

Spotlight on State: Rhode Island

This is part of a [series of summaries](#) that highlight notable legislation and initiatives in health policy and reform of all 50 states. Check back on The Source as we roll out additional states each week.

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Rhode Island is an active state in advancing innovative policy initiatives to promote healthcare competition, price transparency, and cost containment. The state has long operated an all-payer claims database and additionally requires hospitals to provide patients with a cost estimate of anticipated services. The state also provides some limited protections against surprise billing by requiring health plans to cap copays and coinsurance for out-of-network emergency care at the in-network price.

Rhode Island's Office of the Insurance Commissioner reviews provider payment rates in contracts between insurers and providers and rejects any contracts that increase the total cost of services above a threshold. In 2019, Rhode Island became the second state, after Massachusetts, to limit how much health costs can increase each year when the Governor signed an [executive order](#) that set a 3.2 percent growth cap on all spending on hospitals and doctors by commercial insurers, government health programs, employers, and consumers. The growth cap is effective through 2022 and will be administered and monitored by the Rhode Island Health Care Costs Trends Steering Committee.

In recent sessions, Rhode Island lawmakers also sought to reduce the size of premium increases through reinsurance by mitigating the impact high-risk individuals have on health insurance premiums; the state also has a federal waiver that allows it to use federal funds to help finance its reinsurance program. Rhode Island additionally allows small business owners to purchase health plans offered by their state exchange, [HealthSource RI](#). Separately, lawmakers are considering the creation of a commission to study the pros and cons of implementing a single-payer system in the state. The state also requires insurers to cover telemedicine.

In healthcare market competition, the state has robust laws that restrict certain

anticompetitive contract clauses and also enables comprehensive merger review of healthcare transactions. The state prohibits most-favored nation clauses in provider contracts, most non-compete agreements with physicians, and certain exclusive contracting clauses. Rhode Island statutes also provide significant oversight of the provider market, requiring healthcare-specific notice of all hospital transactions with review and approval from the state Department of Health and Attorney General based on antitrust and affordability criteria.

On top of existing legislative mandates, the state continues to vigorously enforce and expand on its antitrust authorities. Rhode Island is one of the most active states in challenging potentially anticompetitive hospital mergers, imposing conditions to alleviate competition concerns on some transactions and forcing others to abandon their efforts to consolidate. The Source also provided a special [analysis of legal and regulatory options](#) to address the impacts of provider consolidation in Rhode Island as commissioned by the state.