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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2016

A N A C T

RELATING TO INSURANCE - RATE REVIEW ACT

Introduced By: Senator Maryellen Goodwin

Date Introduced: January 27, 2016

Referred To: Senate Health & Human Services

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 27-19-6 of the General Laws in Chapter 27-19 entitled "Nonprofit
2 Hospital Service Corporations" is hereby amended to read as follows:

3 **27-19-6. Rates charged subscribers -- Reserves. --** (a) ~~Public hearings~~ General: - The
4 rates proposed to be charged or a rating formula proposed to be used by any corporation
5 organized under this chapter to employers, the state or any political subdivision of the state, or
6 individuals, shall be filed by the corporation at the office of the health insurance commissioner
7 (hereinafter referred to as the "commissioner"). ~~Within sixty (60) days after receipt of the~~
8 ~~application, the commissioner, or his or her designee shall hold a hearing on all rates proposed for~~
9 ~~health insurance coverage offered in the individual market as defined in § 27-18.5-2 upon not less~~
10 ~~than ten (10) days written notice prior to the hearing. With regard to any other rates subject to the~~
11 ~~commissioner's jurisdiction the commissioner, or his or her designee, may hold a hearing upon~~
12 ~~not less than ten (10) days written notice prior to the hearing. The notice shall be published by the~~
13 ~~commissioner in a newspaper or newspapers having aggregate general circulation throughout the~~
14 ~~state at least ten (10) days prior to the hearing. The notice shall contain a description of the rates~~
15 ~~proposed to be charged and a copy of the notice shall be sent to the applicant and to the~~
16 ~~department of the attorney general. In addition, the applicant shall provide by mail, at least ten~~
17 ~~(10) days prior to the hearing, notice of the proposed rate increase for health insurance coverage~~
18 ~~offered in the individual market as defined in § 27-18.5-2 to all subscribers subject to the~~
19 ~~proposed rate increase.~~

1 (b) Public hearings: Within ten (10) days after receipt of a filing, the commissioner shall
2 determine, subject to the provisions of section (f) of this section, whether they intend to hold a
3 public meeting or a public hearing at which time notice of such determination shall be sent to the
4 insurance advocacy unit of the attorney general. Any such public hearing shall commence within
5 sixty (60) days after receipt of the application, upon not less than ten (10) days written notice
6 prior to the hearing, published by the commissioner in a newspaper or newspapers having
7 aggregate general circulation throughout the state at least ten (10) days prior to the hearing. The
8 notice shall contain a description of the rates proposed to be charged and a copy of the notice
9 shall be sent to the applicant and to the department of the attorney general. In the event there is a
10 public hearing, the attorney general may engage the services of any expert or consultant
11 necessary to assist in reviewing the filing, including having the ability to seek additional relevant
12 information from the filer. All public hearings held pursuant to this section shall be held in
13 accordance with the provisions of chapter 35 of title 42 (administrative procedures act).

14 ~~(b)~~(c) Filings with the Attorney General's Office: - The applicant shall provide a copy of
15 the filing on all rates proposed for health insurance coverage offered in the individual market as
16 defined in § 27-18.5-2 to the Insurance Advocacy Unit of the Attorney General's Office
17 simultaneously with the filing at the office of the health insurance commissioner.

18 ~~(e)~~(d) Procedures: - ~~At any hearing held under this section, the applicant shall be required~~
19 ~~to establish that the rates proposed to be charged or the rating formula to be used are consistent~~
20 ~~with the proper conduct of its business and with the interest of the public.~~

~~Rates proposed to be charged by any corporation organized under this chapter shall be~~
22 ~~sufficient to maintain total reserves in a dollar amount sufficient to pay claims and operating~~
23 ~~expenses for not less than one month. Those reserves shall be computed as of each December~~
24 ~~31st, and a report setting forth the computation shall be submitted to the commissioner together~~
25 ~~with the corporation's Rhode Island annual statement to the commissioner. Any documents~~
26 ~~presented in support of a filing of proposed rates under this section shall be made available for~~
27 ~~inspection by any party entitled to participate in a hearing or admitted as an intervenor in a~~
28 ~~hearing or such conditions as the commissioner may prescribe provided under this section at a~~
29 ~~time and at a place as the commissioner may deem reasonable. The commissioner, or his or her~~
30 ~~designee, upon the hearing, may administer oaths, examine and cross-examine witnesses, receive~~
31 ~~oral and documentary evidence, and shall have the power to subpoena witnesses, compel their~~
32 ~~attendance, and require the production of books, papers, records, correspondence, or other~~
33 ~~documents which he or she deems relevant. The commissioner shall issue a decision as soon as is~~
34 ~~reasonably possible following the completion of the hearing. The decision may approve,~~

1 ~~disapprove, or modify the rates proposed to be charged by the applicant. Applicants requesting~~
2 ~~changes in rates shall underwrite the reasonable expenses of the commissioner in connection with~~
3 ~~the hearing, including any costs related to advertisements, stenographic reporting, and expert~~
4 ~~witnesses fees.~~

5 (1) The applicant shall be required to establish that the rates proposed to be charged are
6 consistent with the proper conduct of its business and with the interest of the public.

7 (2) Any documents presented in support of a filing of proposed rates under this section
8 shall be made available for public examination at a time and place that the commissioner may
9 deem reasonable.

10 (3) If a public hearing is held pursuant to subsection (b) of this section, the commissioner,
11 or their designee, upon the hearing, may administer oaths, examine and cross-examine witnesses,
12 receive oral and documentary evidence, and shall have the power to subpoena witnesses, compel
13 their attendance, and require the production of books, papers, records, correspondence, or other
14 documents which they deem relevant. Any designee who shall conduct a hearing pursuant to this
15 section shall report their findings in writing to the commissioner within a reasonable time
16 following the conclusion of the hearing with a recommendation for approval, disapproval, or
17 modification of the rates proposed to be charged by the applicant. The commissioner shall make
18 and issue a decision not later than ten (10) days following the issuance of the recommended
19 decision or, if the commissioner hears the application without the appointment of a designee, as
20 soon as is reasonably possible following the completion of the hearing on the proposed rate
21 change. The decision may approve, disapprove, or modify the rates proposed to be charged by the
22 applicant.

23 ~~(d)~~(e) The term "designee" as used in this section shall mean a person who is impartial, a
24 member in good standing of the Rhode Island bar and a person who is sufficiently acquainted
25 with the rules of evidence as used in the superior court of the state so as to enable that person to
26 conduct a hearing as designee of the commissioner. The reasonable per diem cost of the designee
27 as appointed by the commissioner shall be paid by the applicant requesting changes in the rates.

28 (f) Notwithstanding any provision of this section to the contrary, the commissioner shall
29 hold a public hearing in any instance where the applicant covers ten thousand (10,000) or more
30 enrolled individuals in the individual market, and the rates proposed in the filing for the annual
31 rate increase for products offered in the individual market produce an overall average rate
32 increase of ten percent (10%) or more. The commissioner shall require that any filing for a rate
33 increase for products offered in the individual market shall include the calculation of the "overall
34 average rate increase" in order to determine whether a public hearing is required.

1 (1) For the purposes of this section, the calculation of the "overall average rate increase"
2 shall be based on the overall average increase percent weighted by member premiums, excluding
3 the effects of age scale increases. To calculate the overall average rate increase, the applicant
4 shall multiply the proposed rate increase by product times the total monthly renewing premium
5 for each product, and then divide the product by the sum of monthly renewing premiums for all
6 products. The commissioner shall require this calculation to be provided as part of the applicant's
7 individual market rate filing.

8 (g) In the event that subsection (f) of this section in combination with §42-62-13(b)
9 would result in more than one public hearing in any given calendar year, the commissioner may
10 defer one or more public hearing(s) for an applicant resulting from subsection (f) of this section
11 or §42-62-13(b) until the subsequent calendar year, with the provision that one of the deferred
12 applicants shall be required to have a public hearing in the subsequent year, whether or not the
13 applicants' filing satisfies the requirements of subsection (f) of this section or §42-62-13(b) in that
14 subsequent calendar year.

15 (h) The commissioner shall notify the attorney general of the filing(s) to be deferred and
16 the attorney general shall be given the opportunity to provide written comments and
17 recommendations to the commissioner regarding any such filing(s) deferred in accordance with
18 subsection (g) of this section.

19 (i) Notwithstanding any other provision of law, the filing of proposed rates or a rating
20 formula and the holding and conducting of any public hearing in connection with these proposed
21 rates or rating formula shall be held in accordance with the provisions of chapter 35 of title 42
22 (administrative procedures act).

23 (j) Public comment. Whether or not a public hearing is held pursuant to subsection (f) of
24 this section, the commissioner shall solicit public comment regarding the rates proposed to be
25 charged. Public comment shall be solicited upon not less than ten (10) days written notice prior to
26 the date that either:

27 (1) A public meeting at which verbal comments may be provided; or

28 (2) That written comment must be received by the commissioner. The notice shall contain
29 a description of the rates proposed to be charged or the formula proposed to be used, and a copy
30 of the notice shall be sent to the applicant and to the insurance advocacy unit of the department of
31 attorney general. The attorney general shall be permitted to conduct discovery in relation to the
32 actuarial analysis and actuarial assumptions of the filer regarding any filing in the individual
33 market as defined in §27-18.5-2. Any documents presented in support of the filing under this
34 section shall be made available for public examination at a time and place that the commissioner

1 may deem reasonable.

2 (k) The applicant shall bear reasonable expenses of the commissioner in connection with
3 a filing made pursuant to this section, including any costs related to advertisements, stenographic
4 reporting, and expert fees, regardless of whether a public hearing is held. The applicant shall bear
5 reasonable expenses of the attorney general in relation to any public hearing conducted pursuant
6 to this section. The applicant shall bear reasonable expenses of the attorney general in relation to
7 any filing in the individual market that is not subject to a public hearing.

8 SECTION 2. Section 27-20-6 of the General Laws in Chapter 27-20 entitled "Nonprofit
9 Medical Service Corporations" is hereby amended to read as follows:

10 **27-20-6. Rates charged subscribers -- Reserves -- Hearing by director.** -- (a) ~~Public~~
11 ~~hearings~~ General: - The rates proposed to be charged or a rating formula proposed to be used by
12 any corporation organized under this chapter to its subscribers, employers, the state or any
13 political subdivision of the state, or individuals, shall be filed by the corporation at the office of
14 the health insurance commissioner (hereinafter referred to as the "commissioner"). ~~Within sixty~~
15 ~~(60) days after receipt of the application, the commissioner, or his or her designee, shall hold a~~
16 ~~hearing on all rates proposed for health insurance coverage offered in the individual market as~~
17 ~~defined in § 27-18.5-2 upon not less than ten (10) days written notice prior to the hearing. With~~
18 ~~regard to any other rates or rating formula subject to the commissioner's jurisdiction the~~
19 ~~commissioner, or his or her designee, may hold a hearing upon not less than ten (10) days written~~
20 ~~notice prior to the hearing. The notice shall be published by the commissioner in a newspaper or~~
21 ~~newspapers having aggregate general circulation throughout the state at least ten (10) days prior~~
22 ~~to the hearing. The notice shall contain a description of the rates proposed to be charged and a~~
23 ~~copy of the notice shall be sent to the applicant and to the department of the attorney general. In~~
24 ~~addition, the applicant shall provide by mail, at least ten (10) days prior to the hearing, notice of~~
25 ~~the proposed rate increase for health insurance coverage offered in the individual market as~~
26 ~~defined in § 27-18.5-2 to all subscribers subject to the proposed rate increase.~~

27 (b) Public hearings: Within ten (10) days after receipt of a filing, the commissioner shall
28 determine, subject to the provisions of section (f) of this section, whether they intend to hold a
29 public meeting or a public hearing at which time notice of such determination shall be sent to the
30 insurance advocacy unity of the attorney general. Any such public hearing shall commence within
31 sixty (60) days after receipt of the application, upon not less than ten (10) days written notice
32 prior to the hearing, published by the commissioner in a newspaper or newspapers having
33 aggregate general circulation throughout the state at least ten (10) days prior to the hearing. The
34 notice shall contain a description of the rates proposed to be charged and a copy of the notice

1 shall be sent to the applicant and to the department of the attorney general. In the event there is a
2 public hearing, the attorney general may engage the services of any expert or consultant
3 necessary to assist in reviewing the filing, including having the ability to seek additional relevant
4 information from the filer. All public hearings held pursuant to this section shall be held in
5 accordance with the provisions of chapter 35 of title 42 (administrative procedures act).

6 ~~(b)(c)~~ Filings with the Attorney General's Office: - The applicant shall provide a copy of
7 the filing on all rates proposed for health insurance coverage offered in the individual market as
8 defined in § 27-18.5-2 or for a Medicare supplement policy as defined in § 27-18.2-1 to the
9 Insurance Advocacy Unit of the Attorney General's Office simultaneously with the filing at the
10 office of the health insurance commissioner.

11 ~~(e)(d)~~ Procedures: - ~~At any hearing held under this section, the applicant shall be required~~
12 ~~to establish that the rates proposed to be charged or the rating formula proposed to be used are~~
13 ~~consistent with the proper conduct of its business and with the interest of the public.~~

14 ~~Rates proposed to be charged by any corporation organized under this chapter shall~~
15 ~~maintain total reserves in a dollar amount sufficient to pay claims and operating expenses for not~~
16 ~~less than one month. Those reserves shall be computed as of each December 31st, and a report~~
17 ~~setting forth the computation shall be submitted to the commissioner together with the~~
18 ~~corporation's Rhode Island annual statement to the insurance commissioner of the state of Rhode~~
19 ~~Island. Any documents presented in support of a filing of proposed rates under this section shall~~
20 ~~be made available for inspection by any party entitled to participate in a hearing or admitted as an~~
21 ~~intervenor in a hearing on such conditions as the commissioner may prescribe provided pursuant~~
22 ~~to this section at a time and at a place as the commissioner may deem reasonable. The~~
23 ~~commissioner, or his or her designee, upon the hearing, may administer oaths, examine and cross~~
24 ~~examine witnesses, receive oral and documentary evidence, and shall have the power to subpoena~~
25 ~~witnesses, compel their attendance, and require the production of books, papers, records,~~
26 ~~correspondence, or other documents which the director deems relevant. The commissioner shall~~
27 ~~issue a decision as soon as is reasonably possible following completion of the hearing. The~~
28 ~~decision may approve, disapprove, or modify the rates proposed to be charged by the applicant.~~
29 ~~Applicants requesting changes in rates shall underwrite the reasonable expenses of the~~
30 ~~commissioner in connection with the hearing, including any costs related to advertisements,~~
31 ~~stenographic reporting, and expert witnesses fees.~~

32 (1) The applicant shall be required to establish that the rates proposed to be charged are
33 consistent with the proper conduct of its business and with the interest of the public.

34 (2) Any documents presented in support of a filing of proposed rates under this section

1 shall be made available for public examination at a time and place that the commissioner may
2 deem reasonable.

3 (3) If a public hearing is held pursuant to subsection (b) of this section, the commissioner,
4 or their designee, upon the hearing, may administer oaths, examine and cross-examine witnesses,
5 receive oral and documentary evidence, and shall have the power to subpoena witnesses, compel
6 their attendance, and require the production of books, papers, records, correspondence, or other
7 documents which they deem relevant. Any designee who shall conduct a hearing pursuant to this
8 section shall report their findings in writing to the commissioner within a reasonable time
9 following the conclusion of the hearing with a recommendation for approval, disapproval, or
10 modification of the rates proposed to be charged by the applicant. The commissioner shall make
11 and issue a decision not later than ten (10) days following the issuance of the recommended
12 decision or, if the commissioner hears the application without the appointment of a designee, as
13 soon as is reasonably possible following the completion of the hearing on the proposed rate
14 change. The decision may approve, disapprove, or modify the rates proposed to be charged by the
15 applicant.

16 ~~(d)~~(e) The term "designee" as used in this section shall mean a person who is impartial, a
17 member in good standing of the Rhode Island bar and a person who is sufficiently acquainted
18 with the rules of evidence as used in the superior court of the state so as to enable that person to
19 conduct a hearing as designee of the commissioner. The reasonable per diem cost of the designee
20 as appointed by the commissioner shall be paid by the applicant requesting changes in the rates.

21 (f) Notwithstanding any provision of this section to the contrary, the commissioner shall
22 hold a public hearing in any instance where the applicant covers ten thousand (10,000) or more
23 enrolled individuals in the individual market, and the rates proposed in the filing for the annual
24 rate increase for products offered in the individual market produce an overall average rate
25 increase of ten percent (10%) or more. The commissioner shall require that any filing for a rate
26 increase for products offered in the individual market shall include the calculation of the "overall
27 average rate increase" in order to determine whether a public hearing is required.

28 (1) For the purposes of this section, the calculation of the "overall average rate increase"
29 shall be based on the overall average increase percent weighted by member premiums, excluding
30 the effects of age scale increases. To calculate the overall average rate increase, the applicant
31 shall multiply the proposed rate increase by product times the total monthly renewing premium
32 for each product, and then divide the product by the sum of monthly renewing premiums for all
33 products. The commissioner shall require this calculation to be provided as part of the applicant's
34 individual market rate filing.

1 (g) In the event that subsection (f) of this section in combination with §42-62-13(b)
2 would result in more than one public hearing in any given calendar year, the commissioner may
3 defer one or more public hearing(s) for an applicant resulting from subsection (f) of this section
4 or §42-62-13(b) until the subsequent calendar year, with the provision that one of the deferred
5 applicants shall be required to have a public hearing in the subsequent year, whether or not the
6 applicants' filing satisfies the requirements of subsection (f) of this section or §42-62-13(b) in that
7 subsequent calendar year.

8 (h) The commissioner shall notify the attorney general of the filing(s) to be deferred and
9 the attorney general shall be given the opportunity to provide written comments and
10 recommendations to the commissioner regarding any such filing(s) deferred in accordance with
11 subsection (g) of this section.

12 (i) Notwithstanding any other provision of law, the filing of proposed rates or a rating
13 formula and the holding and conducting of any public hearing in connection with these proposed
14 rates or rating formula shall be held in accordance with the provisions of chapter 35 of title 42
15 (administrative procedures act).

16 (j) Public comment. Whether or not a public hearing is held pursuant to subsection (f) of
17 this section, the commissioner shall solicit public comment regarding the rates proposed to be
18 charged. Public comment shall be solicited upon not less than ten (10) days written notice prior to
19 the date that either:

- 20 (1) A public meeting at which verbal comments may be provided; or
21 (2) That written comment must be received by the commissioner. The notice shall contain
22 a description of the rates proposed to be charged or the formula proposed to be used, and a copy
23 of the notice shall be sent to the applicant and to the insurance advocacy unit of the department of
24 attorney general. The attorney general shall be permitted to conduct discovery in relation to the
25 actuarial analyses and actuarial assumptions of the filer regarding any filing in the individual
26 market as defined in §27-18.5-2. Any documents presented in support of the filing under this
27 section shall be made available for public examination at a time and place that the commissioner
28 may deem reasonable.

29 (k) The applicant shall bear reasonable expenses of the commissioner in connection with
30 a filing made pursuant to this section, including any costs related to advertisements, stenographic
31 reporting, and expert fees, regardless of whether a public hearing is held. The applicant shall bear
32 reasonable expenses of the attorney general in relation to any public hearing conducted pursuant
33 to this section. The applicant shall bear reasonable expenses of the attorney general relation to
34 any filing in the individual market that is not subject to a public hearing.

1 SECTION 3. Section 42-62-13 of the General Laws in Chapter 42-62 entitled
2 "Catastrophic Health Insurance Plan Act" is hereby amended to read as follows:

3 **42-62-13. Rates charged.** -- (a) ~~The rates proposed to be charged or a rating formula~~
4 ~~proposed to be used by any insurer or health maintenance organization under this section to~~
5 ~~employers, the state or any political subdivision of the state, or individuals, shall be filed by the~~
6 ~~insurer or health maintenance organization at the office of the director of business regulation.~~
7 ~~This section does not apply to any entity subject to § 27-19-1 et seq., and/or § 27-20-1 et seq. The~~
8 ~~rates proposed to be charged by those entities shall be governed by the provisions of § 27-19-1 et~~
9 ~~seq., and/or § 27-20-1 et seq. Within sixty (60) days after receipt of the application, the director,~~
10 ~~or the director's designee, may hold a hearing upon not less than ten (10) days' written notice~~
11 ~~prior to the hearings. The notice shall contain a description of the rates proposed to be charged,~~
12 ~~and a copy of the notice shall be sent to the applicant and to the consumer protection unit of the~~
13 ~~department of attorney general. At any hearing held under this section, the applicant shall be~~
14 ~~required to establish that the rates proposed to be charged or the rating formula proposed to be~~
15 ~~used are consistent with the proper conduct of its business and with the interest of the public. Any~~
16 ~~documents presented in support of a filing of proposed rates under this section shall be made~~
17 ~~available for public examination at any time and place that the director may deem reasonable. The~~
18 ~~director, or the director's designee, upon that hearing may administer oaths, examine and cross-~~
19 ~~examine witnesses, receive oral and documentary evidence, and shall have the power to subpoena~~
20 ~~witnesses, compel their attendance and require the production of all books, papers, records,~~
21 ~~correspondence, or other documents which he or she deems relevant. Any designee who shall~~
22 ~~conduct a hearing pursuant to this section shall report his or her findings in writing to the director~~
23 ~~within eighty (80) days of the filing with a recommendation for approval, disapproval, or~~
24 ~~modification of the rates proposed to be charged by the applicant. The recommended decision~~
25 ~~shall become part of the record. The director shall make and issue a decision not later than ten~~
26 ~~(10) days following the issuance of the recommended decision or, if the director hears the~~
27 ~~application without the appointment of a designee, as soon as is reasonably possible following the~~
28 ~~completion of the hearing on the proposed rate change. The decision may approve, disapprove, or~~
29 ~~modify the rates proposed to be charged by the applicant. Insurers requesting changes in rates~~
30 ~~shall underwrite the reasonable expenses of the department of business regulation in connection~~
31 ~~with the hearing, including any costs related to advertisements, stenographic reporting, and expert~~
32 ~~witnesses fees. Notwithstanding any other provisions of law, the filing of proposed rates or a~~
33 ~~rating formula and the holding and conduct of any hearings in connection with these proposed~~
34 ~~rates or rating formula shall be pursuant to this section.~~

1 ~~(b) Whenever the term "designee" is used in this section, it shall mean a person who is~~
2 ~~impartial, a member in good standing of the Rhode Island bar and a person who is sufficiently~~
3 ~~acquainted with the rules of evidence as used in the superior court of the state so as to enable that~~
4 ~~person to conduct a hearing as designee of the director. The reasonable per diem cost of the~~
5 ~~designee as appointed by the director shall be paid by the insurers requesting changes in the rates.~~

6 The rates proposed to be charged or a rating formula proposed to be used by any health
7 insurer, dental insurer, or health maintenance organization subject to title 27 to employers, the
8 state or any political subdivision of the state, or individuals, shall be filed at the office of the
9 health insurance commissioner (hereinafter referred to as the "commissioner"). The rates
10 proposed to be used by any health insurer, dental insurer, or health maintenance organization in
11 the individual market as defined in §27-18.5-2 shall be filed at the office the of the health
12 insurance commissioner and simultaneously with the attorney general's insurance advocacy unit.
13 The applicant shall be required to establish that the rates proposed to be charged or the rating
14 formula proposed to be used are consistent with the proper conduct of its business and with the
15 interest of the public. Within ten (10) days after receipt of the filing the commissioner shall
16 determine, subject to subsection (b) of this section, whether they intend to hold a public meeting
17 or a public hearing at which time notice of such determination shall be sent to the insurance
18 advocacy unit of the attorney general. In the event there is a public hearing, the attorney general
19 may engage the services of any expert or consultant necessary to assist in reviewing the filing,
20 including having the ability to seek additional relevant information from the filer. Any such
21 public hearing shall commence within sixty (60) days after receipt of the filing. The
22 commissioner, or the commissioner's designee, may hold a hearing upon not less than ten (10)
23 days' prior written notice to the public in a newspaper or newspapers having aggregate general
24 circulation throughout the state. The notice shall contain a description of the rates proposed to be
25 charged, and a copy of the notice shall be sent to the applicant and to the insurance advocacy unit
26 of the department of attorney general. Any documents presented in support of the filing under this
27 section shall be made available for public examination at any time and place that the
28 commissioner may deem reasonable.

29 (b) Notwithstanding any provision of this section to the contrary, the commissioner shall
30 hold a public hearing in any instance where the applicant covers ten thousand (10,000) or more
31 enrolled individuals in the individual market, and the rates proposed in the filing for the annual
32 rate increase for products offered in the individual market produce an overall average rate
33 increase of ten percent (10%) or more. The commissioner shall require that any filing for a rate
34 increase for products offered in the individual market shall include the calculation of the "overall

1 average rate increase" in order to determine whether a public hearing is required.

2 (1) For the purposes of this section, the calculation of the "overall average rate increase"
3 shall be based on the overall average increase percent weighted by member premiums, excluding
4 the effects of age scale increases. To calculate the overall average rate increase, the applicant
5 shall multiply the proposed rate increase by product times the total monthly renewing premium
6 for each product, and then divide the product by the sum of monthly renewing premiums for all
7 products. The commissioner shall require this calculation to be provided as part of the applicant's
8 individual market rate filing.

9 (c) In the event that subsection (b) of this section in combination with §§27-19-6(f) and
10 27-20-6(f) would result in more than one public hearing in any given calendar year, the
11 commissioner may defer one or more public hearing(s) for applicant(s) resulting from subsection
12 (b) or §§27-19-6(f) and 27-20-6(f) until the subsequent calendar year, with the provision that one
13 of the deferred applicants shall be required to have a public hearing in the subsequent year
14 whether or not it satisfies the requirements of subsection (b) or §§27-19-6(f) and 27-20-6(f) for
15 that subsequent calendar year.

16 (d) The commissioner shall notify the attorney general of the filing(s) to be deferred and
17 the attorney general shall be given the opportunity to provide written comments and
18 recommendations to the commissioner regarding any such filing(s) that is deferred in accordance
19 with subsection (c) of this section.

20 (e) Public Hearings. If a public hearing is held pursuant to subsection (b) of this section,
21 the commissioner, or the commissioner's designee, upon that hearing may administer oaths,
22 examine and cross-examine witnesses, receive oral and documentary evidence, and shall have the
23 power to subpoena witnesses, compel their attendance and require the production of all books,
24 papers, records, correspondence, or other documents which they deem relevant. The public
25 hearing shall be held in accordance with the provisions of chapter 35 of title 42 (administrative
26 procedures act). Any designee who shall conduct a hearing pursuant to this section shall report
27 their findings in writing to the commissioner within a reasonable time following the conclusion of
28 the hearing with a recommendation for approval, disapproval, or modification of the rates
29 proposed to be charged by the applicant. The recommended decision shall become part of the
30 record. The commissioner shall make and issue a decision not later than ten (10) days following
31 the issuance of the recommended decision or, if the commissioner hears the application without
32 the appointment of a designee, as soon as is reasonably possible following the completion of the
33 hearing on the proposed rate change. The decision may approve, disapprove, or modify the filing.

34 (f) Notwithstanding any other provisions of law, the filing of proposed rates or a rating

1 formula and the holding and conducting of any public hearing in connection with these proposed
2 rates or rating formula of any health insurer, dental insurer, or health maintenance organization
3 subject to title 27 shall be held in accordance with the provisions of chapter 35 of title 42.

4 (g) Whenever the term "designee" is used in this section, it shall mean a person who is
5 impartial, a member in good standing of the Rhode Island bar and a person who is sufficiently
6 acquainted with the rules of evidence as used in the superior court of the state so as to enable that
7 person to conduct a hearing as designee of the director. The reasonable per diem cost of the
8 designee as appointed by the director shall be paid by the insurers requesting changes in the rates.

9 (h) Public comment. Whether or not a public hearing is held pursuant to subsection (b) of
10 this section, the commissioner shall solicit public comment regarding the rates proposed to be
11 used. Public comment shall be solicited upon not less than ten (10) days written notice prior to the
12 date that either:

13 (1) A public meeting at which verbal comments may be provided; or

14 (2) That written comment must be received by the commissioner. The notice shall contain
15 a description of the rates proposed to be charged, and a copy of the notice shall be sent to the
16 applicant and to the insurance advocacy unit of the department of attorney general. The attorney
17 general shall be permitted to conduct discovery in relation to the actuarial analysis and actuarial
18 assumptions of the filer regarding any filing in the individual market as defined in §27-18.5-2.
19 Any documents presented in support of the filing under this section shall be made available for
20 public examination at a time and place that the commissioner may deem reasonable.

21 (i) The applicant shall bear reasonable expenses of the commissioner in connection with a
22 filing made pursuant to this section, including any costs related to advertisements, stenographic
23 reporting, and expert fees, regardless of whether a public hearing is held. The applicant shall bear
24 reasonable expenses of the attorney general in relation to any public hearing conducted pursuant
25 to this section. The applicant shall bear reasonable expenses of the attorney general in relation to
26 any filing in the individual market that is not subject to a public hearing.

27 SECTION 4. This act shall take effect on January 1, 2017, and shall sunset on January 1,
28 2021.

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LC003610/SUB A/2
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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO INSURANCE - RATE REVIEW ACT

1 This act would create a uniform rate review procedure for rates proposed to be changed
2 or rating formulas proposed to be used by nonprofit hospital service corporations, nonprofit
3 medical services corporations and the catastrophic health insurance plan requiring public hearings
4 or public meetings with the applicant bearing the reasonable expenses of the filing. This act
5 would not limit the appeal rights of any person or entity that had the right to appeal a final
6 decision of the commissioner under the applicable provisions of titles 27 and 42 relating to health
7 insurance.

8 This act would take effect [on January 1, 2017, and shall sunset on January 1, 2021.](#)

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LC003610/SUB A/2
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