RHODE ISLAND GOVERNMENT REGISTER
PUBLIC NOTICE OF PROPOSED RULEMAKING

DEPARTMENT OF BUSINESS REGULATION (INCLUDES THE OFFICE OF THE HEALTH INSURANCE COMMISSIONER)

Title of Rule: Network Plans

Rule Identifier: 230-RICR-20-30-9

Rulemaking Action: Proposed Adoption

Important Dates:
Date of Public Notice: 09/05/2018
Hearing Date: 09/19/2018
End of Public Comment: 10/05/2018

Authority for this Rulemaking:
R.I. Gen. Laws § Chapter 27-18.8

Summary of Rulemaking Action:
The purpose of this regulation is to enforce the Office of Health Insurance Commissioner's (OHIC) jurisdiction pursuant to R.I. Gen. Laws Chapter 27-18.8, the Health Care Accessibility and Quality Assurance Act (the Act) effective on January 1, 2018. Prior to OHIC's jurisdiction, similar protections of the Act and subsequent regulations were under the jurisdiction of the Rhode Island Department of Health (DOH). The current Act reflects not only the change to OHIC's jurisdiction but reflects changes to bring the Act to current national protective standards to assure that health care entities maintain network adequacy, quality, continuity and reasonable access to covered benefits. The statute was updated accordingly and the proposed regulations designed and developed to clarify, for the health care entities, the expectations in order to comply with mandated requirements of the Act.

OHIC is proposing to establish standards and procedures for the certification/recertification process of Network Plans, and to generally assist OHIC in carrying out the administration and enforcement of the terms and provisions of the Health Care Accessibility and Quality Assurance Act, R.I. Gen. Laws § 27-18.8 et seq. The proposed regulation supplements the statutory requirements by:

- Specifying the application requirements for Network Plan certification in Rhode Island;
- Establishing requirements for delegates of a health care entity as well as general network plan requirements for a health care entity to follow;
- Establishing requirements for network adequacy, access and continuity of care for a health care entity;
- Setting requirements for professional provider credentialing and re-credentialing

- Establishing provider contracting requirements for a health care entity
- Setting reporting requirements for the health care entities, annually on or before March 1st of each calendar year
- Establishing procedures for the renewal of certifications;
- Setting fees for initial and renewal certifications.

Additional Information and Comments:
All interested parties are invited to request additional information or submit written or oral comments concerning the proposed adoption until October 5, 2018 by contacting the appropriate party at the address listed below:

Alyssa R. Metivier
Department of Business Regulation (includes the Office of the Health Insurance Commissioner)
Office of the Health Insurance Commissioner
1511 Pontiac Ave
Cranston, RI 02920
alyssa.metivier@ohic.ri.gov

Public Hearing:
A public hearing, in accordance with R.I. Gen. Laws § 42-35-2.8, to consider the proposed adoption shall be held on September 19, 2018 at 1:00 pm at Department of Business Regulation/OHIC, Conference Room 69-1, 1511 Pontiac Ave, Bldg 69, Cranston, RI 0RI at which time and place all persons interested therein will be heard. The seating capacity of the room will be enforced and therefore the number of persons participating in the hearing may be limited at any given time by the hearing officer, in order to comply with safety and fire codes.

The place of the public hearing is accessible to individuals who are handicapped. If communication assistance (readers/interpreters/captioners) is needed, or any other accommodation to ensure equal participation, please call 401-462-9551 or RI Relay 711 at least three (3) business days prior to the meeting so arrangements can be made to provide such assistance at no cost to the person requesting.

Regulatory Analysis Summary and Supporting Documentation:
Based on the provisions of the proposed regulation, OHIC has determined that there are minimal overall costs to the health care entities/network plans and providers, and great benefits to the consumers. In developing the rules for Network Plans, it was the OHIC's goal to streamline content and provide added clarity consistent with the applicable statutes and OHIC's existing procedural rules and practices.

Monetizing the benefits and costs accruing to stakeholders from the proposed regulation is not a straightforward task. In this case, the cost side of the social accounting ledger is slightly more tractable than the benefit side. The costs of the proposed regulation include the direct costs of compliance to health care entities. R.I. Gen. Laws 27-18.8-3(4) allows the Commissioner to charge health care entities

for the costs of the program. Prior to the transition of the Health Care Accessibility and Quality Assurance Act to OHIC, DOH administered a similar program funded by an assessment on health care entities. Therefore, the core cost of the program is built into the status quo. The proposed regulations may cause some marginal cost to health care entities' administration and operations. For example, notice requirements for formulary changes, notice to OHIC for potential substantial systemic changes to network plans, network adequacy reporting to OHIC (if it differs materially from prior reporting to DOH), and provider contracting changes may increase administrative burden on the health care entities and result in additional administrative costs. The marginal cost of compliance is unlikely to be significant.

The benefits of the proposed regulation described above, such as the consumer benefit of network adequacy and timely access to health care are harder to quantify. Theoretically, access to care increases the probability that patients will receive the care they need and avoid more costly health care interventions later on. Screening for cancer, as an example, offers the potential for avoiding costly episodes of care and potentially improving mortality rates for certain conditions, thus increasing patient life years. Based on a recent analysis of episode of care cost and variation using the Rhode Island All Payer Claims Database (APCD), the average commercial cost for an episode of breast cancer was $49,281. The average cost of colon cancer was $53, 823 and the average cost of prostate cancer was $50,390. Therefore, if a single case of colon cancer is avoided, then savings of approximately $53,823 accrue to society. When added to the benefit of avoided health care costs, the addition of quality life years that accrue to patients also add significant benefits to society. Given the weight of the potential health benefits to consumers, and the less significant costs to health care entities and providers, OHIC feels strongly that the benefit to cost ratio associated with this proposed regulation is greater than one.

For full regulatory analysis or supporting documentation see agency contact person above.