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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2012

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A N A C T

RELATING TO INSURANCE -- ESTABLISHING MINIMUM PHYSICIAN
REIMBURSEMENT RATES FOR PAYMENTS FROM COMMERCIAL HEALTH INSURERS

Introduced By: Senator Maryellen Goodwin

Date Introduced: March 08, 2012

Referred To: Senate Health & Human Services

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 27 of the General Laws entitled "INSURANCE" is hereby amended
2 by adding thereto the following chapter:

3 CHAPTER 69.1

4 MINIMUM PHYSICIAN PAYMENTS ACT OF 2012

5 **27-69.1-1. Short title.** – This chapter shall be known and may be cited as the "Minimum
6 Physician Payments Act of 2012" or "MPPA."

7 **27-69.1-2. Legislative findings.** – The general assembly hereby finds and declares as
8 follows:

9 (1) Most Rhode Island physicians are paid substantially less by commercial health
10 insurers than are physicians providing the same services in Connecticut and Massachusetts;

11 (2) This payment inequity has made it difficult to recruit and retain physicians in Rhode
12 Island;

13 (3) The inability to recruit and retain sufficient numbers of physicians poses a long-term
14 threat to Rhode Islanders' ability to access high quality medical care;

15 (4) The federal Medicare program has a well established and generally fair method for
16 determining physician reimbursement;

17 (5) Commercial health insurers in Massachusetts and Connecticut generally reimburse
18 physicians at greater rates than does Medicare; and

1 (6) This chapter is necessary, proper and constitutes an appropriate exercise of the
2 authority of this state to regulate the delivery of health care services in order to safeguard the
3 public health and safety of Rhode Islanders.

4 **27-69.1-3. Definitions.** – The following words and phrases, when used in this chapter,
5 shall have the meanings given to them in this section unless the context clearly indicates
6 otherwise:

7 (1) "Department" means the Rhode Island department of health.

8 (2) "Eligible physician" means any person licensed as a physician by the department
9 pursuant to chapter 5-37, who is a participating provider in Rhode Island medical assistance and
10 RItCare and certifies to the director of the department annually that at least five percent (5%) of
11 the care provided by the physician is free care as defined by the department.

12 (3) "Health care insurer" means a health care insurer whose premiums are paid in whole
13 or in part by employers and as otherwise defined in section 27-20.6-1, including any health care
14 insurer affiliate or third-party administrator interacting with hospitals and enrollees on behalf of
15 such an insurer, but specifically not including the following types of insurance policy:

16 (i) Hospital confinement indemnity;

17 (ii) Disability income;

18 (iii) Accident only;

19 (iv) Long-term care;

20 (v) Medicare supplement;

21 (vi) Limited benefit health;

22 (vii) Specified disease indemnity;

23 (viii) Sickness or bodily injury or death by accident or both;

24 (ix) Other limited benefit policies; and

25 (x) Health care insurance issued or administered by a small health care insurer.

26 (4) "Health care insurer affiliate" means a health care insurer that is affiliated with
27 another entity by either the insurer or entity having a five percent (5%) or greater, direct or
28 indirect, ownership or investment interest in the other through equity, debt or other means.

29 **27-69.1-4. Minimum payments.** – (a) Health insurers shall reimburse eligible physicians
30 no less than one hundred twenty-five percent (125%) of what Medicare would pay the physician
31 for providing the same service.

32 (b) Nothing in this chapter shall be construed to prohibit a physician, or the physician's
33 lawful employer, from contracting with a health insurer to receive greater reimbursement than
34 that required under this chapter.

1 SECTION 2. This act shall take effect on January 1, 2013.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO INSURANCE -- ESTABLISHING MINIMUM PHYSICIAN
REIMBURSEMENT RATES FOR PAYMENTS FROM COMMERCIAL HEALTH INSURERS

1 This act would require commercial health insurers to pay physicians at least one hundred
2 twenty-five percent (125%) of Medicare rates, if those physicians participate in medical
3 assistance and RItCare, and provide at least five percent (5%) free care.

4 This act would take effect on January 1, 2013.

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