

# OHIC NEWS

## PENDING STATE LEGISLATION WOULD REDUCE FUTURE PREMIUM HIKES

### Bill would authorize HealthSource RI to seek a 1332 innovation waiver

Senate Bill 2934 has passed the Senate Committee on Health and Human Services. If this bill is passed by the full Senate and the House of Representatives, it would allow the state to seek federal permission to create a federally-subsidized “reinsurance” program. Without this legislation, the state lacks the authority to move forward in time to bring down premiums for the rate process beginning next Spring.

Seeking legislative permission to pursue a reinsurance program was one of the immediate actions recommended by a broad-based workgroup formed in response to federal policy changes that threaten Rhode Island’s health insurance markets.

Reinsurance brings insurance premiums down by paying (out of a separate fund) for some of the most expensive claims for persons insured in the Individual Market. A federal reinsurance program was part of the Affordable Care Act’s enactment in 2014. The ACA established “guaranteed issue” nationwide – meaning insurers could not turn down anyone based on their health status – and the reinsurance program helped offset the cost of many sicker patients who were previously uninsured suddenly entering the market. The federal reinsurance program was meant to be temporary and ended in 2016.

Prior to the establishment of state-based reinsurance that will partially utilize federal funding, Rhode Island must first seek federal approval under an ACA provision known as a “1332 waiver.” The waiver application requires state legislative authority. Senate bill 2934 would provide the authority needed to begin the application process, to have the reinsurance program in place to curb future premium hikes.

This Senate bill would not commit any state funding to such a program, merely allow HealthSource RI to begin the data analysis, program design, and federal waiver application process. The intent is that federal ACA savings (realized by lower premiums) and matching funding from other sources would be identified and proposed separately through 2019 state legislation.

#### The Market Stability Workgroup Wraps up its Work

The Office of the Health Insurance Commissioner (OHIC) and HealthSource RI jointly convened the Market Stability Workgroup, charged with considering what measures the



*Members of the Market Stability Workgroup listen to a presentation at their June 5 meeting.*

state should take to protect Rhode Island’s health insurance market from potentially destabilizing federal policy changes.

The Workgroup was established with three guiding principles: sustain a balanced risk pool; maintain a market that is attractive to carriers, consumers and providers; and protect coverage gains achieved under the ACA.

The Workgroup was comprised of diverse stakeholders representing health insurers, employers, healthcare providers and consumers. The Workgroup held eight weekly meetings from April – June, yielding a final report with recommendations reached by consensus.

The full report, expected to be released next week, makes additional recommendations, including establishing state authority to regulate short-term limited duration health plans. These recommendations will be shared with Governor Raimondo and the General Assembly for consideration.

*Workgroup materials and a list of members are available at [healthsourceri.com/market-stability-workgroup-2018-meeting-materials/](http://healthsourceri.com/market-stability-workgroup-2018-meeting-materials/)*



## More than 50 benefit review agents certified by OHIC

The Office of the Health Insurance Commissioner has certified more than 50 benefit determination review agents to operate in Rhode Island since the office took on oversight of benefit determination processes at the beginning of this year.

Health insurers use benefit determination review agents (BDRAs) to evaluate member claims and determine whether services should be covered or not. BDRAs are certified by OHIC in one of two categories: Non-Administrative, which determine medical necessity and appropriateness of health care services on behalf of the insurer; and Administrative, which make determinations based on non-clinical criteria, such as an individual's eligibility to participate in coverage, or whether a specific benefit is covered or not.

Legislation passed by the General Assembly last year transferred benefit determination review certification and oversight responsibilities from the state Department of Health to OHIC, effective January 1, 2018. The legislation also strengthened consumer protections and aligned state law around benefit determination reviews with the federal Affordable Care Act.

In certifying BDRAs in either category, OHIC examines agents' policies and procedures to ensure they are compliant with the newly enacted statute.

The team at OHIC works hard to control health care costs in RI through a number of regulatory tools and efforts with the insurance carriers. Some examples are:

- We carefully review and reduce annual proposed premium increases, saving RI subscribers millions of dollars each year. (2012-18: saved \$252.4 million)
- We resolve consumer complaints against insurers, saving patients \$311 thousand this past year.
- When the federal health insurance tax was suspended for 2019, we moved quickly to ensure the estimated \$1 million in savings were included in employer health insurance rates immediately.
- When the federal government stopped making payments for cost sharing reduction subsidies for lower income individuals on HealthSource RI, we revised our insurance rates and were able to keep those individuals in affordable coverage, attracting an additional \$2.4 million of federal tax credit funds for Rhode Islanders in the process.

Requirements include:

- Notifying consumers of all their appeal rights
- Adhering to all appeal and notification timeframes
- Ensuring that all adverse benefit notifications and appeal notices include the contact information for RIREACH, OHIC's consumer assistance partner.
- Compliance with the formulary exception process
- Ensuring that all non-administrative denials of a health care service ordered by a physician, dentist or other practitioner are made, documented, and signed by a licensed practitioner with the same licensure status as the ordering provider
- Following the statutorily designated procedures for all external appeals

### Upcoming Meetings

- **State Innovation Model (SIM) Steering Committee**

*Meets second Thursday of each month*

Thursday, June 14, 5:30 PM

HP Conference Room 203

301 Metro Center Blvd., Warwick

- **Health Insurance Advisory Council (HIAC)**

Monday, June 18, 4:30-6:00 PM

DLT Conference Room

1511 Pontiac Ave., Cranston

- **Blue Cross Direct Pay Rate Hearing**

*Members of the public are invited to testify on proposed 2019 rates for Blue Cross & Blue Shield of RI individual plans. Rate requests filed by Blue Cross are available at [ohic.ri.gov/ohic-formandraterreview.php](http://ohic.ri.gov/ohic-formandraterreview.php)*

Thursday, July 5, 6:00 PM

Friday, July 6, 9:00 AM

Public Utilities Commission

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