

Rhode Island Healthcare Reform:

STATE IMMUNIZATION AND CHILD SERVICES PROGRAMS; NEW FUNDING METHOD

Summary: The State of Rhode Island enacted a new funding formula, effective January 1, 2016, to provide more stable and equitable financing for two key existing healthcare programs: an immunization program that provides vaccinations for adults and children at lower prices than would otherwise be available and a program that provides services for children with special needs.

The new formula allocates the costs on a per-covered life basis, based on enrollees residing in Rhode Island, and includes fully insured and self-funded coverage written by in-state or out-of-state carriers, and Medicaid.

Exclusions noted below.

The formula replaces the current method, which is based on premiums for coverage written by Rhode Island-based carriers for fully insured policies.

*How the
funding formula
works*

While the state has yet to issue detailed instructions, the process of submitting payments will generally follow these steps:

1. The Office of Health and Human Services (OHHS) will receive program cost information from the Department of Health (Health) for the adult and child immunization programs and from the Department of Human Services for the child services program.
 2. OHHS will determine the number of contribution enrollees (defined below) and announce the per-capita rate in January.
 3. Quarterly payments will be due on or before the last day of July, October, January, and April, for the preceding 3 months. If the entity's liability is less than \$25,000, the payment can be made once annually.
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*Contributing
entities*

The following are considered contributing entities for the application of the fee:

Insurers (both Rhode Island and out-of-state) that provide Accident and Sickness coverage, HMOs, and Non-Profit Hospital or Medical Service Corporations

Self-insured employers and Third Party Administrators

Issuers of Medicaid managed care (RIte Care) plans (for the immunization program portion only)

The following employer groups will have the fee apply as of July 1, 2016:

The State of Rhode Island (as to its state employee and retiree plan)

Non-Profit Hospitals, including their facilities and programs

The following types of coverage and employer groups are excluded:

Self-funded municipal employers or other local governmental plan sponsors

Dental and other "limited" or "excepted" benefits

Medicare Managed Care (Medicare Advantage) plans

Medicare Supplement (Med Supp/Medigap/Plan 65) plans and other excepted benefits

Federal Employee Plans (FEP), TRICARE, CHAMPUS, Veteran's healthcare program, and Indian health service programs

*BCBSRI's
Approach*

While the state has not yet issued reporting requirements or the assessment rate, BCBSRI's approach will be the following:

For Fully Insured groups, BCBSRI will perform the reporting and incorporate the fee into premiums.

For Self-Funded groups, BCBSRI will perform the reporting and pay for the portion of the group's relevant enrollment. The assessment will appear on the group's invoice.

Links

Article 16: <http://webserver.rilin.state.ri.us/PublicLaws/law14/law14145-16.htm>

Amendment: <http://webserver.rilin.state.ri.us/PublicLaws/law14/law14548.htm>

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