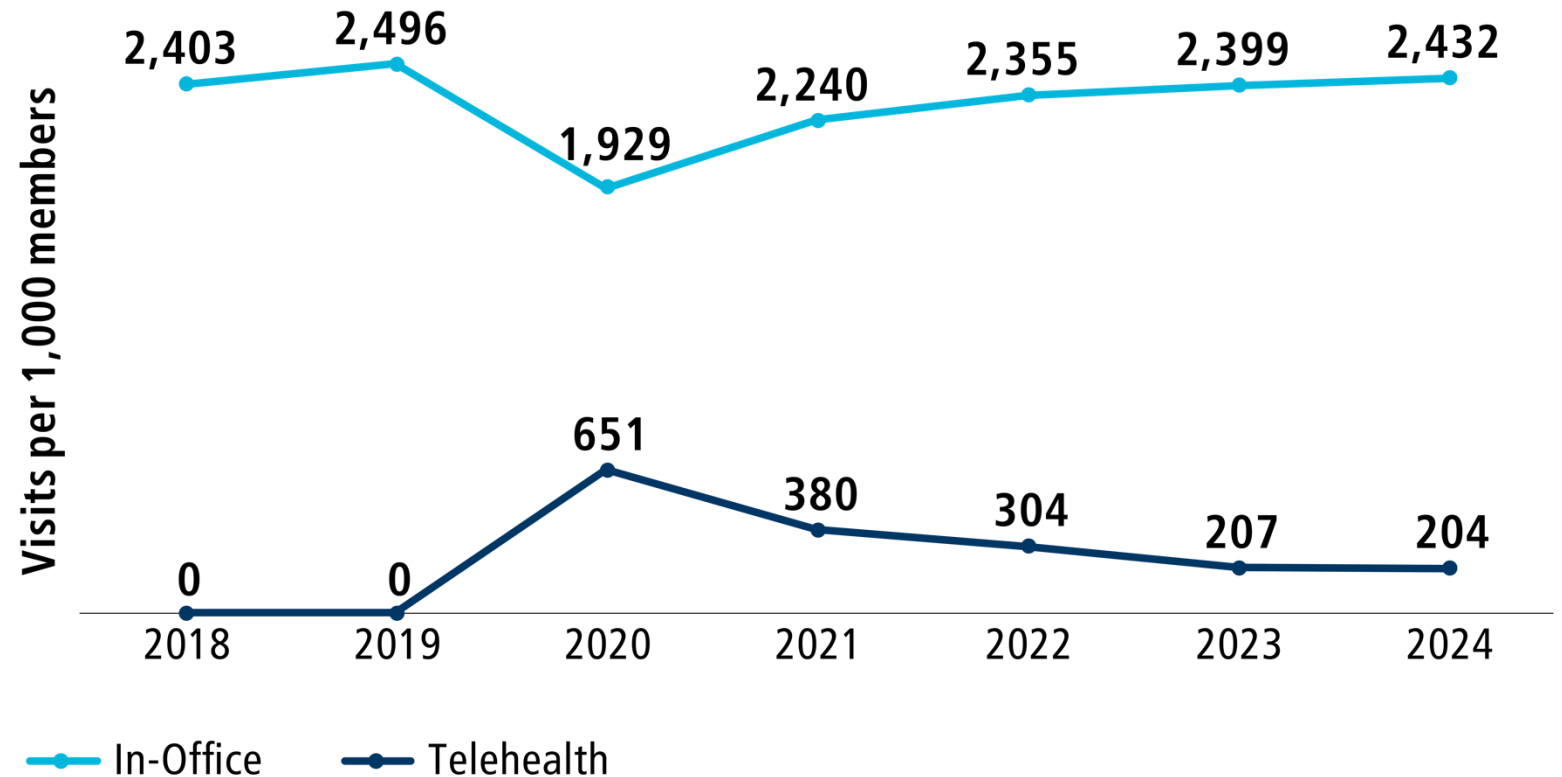
- Between 2018 and 2024, the way Rhode Islanders sought primary care began to shift.
- Traditional office visits grew at a slower rate – rising only 10 percent over seven years – while urgent care visits climbed sharply, up 55 percent. Viewed another way, primary care visits grew 235 visits per 1000, while urgent care grew only 76 visits per 1000.

	Claims Per 1,000 Members		Average Unit Payment	
	PRIMARY CARE	URGENT CARE	PRIMARY CARE	URGENT CARE
2018	2,403	140	\$93	\$97
2019	2,496	179	\$93	\$98
2020	2,580	192	\$90	\$84
2021	2,621	171	\$93	\$89
2022	2,660	194	\$97	\$97
2023	2,608	197	\$104	\$100
2024	2,638	216	\$109	\$101

Source: OHIC analysis of HealthFacts RI data.

Utilization in Telehealth and In-Office Visits for Primary Care Services (2018–2024)

- The pandemic temporarily reshaped how residents accessed care.
- In 2020, telehealth use increased significantly while in-office visits declined, but as restrictions lifted, in-office visits rebounded and telehealth use declined.

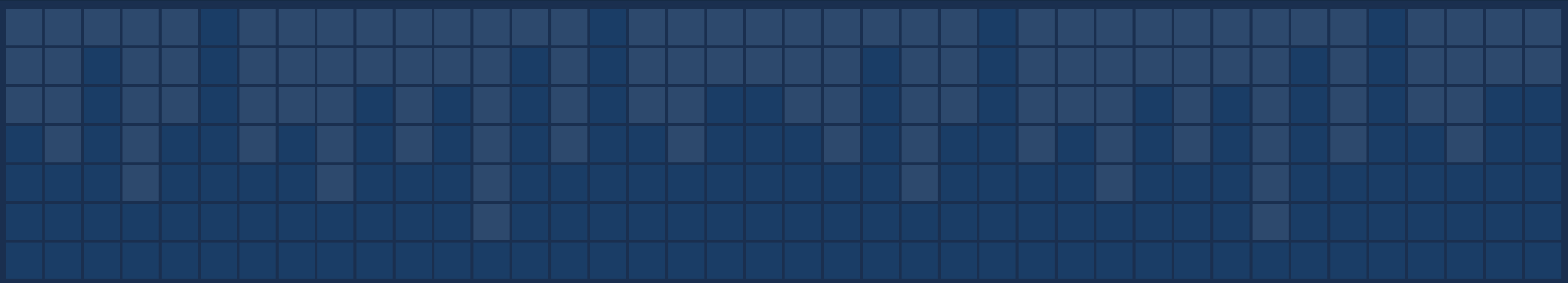


Source: OHIC analysis of HealthFacts RI data.

Key Takeaways

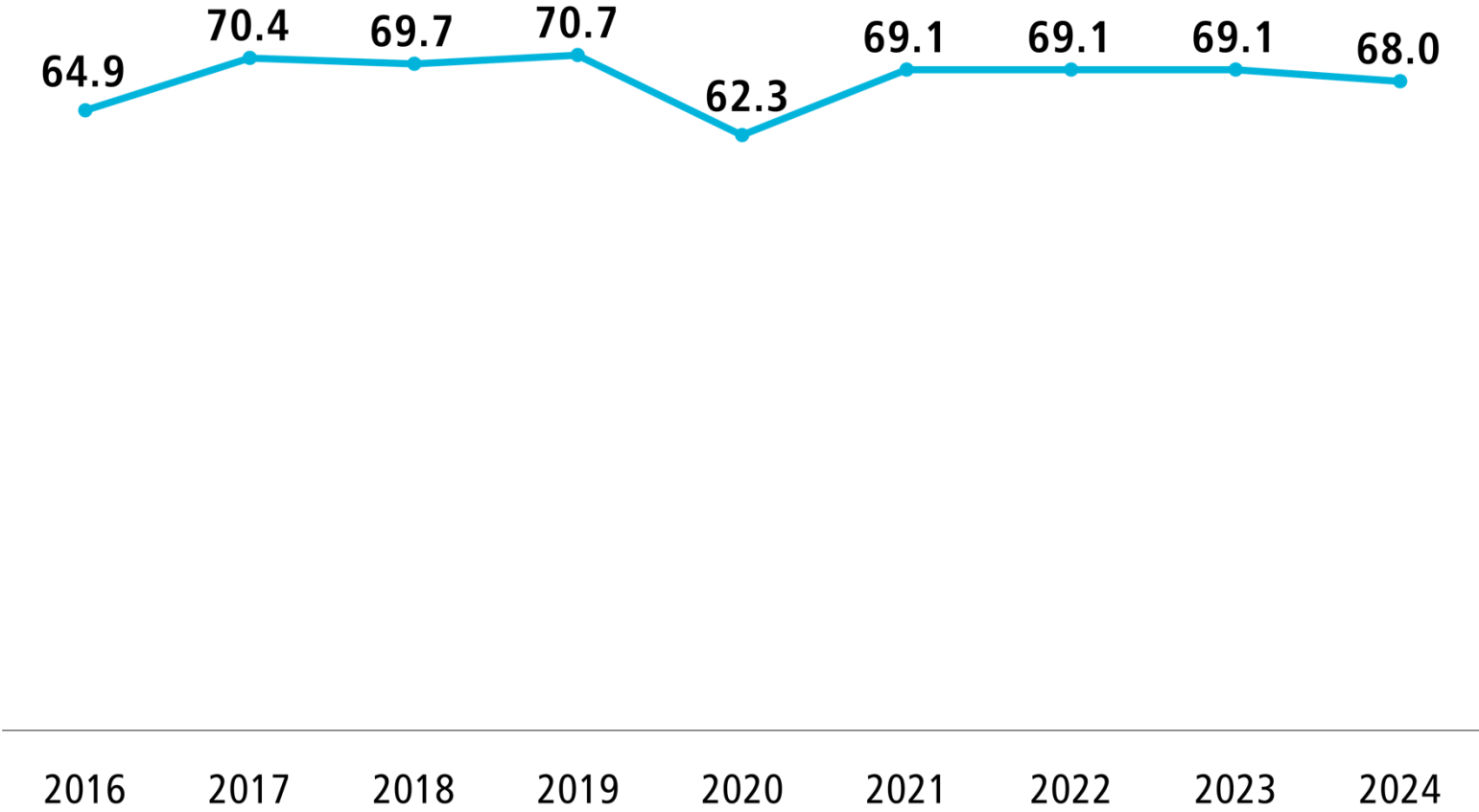
1. Rhode Islanders access primary care services in various settings, but primary-care office-based care remains the backbone.
2. Most care occurs in traditional primary care offices, but residents also receive services in urgent care centers and virtually through telehealth.
3. Urgent care centers account for a small and slowly growing share of visits, while telehealth use – after spiking during COVID-19 – has declined.
4. Ultimately, residents will choose the care setting that is most convenient and affordable for them. It is up to Rhode Island stakeholders to create primary care capacity that supports continuity of comprehensive, equitable care, and avoids reliance on costly emergency departments.

Well-Care Visit Utilization



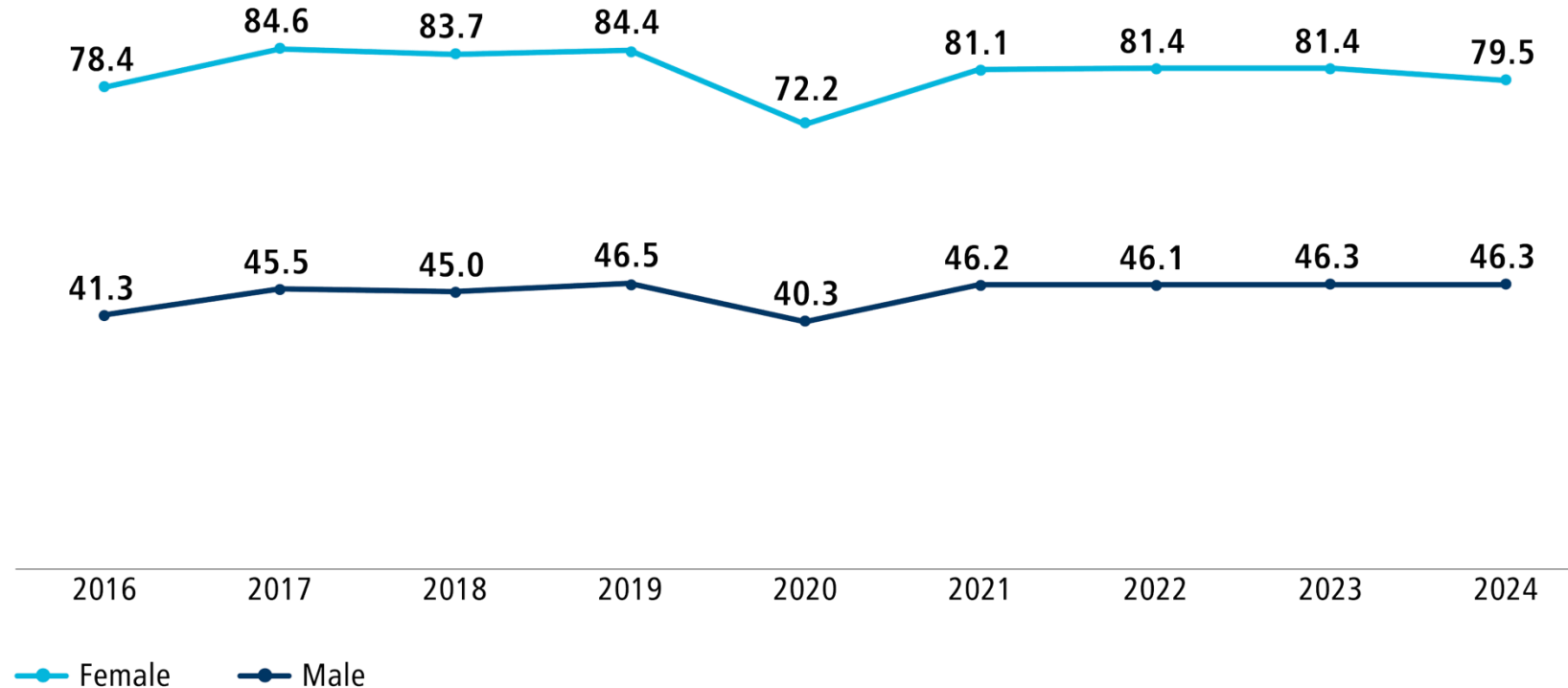
Rates (%) of Well-Care Visits for Commercial Members (2016–2024)

- In 2024, nearly 70 percent of people with commercial insurance accessed a well-care visit.
- The rates have been hovering at this level since 2017 (2020 was an exception).
 - A small drop has occurred since pre-pandemic



Source: OHIC analysis of HealthFacts RI data.

Rates (%) of Well-Care Visits for Female vs. Male Adults with Commercial Coverage (2016–2024)



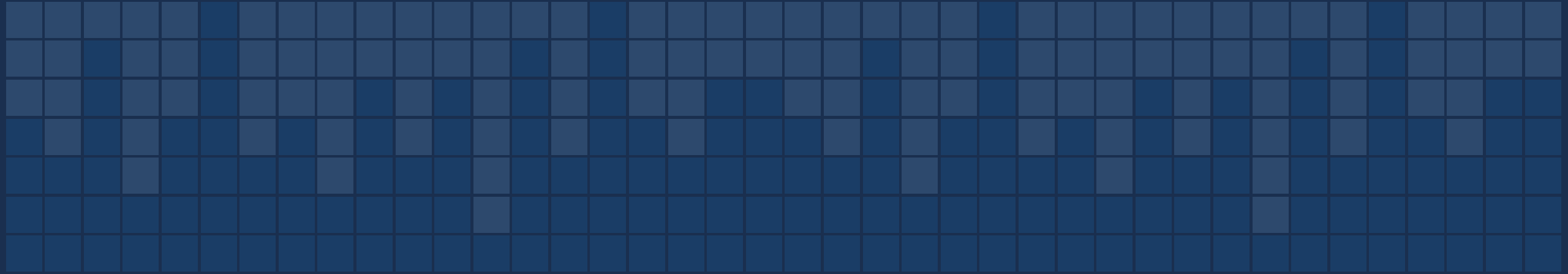
The rates of preventive care visits for women are much higher than for men, although the rates for women have dipped since 2019.

Source: OHIC analysis of HealthFacts RI data.

Key Takeaways

1. Too many Rhode Islanders are missing important preventive care.
2. Well-care utilization is low among men as compared to women.

Q&A





STATE OF RHODE ISLAND

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Thank You

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