
MEMORANDUM

TO: MARIE GANIM, HEALTH INSURANCE COMMISSIONER
FROM: CORY KING, DIRECTOR OF POLICY
SUBJECT: HEARING ON PROPOSED AMENDMENTS TO 230-RICR-20-30-4
DATE: JANUARY 10, 2020
CC: EMILY MARANJIAN, LEGAL COUNSEL; MAREA TUMBER, PRINCIPAL POLICY ASSOCIATE

On Friday January 10th, 2020 at 8:30 AM OHIC held a hearing on the proposed amendments to 230-RICR-20-30-4 *Powers and Duties of the Office of the Health Insurance Commissioner*. I served as hearing officer. The hearing was well attended by stakeholders, including representatives of health insurance companies, provider groups, hospitals, health care trade associations, and consumer advocates. Two parties offered oral public comments at the hearing. The hearing was recorded. The final deadline for written comments is January 16th, with the possibly of short extensions. I expect more comments by the January 10th deadline.

Dr. John Stoukides, Chief of Geriatrics and Palliative Medicine at Roger Williams Hospital spoke on behalf of CharterCARE Health Partners. Dr. Stoukides offered background on the CharterCARE system, including that it serves an invaluable role in the Rhode Island health care system and employs over 30,000 people. Dr. Stoukides said that CharterCARE was in substantial support of the proposed changes to the regulation and was “pleased that the new rules move toward remediating some of the inadvertent consequences of the current rules enacted nearly 10 years ago, which locked-in a negative disparity of low cost providers, such as CharterCARE hospitals.” CharterCARE strongly encouraged “OHIC to include outpatient charges in the adjustment for the historic rate disparity.” “Hospital outpatient rates suffer from the same rate disparity as inpatient rates and the problem has been exacerbated by more services being transitioned from inpatient to outpatient. From a cost and public policy perspective, OHIC should want the shift to continue. Therefore, advantaging inpatient rates over outpatient rates will create an unfortunate and unintended incentive to make the health care system less efficient. With the addition of outpatient services, the revised rules will allow us to continue to offer Rhode Island leadership in provider-based risk contracting and also quality accountability and still continue to be the lowest priced competitor in the Rhode Island hospital market.”

Dr. John Concannon, a local pediatrician, spoke next. “Informally and with tacit approval,” Dr. Concannon spoke on behalf of the Rhode Island Academy of Pediatrics and the Rhode Island Primary Care Physicians Corporation. Dr. Concannon said the content of the regulation that caught his attention was “prospective payment.” Dr. Concannon referred to prospective payment, or “capitation,” as “anathema to private practice pediatricians because when you become prospective payment in a Medicaid environment you are going to, as a physician, lose, you are going to lose badly.” “Pediatricians get paid poorly as it is because we do not have Medicare parity in Rhode Island.” “It becomes very difficult to maintain your practice, pay your staff, recruit any pediatricians into Rhode Island.” “We find that the idea of capitated payments would decrease access by your Medicaid population and a loss of our ability to provide the patient-centered medical home, which has been successfully implemented by Rhode Island Primary Care Physicians Corporation very well.” “When you have a situation where you have a capitated payment that is so easily cut by the politicians at the State House, 10% haircut here, 5% haircut here, which actually happened a couple of years ago, 10% right off the top because they wanted 10% off the top, you very easily make haircuts possible, the State House will go after the doctors in that effect.”

That concluded the oral comments. I will note that the comments regarding Medicaid payments are not directly germane to this rulemaking. I will share the comments with our colleagues at the Rhode Island Medicaid Program.

Please let me know if you have any questions or would like to discuss the content of this hearing further.