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LC006163/SUB A
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2024

J O I N T R E S O L U T I O N

RESPECTFULLY REQUESTING HEALTHSOURCE RI (HSRI) TO CONVENE A WORKING GROUP TO STUDY THE ISSUE OF AFFORDABILITY OF COVERAGE IN THE RHODE ISLAND HEALTH INSURANCE INDIVIDUAL MARKET AND TO PROVIDE RECOMMENDATIONS ON THE DESIGN OF A STATE-BASED PROGRAM TO PROVIDE AFFORDABILITY ASSISTANCE TO RHODE ISLANDERS ENROLLED IN PLANS THROUGH THE HSRI EXCHANGE

Introduced By: Senator Joshua Miller

Date Introduced: May 21, 2024

Referred To: Senate Health & Human Services

1 WHEREAS, Many Rhode Islanders report serious challenges in accessing health care
2 services due to high and rising deductibles, out-of-pocket costs, and monthly health insurance
3 premiums; and

4 WHEREAS, According to the 2024 Rhode Island Market Summary published by the
5 Office of the Health Insurance Commissioner, Rhode Islanders enrolled in health insurance
6 coverage through the individual market pay higher cost sharing than Rhode Islanders enrolled in
7 health insurance coverage through the small or large group markets; and

8 WHEREAS, Research studies have demonstrated that higher cost sharing has been shown
9 to decrease consumers' utilization of needed medical services, including preventive care and
10 essential drugs; and

11 WHEREAS, Increases in consumer cost sharing are seen to influence adverse outcomes
12 for vulnerable populations, including the elderly, chronically ill, and low income; and

13 WHEREAS, HealthSource RI (HSRI) documented in its 2022 Health Information Survey
14 a 21 percent increase in out-of-pocket costs between 2020 and 2022, noting this was "the highest
15 reported out-of-pocket spending since the [HSRI] survey began in 2012"; and

16 WHEREAS, In the same HSRI 2022 Health Information Survey, 14.9 percent of Rhode
17 Islanders reported that, despite having health insurance coverage, they experienced problems

1 paying medical bills; and

2 WHEREAS, HSRI reports that after the end of the COVID-19 public health emergency,
3 at least 14,000 low- and middle-income Rhode Islanders who had retained Medicaid coverage
4 during the pandemic transitioned to HSRI individual market coverage where premiums and out-
5 of-pocket costs may result in individuals foregoing needed medical care or face unexpectedly
6 high bills for medical treatment; and

7 WHEREAS, The Kaiser Family Foundation has noted that “for people and families with
8 limited assets, even a relatively small unexpected medical expense can be unaffordable”; and

9 WHEREAS, Federal enhanced advance premium tax credits were established under the
10 2021 American Rescue Plan and extended by the 2022 Inflation Reduction Act, helping expand
11 health insurance premium affordability support for millions of Americans and helping reduce
12 uninsured rates in Rhode Island to an all-time low of 2.9 percent; and

13 WHEREAS, Federal enhanced advance premium tax credits are scheduled to expire in
14 December 2025, potentially jeopardizing years of coverage gains and making health insurance
15 unaffordable for many middle-income Rhode Islanders; and

16 WHEREAS, Without this federal support some Rhode Islanders could be expected to pay
17 up to 36 percent of their income simply to enroll into health insurance, thereafter facing
18 additional charges for out-of-pocket medical costs; and

19 WHEREAS, Other states have established successful state-based programs to lower
20 health insurance premiums and out-of-pocket health care costs for low- and middle-income
21 residents, including Massachusetts, Colorado, and Washington; and

22 WHEREAS, The urgency of the potential increase in health insurance premiums for
23 many middle-income Rhode Islanders, particularly those who have recently lost Medicaid
24 coverage held through the COVID-19 pandemic, necessitates immediate action to design a Rhode
25 Island state-based affordability program and the funding mechanism for such a program; now,
26 therefore be it

27 RESOLVED, That this General Assembly of the State of Rhode Island hereby
28 respectfully requests HealthSource RI (HSRI) to convene a working group to study the issue of
29 affordability of coverage in the Rhode Island health insurance individual market and to make
30 recommendations on the design of a state-based program to provide affordability assistance to
31 Rhode Islanders enrolled in plans through the HSRI exchange; and be it further

32 RESOLVED, That this General Assembly hereby requests that HSRI invites participation
33 in this working group from members of the Exchange Advisory Board established by § 42-157-7
34 of the General Laws, and further invites additional participants to ensure meaningful participation

1 from each of the following groups: the Office of the Health Insurance Commissioner, the
2 Executive Office of Health and Human Services, health insurance carriers, health care providers
3 (including primary care providers, behavioral health care providers, and hospitals), health care
4 consumers and health care consumer advocacy organizations, and businesses which purchase or
5 otherwise provide health insurance coverage for their employees; and be it further

6 RESOLVED, That this General Assembly hereby requests that the working group
7 considers and issues recommendations regarding mechanisms that directly address both the
8 monthly premium cost of health insurance obtained through HSRI and the out-of-pocket costs
9 paid by enrollees upon receipt of health care services, currently addressed by federal advance
10 premium tax credits and cost-sharing reductions, respectively; and be it further

11 RESOLVED, That this General Assembly hereby requests that in its study and
12 recommendations, the working group specifically addresses the impact of the expiration of
13 federal enhanced advance premium tax credits established under the American Rescue Plan and
14 extended by the Inflation Reduction Act, which are currently expected to expire at the end of
15 calendar year 2025; and be it further

16 RESOLVED, That this General Assembly hereby requests that the working group
17 delivers its recommendations as to the design of such state-based affordability program based on
18 a total funding amount of \$20 million, and to additionally deliver recommendations as to how
19 such design would be modified if the total funding amount were to be halved (i.e. \$10 million) or
20 doubled (i.e. \$40 million); and be it further

21 RESOLVED, That this General Assembly hereby requests that the working group
22 additionally studies and reports to the General Assembly as to potential funding mechanisms
23 which could be designed and established to pay for such state-based affordability program and the
24 positive and negative attributes of each funding mechanism, including, but not limited to, state
25 general revenue, assessments on health insurance issuers, other assessments on health care
26 industry entities, special assessments, proceeds from existing or new excise taxes, funds from the
27 Rhode Island Health Insurance Mandate, and any federal funding source identified; and be it
28 further

29 RESOLVED, That this General Assembly hereby requests that HSRI submits a report on
30 the recommendations delivered by the working group to the Speaker of the House, the President
31 of the Senate, and the Governor on or before ~~December 31, 2024~~ [January 31, 2025](#); and be it
32 further

33 RESOLVED, That the Secretary of State be and hereby is authorized and directed to
34 transmit duly certified copies of this resolution to HealthSource RI, the Office of the Health

- 1 Insurance Commissioner, the Executive Office of Health and Human Services, and the Honorable
- 2 Daniel McKee, Governor of the State of Rhode Island.

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