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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2014

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A N A C T

RELATING TO HEALTH AND SAFETY -- THE RHODE ISLAND HEALTH BENEFITS
EXCHANGE FUNDING ACT

Introduced By: Representative Spencer E. Dickinson

Date Introduced: February 27, 2014

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 23 of the General Laws entitled "HEALTH AND SAFETY" is hereby
2 amended by adding thereto the following chapter:

3 CHAPTER 93

4 THE RHODE ISLAND HEALTH BENEFITS EXCHANGE FUNDING ACT

5 **23-93-1. Short title.** – This chapter shall be known and may be cited as the "Rhode
6 Island Health Benefits Exchange Funding Act."

7 **23-93-2. Definitions.** – As used in this chapter, the following words and terms shall have
8 the following meanings, unless the context indicates another or different meaning or intent:

9 (1) "Affordable Care Act" means the Federal Patient Protection and Affordable Care Act
10 (Pub. L. 111-148), as amended by the Federal Health Care and Education Reconciliation Act of
11 2010 (Pub. L. 111-152), and any further amendments thereto.

12 (2) "Exchange" or the "Rhode Island Health Benefits Exchange," means the health
13 benefits exchange established by executive order 11-09 dated September 19, 2011, and
14 administered under the name "HealthSource RI."

15 (3) "Insurer" means every medical service corporation, hospital service corporation,
16 accident and sickness insurer, dental service corporation, and health maintenance organization
17 licensed under title 27.

18 **23-93-3. Funding of exchange through insurance premiums.** – (a) The Rhode Island

1 health benefits exchange shall be funded through costs assessed and passed onto those insurers
2 that provide or issue health or dental insurance or other benefits through the exchange. The Rhode
3 Island health benefits exchange shall make an annual determination of its total operational costs
4 for its fiscal year. The exchange shall then issue an assessment on each such insurer providing or
5 issuing insurance or benefits through the exchange. Such assessment shall be calculated on a pro
6 rata basis, in proportion to the amount of income generated by the provider through its policies on
7 the exchange as against the entire costs of operating the exchange for the fiscal year.

8 (b) It is the intent of this chapter that the assessments provided for in this chapter shall
9 fully fund the operation of the exchange. It is further the intent of this chapter for insurers to pay
10 for the costs of operating the exchange only in proportion to the amount of income the insurer
11 generates on the exchange only, and not upon income for policies issued outside of the exchange.

12 (c) The provisions of this section shall be construed in a manner consistent with the
13 Affordable Care Act.

14 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO HEALTH AND SAFETY -- THE RHODE ISLAND HEALTH BENEFITS
EXCHANGE FUNDING ACT

1 This act would provide that the costs of operating the Health Benefits Exchange would be
2 determined and passed on as assessments to those insurers who issue health insurance through the
3 exchange. Such assessment would be made based upon the amount of income the insurer
4 generates through the exchange.

5 This act would take effect upon passage.

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