



PRESS RELEASE

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OHIC Adopts Standards to Improve Health Care Delivery and Payment Systems

CRANSTON, R.I. (July 28, 2015) -- In a step aligned with Governor Gina M. Raimondo's efforts to strengthen the health care system for all Rhode Islanders, Health Insurance Commissioner Kathleen C Hittner, MD, today adopted standards to significantly align health care payment methods with efficiency and quality by setting targets for commercial health care payment reform and for continued investments in the primary care patient centered medical home. These standards stem from the Affordability Standards implemented in 2010 by the Office of the Health Insurance Commissioner (OHIC) to support the agency's mission of improving the affordability of health insurance for consumers and employers.

Beginning in March 2015, OHIC convened two advisory committees to develop recommended plans to expand the use of health care payment methods that reward efficiency and quality, instead of volume, and to increase the percentage of insurer-contracted primary care practices that are operating as patient-centered medical homes (PCMHs). Upon Commissioner Hittner's approval, the recommended plans became standards which the Commissioner will enforce with the full power of the Office.

"My Office is committed to holding premiums in check through our annual rate review process and directing insurers toward practices that change the fundamental factors underlying high medical expense growth rates," said Commissioner Hittner. "OHIC's new standards will address those fundamentals by rewarding cost efficiency and quality, instead of volume, and further enhancing primary care's ability to manage population health and total cost of care."

The [Care Transformation Plan](#) requires insurers to increase the percentage of their primary care network functioning as a PCMH by 5 percentage points for 2016 and sets a target of 80% of Rhode Island primary care clinicians practicing in a PCMH by 2019. The [Alternative Payment Methodology Plan](#) establishes payment reform targets for commercial insurers and sets a target for at least 30% of insured medical payments to be made through an alternative payment model by 2016. The payment reform targets will increase the use of payments that emphasize value rather than volume and include efficiency-based global and bundled payment models, as well as payments based on quality performance.

"OHIC's Affordability Standards support our efforts to make health care more accessible and affordable for all Rhode Islanders," said Health and Human Services Secretary Elizabeth Roberts. "We will continue to work closely with OHIC and align targets as we build a more innovative health care system."

The new standards adopted by OHIC, along with the Raimondo Administration's efforts to reinvent Medicaid and innovate health care, represent a major step toward transitioning to health care payments based on value and toward increasing models of care delivery that emphasize care coordination and increase quality of care. Medical expense growth rates for commercially insured consumers continue to exceed general inflation. Medical expense is the primary driver of health insurance premiums. Improvements in the efficiency and quality of health care delivery should produce more affordable health insurance premiums in the future.

For more information about OHIC, including the referenced plans, visit www.ohic.ri.gov. For more information about Raimondo's Reinventing Medicaid and Healthcare Innovation initiatives, visit www.governor.ri.gov.

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About the State of Rhode Island Office of the Health Insurance Commissioner

The State of Rhode Island Office of the Health Insurance Commissioner (OHIC) was established by legislation in 2004 to broaden the accountability of health insurers operating in the Rhode Island. Under this legislation, OHIC is dedicated to:

1. Protecting consumers
2. Guarding the solvency of health insurers
3. Encouraging the fair treatment of health care providers
4. Improving the health care system as a whole

OHIC sets and enforces standards for health insurers in each of these four areas.