

**2018 -- S 2785 SUBSTITUTE A AS AMENDED**

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LC005098/SUB A/2  
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**STATE OF RHODE ISLAND**

**IN GENERAL ASSEMBLY**

**JANUARY SESSION, A.D. 2018**

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A N A C T

RELATING TO INSURANCE -- INDIVIDUAL HEALTH INSURANCE COVERAGE

Introduced By: Senators Miller, Coyne, DiPalma, Goldin, and Ruggerio

Date Introduced: April 05, 2018

Referred To: Senate Health & Human Services

It is enacted by the General Assembly as follows:

1           SECTION 1. Chapter 27-50 of the General Laws entitled "Small Employer Health  
2 Insurance Availability Act" is hereby amended by adding thereto the following section:

3           **27-50-19. Small business health options program (SHOP) innovation waiver.**

4           (a) As small business owners and sole proprietors are the life blood of this state's  
5 economy, a recent change in the Federal Affordable Care Act effective on January 1, 2016, has  
6 caused irreparable harm to the economic well-being of some small business owners and sole  
7 proprietors by requiring them to secure health insurance coverage on the individual market as  
8 opposed to securing health insurance coverage on the small group market.

9           (b) The director of the department of administration, with assistance from the  
10 commissioner of health insurance (OHIC), is authorized to seek a waiver under Section 1332 of  
11 the Patient Protection and Affordable Care Act, Pub. L. No. 111-148, as amended by the Health  
12 Care and Education Reconciliation Act of 2010, Pub. L. No. 111-152, for the purpose of allowing  
13 businesses classified as self-employed and sole proprietors to purchase insurance in the small  
14 group market through the Health Source RI for Employers small business health options program  
15 (SHOP) and not be forced into the individual market. Submission of such a waiver application  
16 shall be contingent upon an assessment by OHIC of the costs and impacts.

17           SECTION 2. Chapter 27-18.5 of the General Laws entitled "Individual Health Insurance  
18 Coverage" is hereby amended by adding thereto the following section:

19           **27-18.5-11. Essential health benefits.-- Individual.**

1 (a) For the purposes of this title and/or chapter:

2 (1) "Essential Health Benefits" means the following general categories and the items and  
3 services covered within the following ten (10) categories described in 42 USC § 18022 in force as  
4 of January 1, 2017 and implementing regulations and guidance. The commissioner, in his/her  
5 discretion, shall periodically define a benchmark plan that is prevalent in the employer-sponsored  
6 health insurance market in Rhode Island that is consistent with the provisions contained in  
7 chapter 18 of title 27 and that includes at a minimum the following categories of benefits:

8 (i) Ambulatory patient services;

9 (ii) Emergency services;

10 (iii) Hospitalization;

11 (iv) Maternity and newborn care;

12 (v) Mental health and substance use disorder services, including behavioral health  
13 treatment;

14 (vi) Prescription drugs;

15 (vii) Rehabilitative and habilitative services and devices;

16 (viii) Laboratory services;

17 (ix) Preventive services, wellness services and chronic disease management; and

18 (x) Pediatric services, including oral and vision care;

19 (2) "Coverage of preventive services" means those services described in 42 USC §  
20 300gg-13 in force as of January 1, 2017 and implementing regulations and guidance. Preventive  
21 services shall be covered without any cost sharing for the enrollee when delivered by in-network  
22 providers, as those terms and obligations are therein described. The commissioner shall have the  
23 authority to promulgate implementing regulations consistent with this chapter to ensure  
24 compliance with 26 USC § 223.

25 (b) A health insurance policy, subscriber contract, or health plan offered, issued, issued  
26 for delivery, or issued to cover a resident of this state by a health insurance company licensed  
27 pursuant to this title and/or chapter shall provide coverage of at least the ten (10) essential health  
28 benefits categories set forth in this section and shall further provide coverage of preventive  
29 services from in-network providers without applying any copayments, deductibles, coinsurance,  
30 or other cost sharing, as set forth in this section. The commissioner shall have the authority to  
31 promulgate rules and regulations for the implementation of this chapter, including the authority to  
32 not approve any plan that they determine does not appropriately comply with or substantially  
33 provide for the essential health benefits and coverage of preventive services without cost sharing  
34 requirements set forth in this section.

1 SECTION 3. Chapter 27-50 of the General Laws entitled "Small Employer Health  
2 Insurance Availability Act" is hereby amended by adding thereto the following section:

3 **27-50-18. Essential health benefits.-- Small employer.**

4 A health insurance policy, subscriber contract, or health plan offered, issued, issued for  
5 delivery, or issued to cover a resident of this state by a health insurance company licensed  
6 pursuant to this title and/or chapter shall provide coverage of at least the ten (10) essential health  
7 benefits categories set forth at § 27-18.5-11 and shall further provide coverage of preventive  
8 services from in-network providers without applying any copayments, deductibles, coinsurance,  
9 or other cost sharing, set forth at § 27-18.5-11. The commissioner shall have the authority to  
10 promulgate rules and regulations for the implementation of this chapter, including the authority to  
11 not approve any plan that he/she determines does not appropriately comply with or substantially  
12 provide for the essential health benefits and coverage of preventive services without cost sharing  
13 requirements set forth at § 27-18.5-11.

14 SECTION 4. Chapter 27-18.6 of the General Laws entitled "Large Group Health  
15 Insurance Coverage" is hereby amended by adding thereto the following section:

16 **27-18.6-13. Essential health benefits.**

17 A health insurance policy, subscriber contract, or health plan offered, issued, issued for  
18 delivery, or issued to cover a resident of this state by a health insurance company licensed  
19 pursuant to this title and/or chapter shall provide coverage of at least the ten (10) essential health  
20 benefits categories set forth at 27-18.5-11 and shall further provide coverage of preventive  
21 services from in-network providers without applying any copayments, deductibles, coinsurance,  
22 or other cost sharing, set forth at § 27-18.5-11. The commissioner shall have the authority to  
23 promulgate rules and regulations for the implementation of this chapter, including the authority to  
24 not approve any plan that he/she determines does not appropriately comply with or substantially  
25 provide for the essential health benefits and coverage of preventive services without cost sharing  
26 requirements set forth at § 27-18.5-11.

27 SECTION 5. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
A N A C T  
RELATING TO INSURANCE -- INDIVIDUAL HEALTH INSURANCE COVERAGE

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1           This act would authorize the state to seek a waiver under the Affordable Care Act (ACA)  
2 to allow qualified small business owners and sole proprietors to purchase insurance in the small  
3 group market contingent on a cost and impact assessment by the office of the health insurance  
4 commissioner (OHIC). This act would further provide that health insurance plans provide  
5 coverage for essential health benefit categories and preventive services without cost sharing  
6 which are consistent with the Rhode Island benchmark plan.

7           This act would take effect upon passage.

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