



June 3, 2024

The Honorable Susan R. Donovan
House Health and Human Services Committee
Rhode Island State House
82 Smith St.
Providence RI, 02903

RE: Bill Number: 8072 AN ACT RELATING TO STATE AFFAIRS AND GOVERNMENT -- THE RHODE ISLAND HEALTH CARE REFORM ACT OF 2004 -- HEALTH INSURANCE OVERSIGHT

Dear Chairwoman Donovan and Honorable Members of the House Health and Human Services Committee:

I am writing to express our opposition to House Bill 8072, which proposes to increase health care provider payments in Rhode Island to match the average rates in Massachusetts and Connecticut. While I understand the intention behind this bill is to ensure fair compensation for health care providers, it disregards the significant economic differences between Rhode Island and our neighboring states, and the negative financial impact it will have on our municipalities and residents.

If this bill passes, it is estimated that the annual cost to cities and towns for their employees and their families will increase by \$67,035,000. Specifically, the City of Providence would face an estimated additional \$16,378,000 in annual health care costs. Such a substantial financial burden will inevitably result in higher premiums for municipalities, which will be passed on to taxpayers and employees.

The Office of the Health Insurance Commissioner has already noted that the average annual premium for a Rhode Island family exceeds \$22,900. If House Bill 8072 is enacted, it is projected that the average family premium will increase by an additional \$4,000 per year. This significant hike in health insurance costs would place an undue financial strain on Rhode Island families, many of whom are already struggling to manage their expenses.

Mandating a blanket increase in payments to health care providers, without considering the economic disparities between states, is not a sustainable solution. Rhode Island's economy and cost of living are markedly different from those of Massachusetts and Connecticut. Implementing such a measure would not only destabilize our local economy but also make health care less affordable for many residents.

I urge you to reconsider the implications of House Bill 8072. Instead of imposing uniform rate increases, we should explore alternative approaches that consider the unique economic landscape of Rhode Island while still addressing the needs of health care providers. Collaborative solutions that involve input from all stakeholders, including municipalities, health care providers, and residents, would be more effective in achieving a balanced and fair outcome.

On behalf of the League of Cities and Towns, thank you for considering our concerns.

Sincerely,

A handwritten signature in black ink that reads "David M. Bodah".

David M. Bodah
Associate Director

Cc: House Health and Human Services Committee
Representative Teresa A. Tanzi
Nicole McCarty, Chief Legal Counsel
Ernie Almonte, Executive Director