

May 23, 2024

The Honorable Susan Donovan
Chair, House Committee on Health and Human Services
Rhode Island House
by email to HouseHealthandHumanServices@rilegislature.gov

Re: **Support with recommendations** for H-8332A, Joint Resolution Requesting HealthSource RI Establish An Individual Market Affordability Working Group

Dear Chair Donovan:

RIPIN thanks the House Committee on Health and Human Services for the opportunity to submit this testimony **in support of** H-8332 sub A, which would request that HealthSource RI (HSRI) convene a working group to develop recommendations around affordability for the almost 35,000 Rhode Islanders enrolled in coverage through the HSRI marketplace, in response to the significant threat posed by the rapidly approaching expiration of federal affordability enhancements, **while recommending an amendment to change the workgroup's reporting date to January 31, 2025.**

In our role as Rhode Island's health insurance consumer assistance program, we have seen firsthand the positive impact the Affordable Care Act has had for Rhode Islanders. More than 100,000 Rhode Islanders newly gained health insurance coverage thanks to the ACA, bringing the uninsured rate down by 75% to less than 3% in 2022. Many working Rhode Islanders who make too much money for Medicaid are eligible for subsidized coverage through HealthSource RI, with federal assistance to lower monthly premiums and out-of-pocket costs for health care needs. And currently, additional federal help ensures that **no consumer will pay more than 8.5% of their income** for a "benchmark" HealthSource RI plan.

However, federal inaction means **this "enhanced" assistance is set to expire at the end of 2025.** Without a federal extension, many consumers will see their monthly premiums skyrocket. While lower-income Rhode Islanders will continue to receive some federal assistance, their costs will increase – and middle-income Rhode Islanders without other offers of affordable coverage will fare much worse. For example, a 64-year-old couple, too young for Medicare, making \$82,000 a year currently pays \$582/month for coverage through HSRI. Without that federal assistance, their monthly premium would jump to \$1,877/month, **36% of their monthly income.**

And it is not only the threat of lost federal subsidies that are leading to health care affordability challenges for Rhode Islanders. As noted in HSRI's recent reports, Rhode Islanders' out-of-pocket costs for health care have accelerated significantly since the Covid-19 pandemic – and study after study has shown that **increased out-of-pocket costs lead to increased avoidance of medically necessary care**, leading to worse health care outcomes.

The potential loss of federal assistance jeopardizes the coverage gains Rhode Island has made in recent years, and could drive up the uninsured rate at a time where health care





costs are rising quickly, leading to even more negative impacts to health outcomes for Rhode Islanders. This resolution calls upon HSRI to **convene a working group to design a state-based program which would safeguard health insurance affordability**. The specifications of the affordability program are intentionally left open-ended, allowing for HSRI to study and provide for the General Assembly's consideration a variety of potential options and scales. And while the proposed timeline is aggressive, it is designed to give the General Assembly adequate time to consider its options in the face of a potential critical loss of health care access – and RIPIN and other supporters of this legislation are committed to working with HSRI to establish a balance between the time pressures of developing an actionable report with the time pressures of developing any necessary legislative changes next session.

After discussion with HSRI and other interested parties, RIPIN supported the floor amendment adopted in the Senate's passage of S-3086, which extended the reporting date for the workgroup to January 31, 2025. RIPIN supports HSRI's efforts to deliver a high-quality set of recommendations to the General Assembly on a very accelerated timetable, and **we encourage the House to align the timetable with the January 31, 2025 date as was advanced by the Senate**.

RIPIN encourages the House Committee on Health and Human Services to support this resolution, which will help ensure that the General Assembly has the data and information it needs to protect health care access for Rhode Islanders who are most at risk of losing coverage. Thank you for the opportunity to provide these comments. RIPIN is a statewide nonprofit founded in 1991 by a group of parents of children with special healthcare needs. While RIPIN's roots are in serving children and families with special needs, RIPIN now serves all Rhode Islanders who might benefit from education, advocacy, and peer-to-peer support in navigating healthcare and education systems. In partnership with the Rhode Island Office of the Health Insurance Commissioner, RIPIN operates Rhode Island's health insurance consumer assistance program, which helped several thousand Rhode Islanders save more than \$8 million in health care costs since 2018.

Sincerely,

/s/

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