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The Honorable Susan R. Donovan, Chairwoman
Of the House Health and Human Services Committee
State House
Providence, RI 02903

RE: AHIP Comments on H-8203, An Act Relating to Insurance – Accident and Sickness Insurance Policies [OPPOSE]

To Chairwoman Donovan and Members of the House Health & Human Services Committee,

America's Health Insurance Plans (AHIP) appreciates this opportunity to respectfully express our comments on H-8203, legislation that, among other things, mandates health plans providing coverage for emergency medical services to also provide coverage for: 1) the evaluation and treatment of emergency mental health and substance use disorders (MH/SUD); and 2) transportation services related to such services. Additionally, the bill establishes reimbursement floors for the two mandates.

While we share the Committee's goals of increasing access to emergency MH/SUD care, we are concerned with the provisions of H-8203 will increase health care costs for all Rhode Islanders.

H-8203 requires health plans to reimburse:

- Emergency evaluations and treatments for MH/SUD services at a rate not lower than the same service would have been had that service been delivered in a traditional office setting.
- Emergency transportation to specified facilities for the treatment of MH/SUD at a rate not lower than the same rate as for basic life support transport to an emergency department.

Setting reimbursement floors impedes on the contractual negotiations between sophisticated private parties, and places carriers at a disadvantage in these negotiations. The ability to competitively negotiate rates is an important tool health plans use to help keep health care premiums low. Limiting a plan's ability to negotiate competitive reimbursement rates raises costs across the board for policyholders and premium payers which may lead to permanent increases in health care costs for all Rhode Islanders, further risking health care access to vulnerable populations.

Currently, health plans and health providers freely negotiate reimbursement rates to arrive at an amount that best reflects the fair market value for an array of services. Appropriate factors used when negotiating provider reimbursement rates, include, but are not limited to:

- Scope of practice;
- Licensure;
- Level of training;
- Experience;
- Quality of care;
- The volume of patients the provider is expected to handle;
- Physician administrative costs;

- The geographic market; and even
- Medicare reimbursement rates.

Importantly, plans also look at any innovations that may stabilize or **decrease** costs. By establishing a reimbursement floor regardless of any cost-stabilizing or -reducing administrative, technological, or medical innovations with regards within the field of MH/SUD emergency services and transport, H-8203 would prevent any potential savings from being passed along to consumers and businesses.

AHIP therefore recommends the Committee to continue to allow health insurance providers flexibility in negotiating appropriate payment rates for services. The savings from such negotiations can and do benefit consumers.

For these reasons, we oppose H-8203 and respectfully urge the Committee not to pass this bill.

AHIP and its members appreciate the opportunity to provide these comments and look forward to continued discussions with you on this important issue.

Sincerely,

America's Health Insurance Plans



By: _____
Terrance S. Martiesian

AHIP is the national association whose members provide health care coverage, services, and solutions to hundreds of millions of Americans every day. We are committed to market-based solutions and public-private partnerships that make health care better and coverage more affordable and accessible for everyone. Visit www.ahip.org to learn how working together, we are Guiding Greater Health.