



April 1, 2025

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

Re: H.5832, An Act Relating to State Affairs and Government – The Rhode Island Health Care Reform Act of 2004 – Health Insurance Oversight

Dear Chairwoman Donovan,

The undersigned members of the Rhode Island Business Coalition are writing in opposition to House Bill 5832. This bill proposes increasing the cap on commercial reimbursement rates by three percentage points for a temporary three-year period.

Health insurance affordability is a significant concern for small employers in Rhode Island. A recent study by the Kaiser Family Foundation found that annual premiums for family health insurance coverage have nearly tripled in the last twenty years. According to an analysis of National Association of Insurance Commissioners (NAIC) data by the Rhode Island Business Group on Health, the Rhode Island small employer market has seen a 53 percent drop in covered lives from 2012 to 2022.

In addition, a study of the Rhode Island health insurance market by Oliver Wyman conducted for the Office of the Health Insurance Commissioner (OHIC) showed significant decreases in membership in both the large and small group fully insured markets since 2020. The large group market experienced the largest overall decrease of 18.4% while small group saw an 11.1% during this period.

On average, commercial ratepayers are paying well above the reimbursement rates of Medicaid and Medicare. In essence, businesses are subsidizing the underpayments to providers from government programs. H.5832 would put further stress on commercial health insurance premiums by increasing the reimbursement cap by an additional two percentage points. According to Blue Cross Blue Shield of Rhode Island, their commercial customers would pay an additional \$128 million over three years should this proposal pass.

The Rhode Island Business Coalition represents 50 industries and 6,280 businesses that employ 231,200 people throughout Rhode Island.

The Coalition recognizes the challenging financial situation of the state's hospitals. In fact, we support legislation (H.6095) in the House Finance Committee that would increase the provider tax allowing the state to bring additional dollars into the healthcare system. However, as representatives of thousands of businesses across our state, we cannot support this legislation. This would simply further shift more health insurance costs to the decreasing number of employers able to provide health insurance coverage to their employees.

Rhode Island businesses are already struggling to afford health insurance coverage, this bill would only make it more difficult to offer health insurance to their employees.

Thank you for your consideration of our position on House Bill 5832. We ask that the Committee not support this legislation.

Sincerely,

Associated Builders and Contractors – Rhode Island Chapter

East Greenwich Chamber of Commerce

Greater Newport Chamber of Commerce

Propane Gas Association of New England

Rhode Island Hospitality Association

Rhode Island Lumber and Building Materials Dealers Association

Rhode Island Manufacturers Association

Rhode Island Staffing Association

Small Business Economic Summit Regulations Subcommittee

Small Business Economic Summit Tax and Budget Committee

cc. House Health and Human Services Committee members