



State Fiscal Note for Bill Number: 2021-H-5843

Date of State Budget Office Approval: Friday, May 7, 2021

Date Requested: Wednesday, March 31, 2021

Date Due: Saturday, April 10, 2021

<i>Impact on Expenditures</i>		<i>Impact on Revenues</i>	
FY 2021	\$N/A	FY 2021	\$N/A
FY 2022	\$0	FY 2022	\$0
FY 2023	\$0	FY 2023	\$0

*Explanation by State
Budget Office:*

-Section 1-

Section one of this bill amends Sections 27-18.5-3, 27-18.5-4, 27-18.5-5, 27-18.5-6 and 27-18.5-10 of the General Laws in Chapter 27-18.5 entitled "Individual Health Insurance Coverage." Significantly, the term "eligible applicant" is redefined to mean any individual resident of this state. It is further established that carriers offering health insurance coverage in the individual market must offer all health insurance coverage plans approved for sale in the individual market to any eligible applicant in the state, and must accept any eligible applicant that applies for coverage under those plans. An open-enrollment period, established by the commissioner, is to be held annually for a period between thirty and sixty days long. Carriers must allow eligible applicants to enroll during this period and any other open or special enrollment periods established by federal or state law, rule, or regulation.

This Act further states that health insurance policy, subscriber contract, or health plan offered, issued, issued for delivery, or issued to cover a resident of this state by a health insurance company shall not impose a preexisting condition exclusion. "Preexisting condition exclusion" means any limitation or exclusion of benefits, including a denial of coverage, applicable to an individual as a result of information relating to an individual's health status before the individual's effective date of coverage, or if the coverage is denied, the date of denial, under the health benefit plan, such as a condition (whether physical or mental) identified as a result of a pre-enrollment questionnaire or physical examination given to the individual, or review of medical records relating to the pre-enrollment period.

-Sections 2 and 5-

Sections two and five of this bill set forth a new section within Chapters 27-18.5 and 27-50 of the General Laws entitled "Individual Health Insurance Coverage" and "Small Employer Health Insurance Availability Act." This section requires individual health insurers to provide coverage for ten categories of essential health benefits to eligible applicants. These ten "essential health benefits" means the following general categories, and the services covered within those categories; (i) Ambulatory patient services; (ii) Emergency services; (iii) Hospitalization; (iv) Maternity and newborn care; (v) Mental health and substance use disorder services, including behavioral health treatment; (vi) Prescription drugs; (vii) Rehabilitative and habilitative services and devices; (viii) Laboratory services; (ix) Preventive services, wellness services, and chronic disease management; and (x) Pediatric services, including oral and vision care.

Prepared by:

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-Section 3-

Section three sets forth a new section within Chapter 27-18.6 of the General Laws entitled "Large Group Health Insurance Coverage." This Section 27-18.6-3.1, "Preventative services," states that a health insurance policy, subscriber contract, or health plan offered, issued, issued for delivery, or issued to cover a resident of this state, by a health insurance company licensed pursuant to this title and/or chapter, shall provide coverage of preventive services from in-network providers without applying any copayments, deductibles, coinsurance, or other cost sharing, as set forth in this section. "Preventive services" are defined as those services described in 26 the version of 42 U.S.C. § 300gg-13 in effect on January 1, 2021.

-Section 4-

Section four amends Section 27-50-11 of the General Laws in Chapter 27-50 entitled "Small Employer Health Insurance Availability Act" to authorize the commissioner to promulgate rules and regulations necessary to carry out the provisions of the law set forth in this chapter.

-Sections 6 through 9-

Sections six through nine of this bill amend the General Laws in Chapters 27-18, 27-19, 27-20, and 27-41 to revoke the health insurance commissioner's authority to enforce a ruling of the federal government or federal court that rescinds the prohibition on limits on health insurance. In other words, if the patient protections described herein are revoked at a federal level, the Health Insurance Commissioner of the State will not have the authority to revoke them at the state level.

-Sections 10 through 13-

Sections ten through thirteen set forth a new section in Chapters 27-18, 27-19, 27-20, and 27-41 of the General Laws. This section is entitled "Gender rating," and prohibits insurance companies from varying the premium rates charged for a health coverage plan based on the gender of the individual policy holder, enrollee, subscriber, or member.

Section 14 sets the effective date of this Act. All sections would take effect upon passage.

*Comments on
Sources of Funds:*

No state fiscal impact is reported as a result of this Act. Thus, no sources of state public financing are applicable to this note.

*Summary of Facts
and Assumptions:*

(1) The effective date of this bill is assumed to be July 1, 2021. Thus, no fiscal impact is presumed in FY 2021.

(2) Upon consultation with policy officials at the Office of the Health Insurance Commissioner (OHIC), it has been determined that the provisions set forth by H-5843 codify into state law existing provisions of the Federal Patient Protection and Affordable Care Act (ACA), with the exception of prohibiting gender rating in large group plans. Per OHIC, gender rating is not commonly used as a rating factor for large group premiums in Rhode Island, and all other provisions herein have already been implemented in the State. It is therefore expected that this legislation will have limited impact on the large group commercial market and will present no direct fiscal

impact to the State.

Summary of Fiscal Impact:

FY 2021: N/A
FY 2022: \$0
FY 2023: \$0

Budget Office Signature:

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Fiscal Advisor Signature:



