



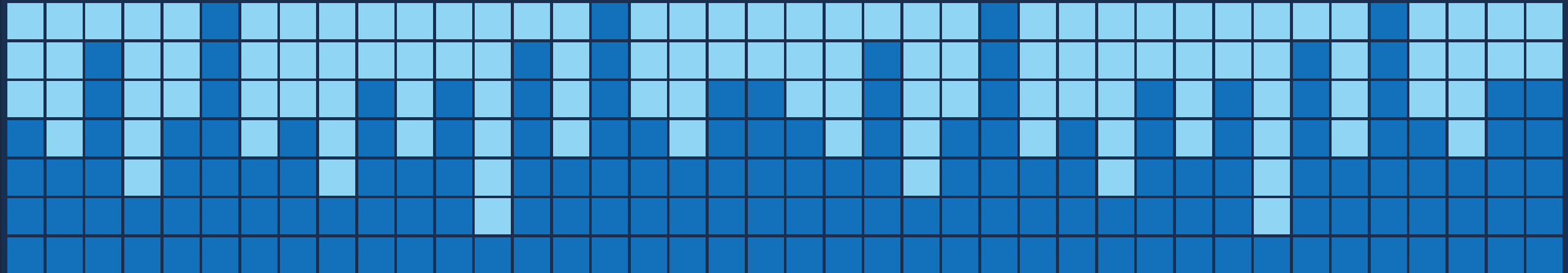
STATE OF RHODE ISLAND

Office of The Health Insurance Commissioner

Department of Business Regulation

State Fiscal Year 2028 Budget Request Strategic Plan & Accomplishments

OCTOBER 1, 2026



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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

Pharmacy Benefit
Manager
Regulation

Health Care Cost
Trends and Primary
Care Investment
Accountability

Other Powers &
Duties

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 entities
3. Complete the third cycle of social and human service programs reviews
4. Oversee the three-year pilot program on prior authorization recently enacted by the legislature
5. Implement Pharmacy Benefit Manager regulation
6. Partner with other state agencies on rural health transformation

1. Increasing commercial payer investment in primary care

OHIC has taken actions to boost investment in primary care and report primary care spending and utilization trends.

- 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 published its first annual report to track Rhode Island's progress on improving primary care in June 2026.

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

2. Transparency and accountability for health care costs

In 2026 the General Assembly codified the Health Spending Accountability & Transparency Program.

- Under the new law OHIC has the authority to set health care cost growth targets and all-payer primary care investment targets, collect and publicly report data, hold an annual public hearing, and require performance improvement plans for health care entities that exceed the cost growth targets.
- OHIC is convening advisory groups and writing regulations.
- OHIC will publish its next annual report on Health Care Spending and Quality in Spring 2027.
- OHIC will also continue to build out dashboards using the all-payer claims database.

Completion Date: Ongoing

3. Complete the third cycle of social and human services reviews

The office has begun 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.

4. 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.
- OHIC convened the Prior Authorization Advisory Committee in the fall of 2025. It will meet periodically through October 2028. Seven meetings have been held through September 2026.
- Annual reports will be submitted to the General Assembly and the Governor.

Completion Date: October 2028.

5. Implement Pharmacy Benefit Manager regulation

The 2026 General Assembly enacted two bills that create a new regulatory oversight structure for Pharmacy Benefit Managers (PBMs) in Rhode Island.

- PBMs are required to obtain a Certificate of Authority from OHIC to operate in Rhode Island.
- PBMs will report data on drug rebates and other information. OHIC will post reports on its website by October of each year.
- The legislation also enacted new rules of market conduct for PBMs.
- In August 2026 OHIC issued Bulletin 2026-01 and an application for PBMs to seek a provisional Certificate of Authority while the office establishes the formal process.

Completion Date: Ongoing.

6. Implement Rural Health Transformation Program Initiative 11

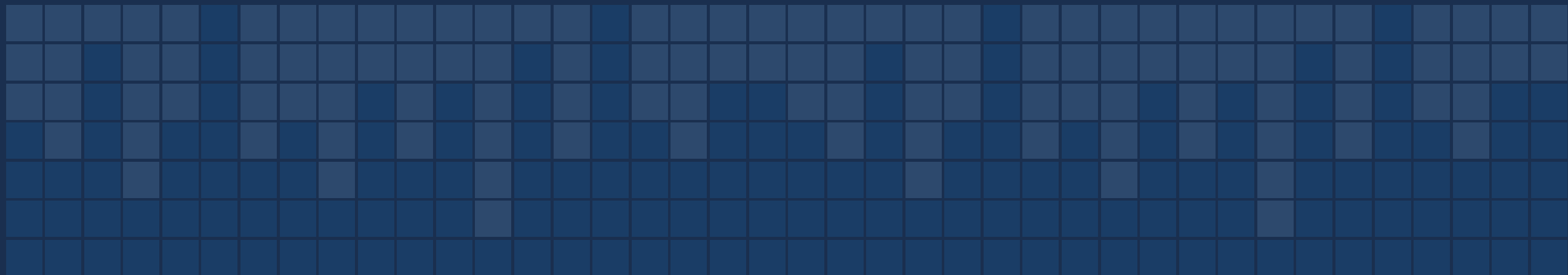
OHIC is partnering the other state agencies to implement the Rural Health Transformation Program. Specifically, OHIC is a sub-awardee leading the implementation of Initiative 11: *Supporting Hospitals and Primary Care in Value-Based Payment Transition*.

- OHIC is responsible for developing requirements for issuance of incentives and transformation grants to hospitals and primary care practices to support value-based payment.
- OHIC will also onboard a technical assistance vendor to provide services directly providers to facilitate the study and implementation of value-based payments.

Completion Date: Ongoing.

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

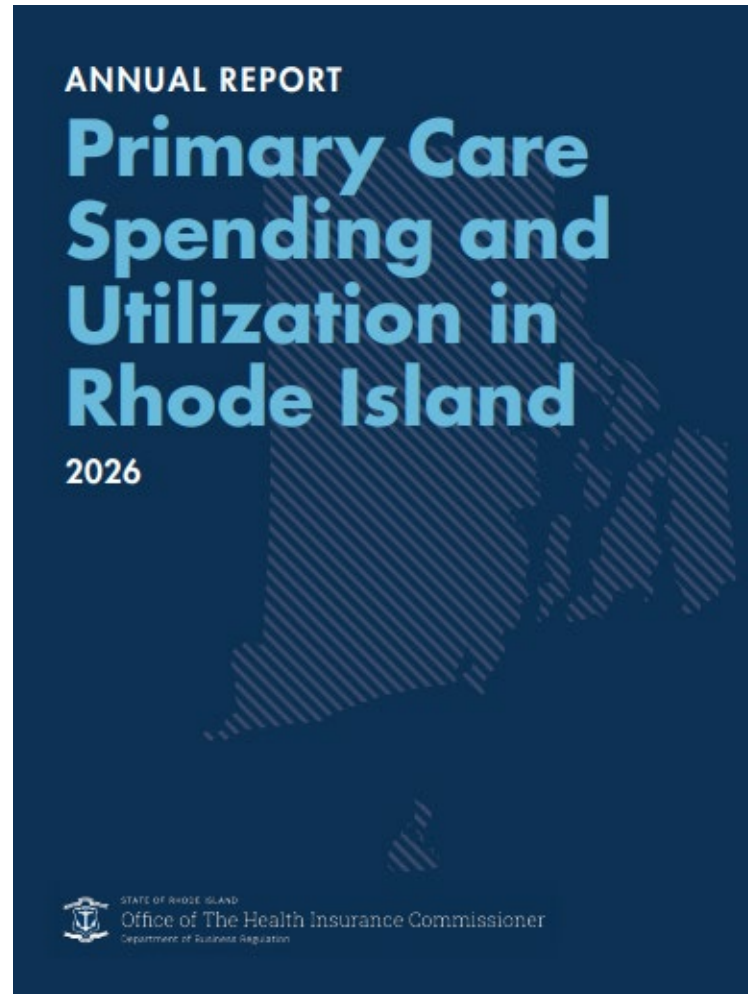
Slowing Trend

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

Using Data to Drive Policy and Support Strategic Thinking in Health Care



OHIC Provided New Authority to Lower Health Care Costs

Cost Growth Target	All-Payer Primary Care Investment Target	Public Reporting	Annual Public Hearing	New Enforcement Authority
• 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.	• 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.	• Comprehensive reporting on over \$10 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 entity. • Annual policy recommendations.	• 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.	• 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.

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

Reducing Premiums: May 2025 Evaluation Findings

- ✓ 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.

COSTS & SPENDING

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

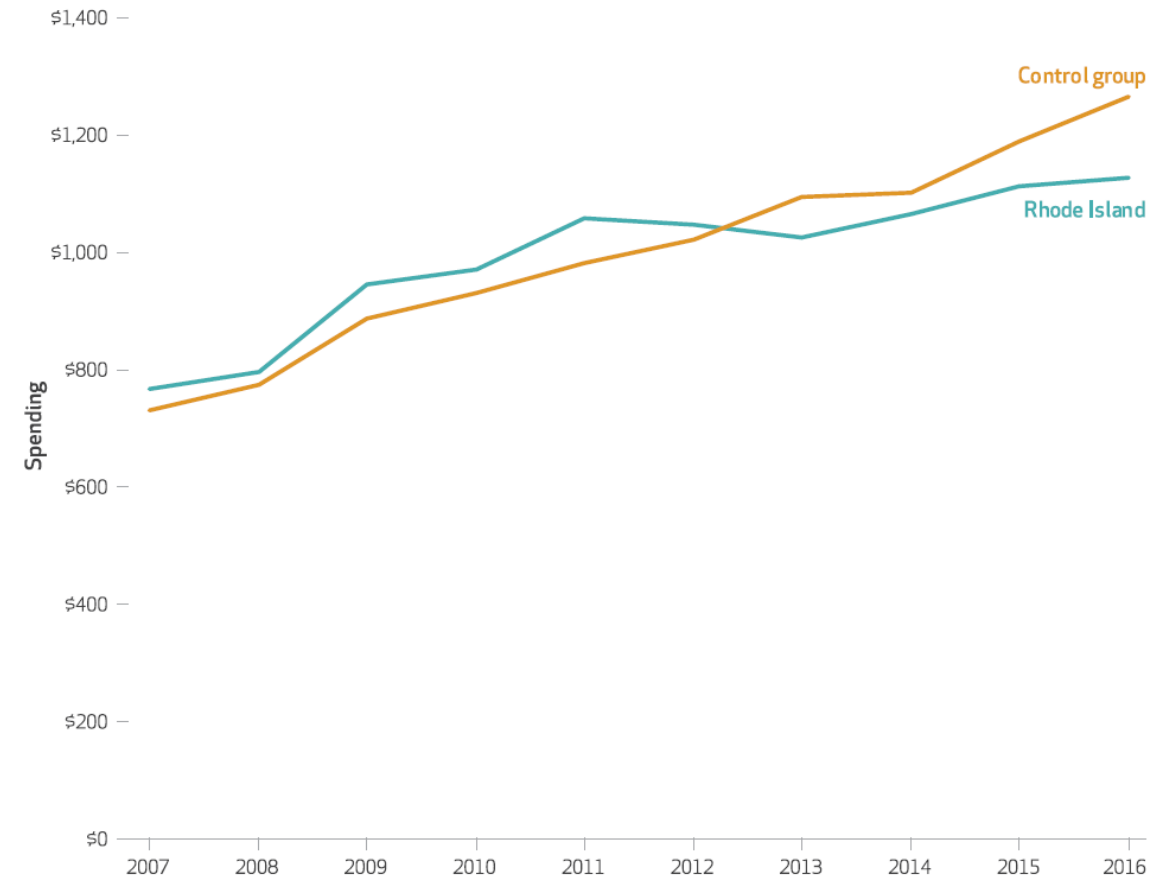
DOI: 10.1377/hlthaff.2024.01146
HEALTH AFFAIRS 44,
NO. 5 (2025): 597–605
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The People-to-People Health
Foundation, Inc.

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



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.

Protecting Consumers & Partnering with Community Organizations

Protecting consumers is at the core of all of OHIC's activities. OHIC strives to keep consumers informed, encourage consumer-focused health care innovations, ensure affordable access to health care, and protect consumers by making sure federal and state laws are followed. RIPIN, OHIC's community partner, maintains a consumer assistance helpline to provide support, education and advocacy to Rhode Islanders facing health care barriers.

The RIPIN Call Center has saved Rhode Islanders over **\$10 million** since 2018

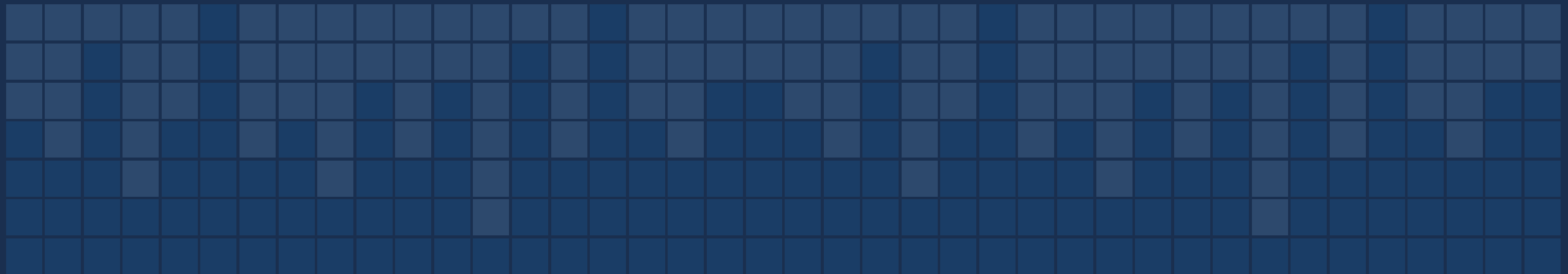


The RIPIN Call Center offers free support to any Rhode Islander who needs help accessing healthcare, health insurance, or special education for children with disabilities.

To visit OHIC's Consumer Protection page, click [here](#).

To visit RIPIN's Call Center page, click [here](#).

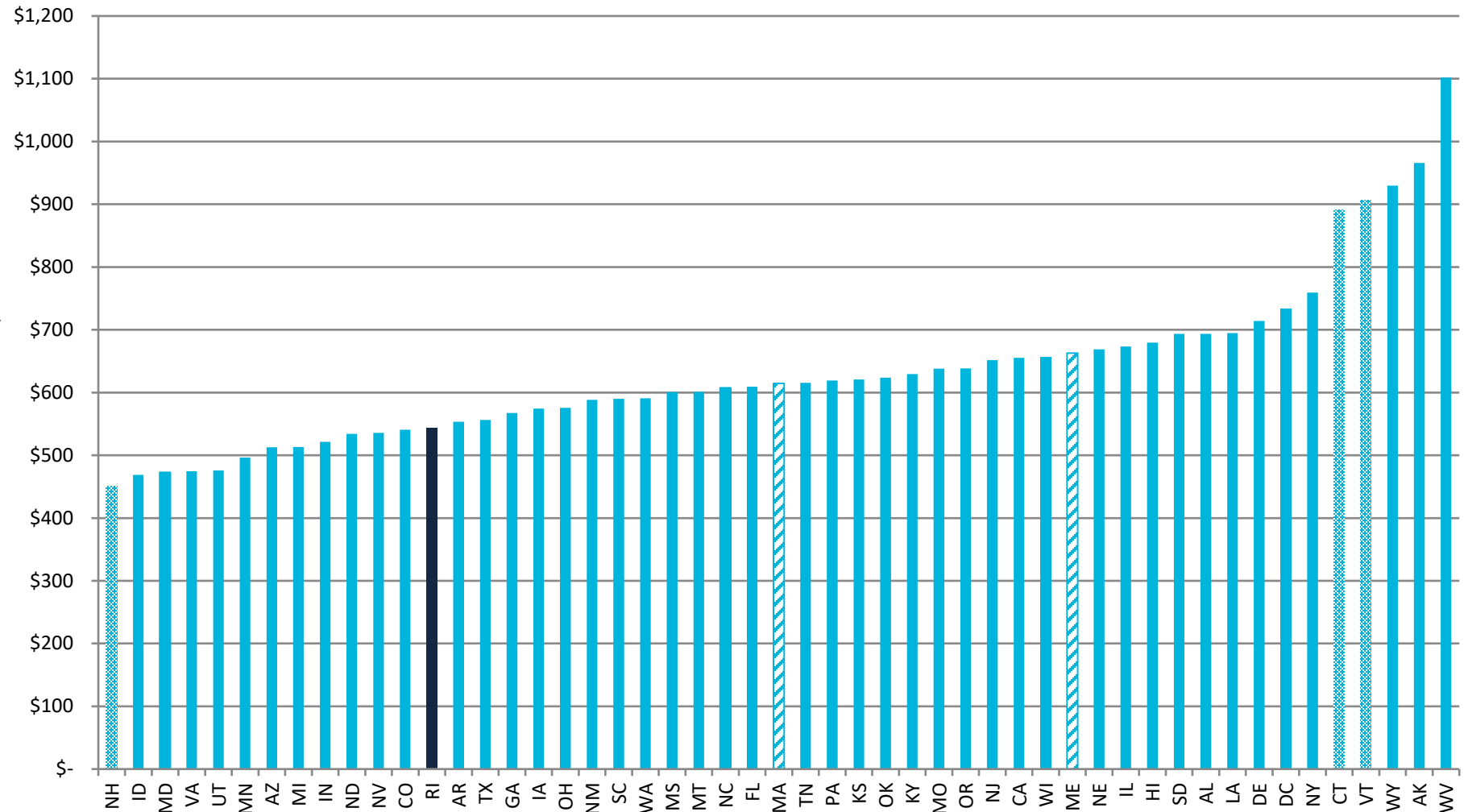
Regional Premium Comparisons



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

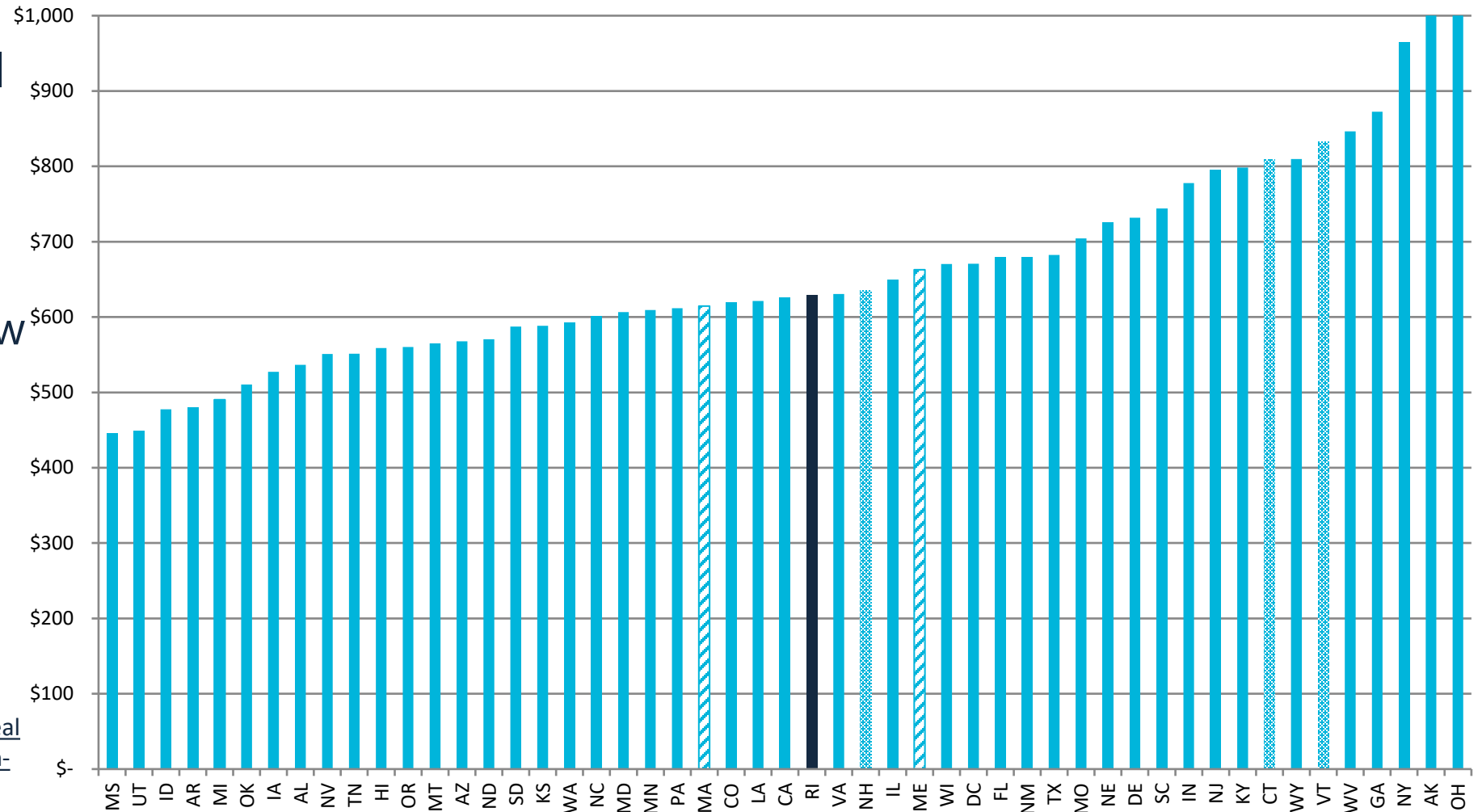
Source: Centers for Medicare and Medicaid Services. Risk Adjustment Report.
<https://www.cms.gov/marketplace/health-plans-issuers/premium-stabilization-programs>



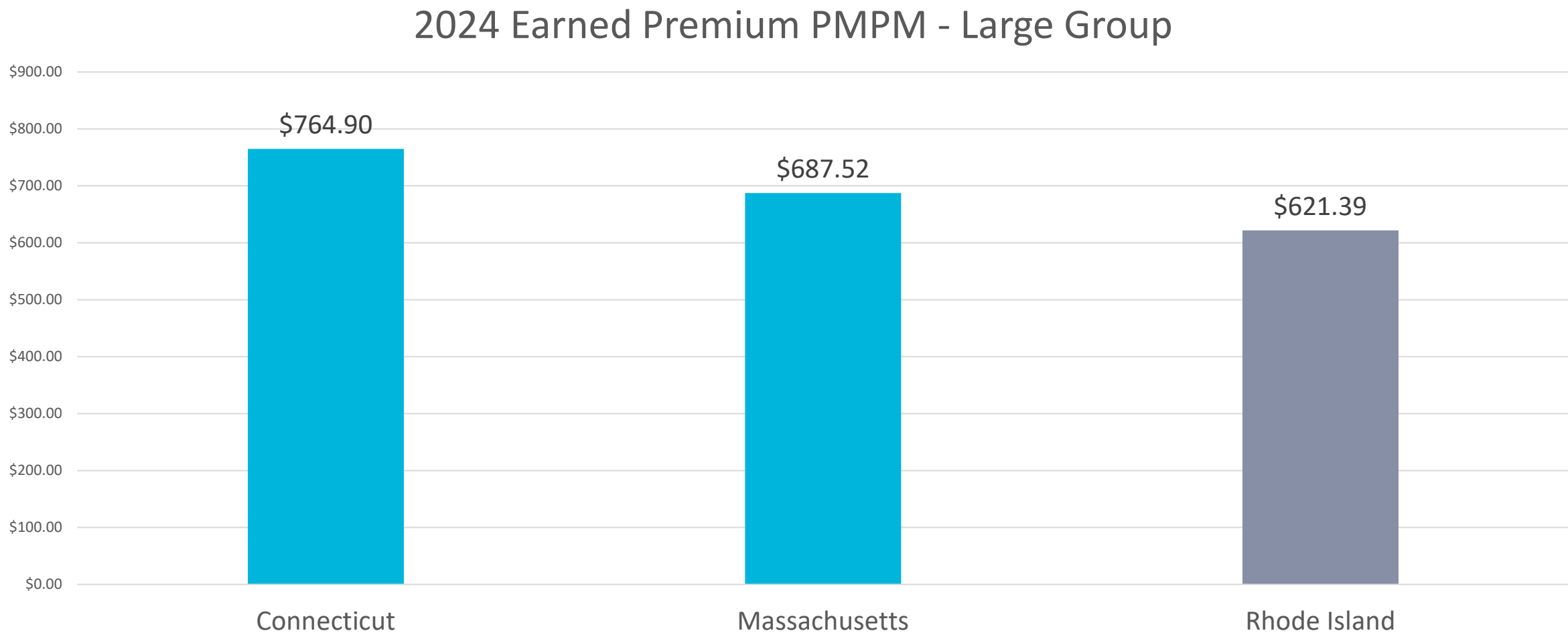
Rhode Island had the 27th lowest SMALL GROUP market average premium compared to other states in 2024

- ✓ 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>



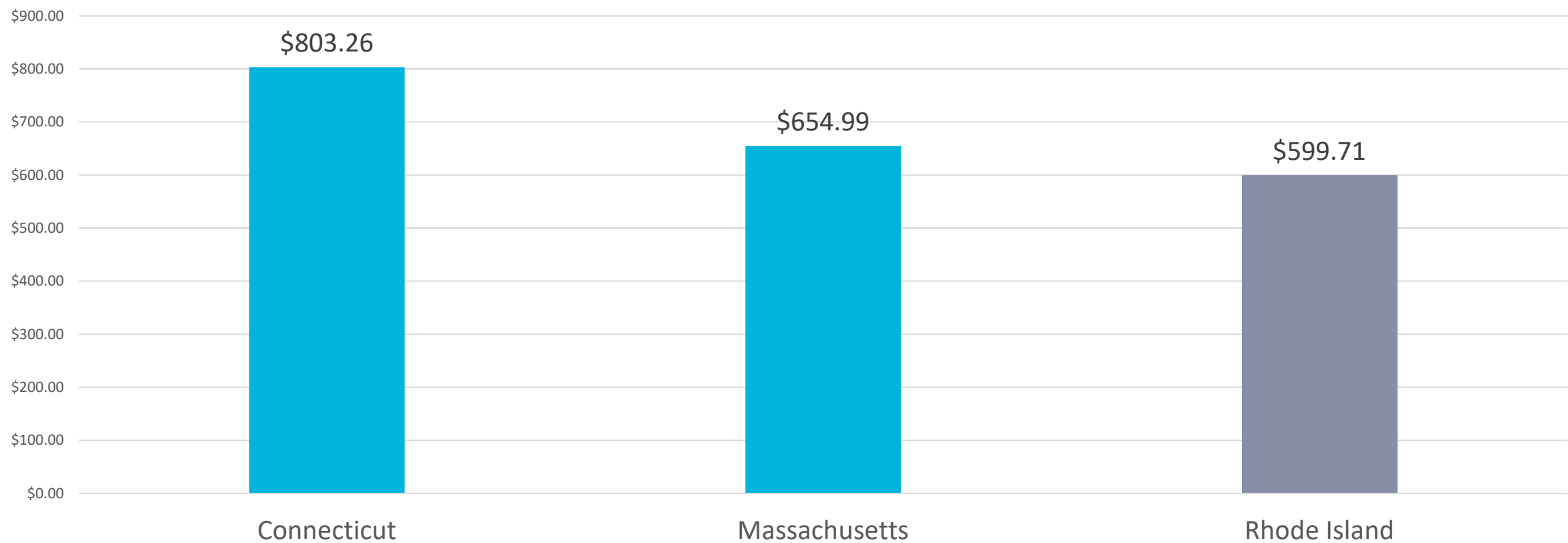
Lower Average Large Group Premiums than Neighboring States



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

Lower Average Premiums than Neighboring States

2024 Earned Premium PMPM Composite of All Markets



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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