

2019 -- S 0584

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2019

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SENATE RESOLUTION

RESPECTFULLY REQUESTING THE RHODE ISLAND STATE AUDITOR GENERAL TO  
CONDUCT OR OVERSEE A STUDY OR AUDIT ON THE PRIVATIZATION OF RHODE  
ISLAND'S MEDICAID PROGRAMS

Introduced By: Senators Bell, Nesselbush, Euer, Murray, and Valverde

Date Introduced: March 14, 2019

Referred To: Senate Health & Human Services

1 WHEREAS, Approximately one in three Rhode Islanders (about 330,000 people)  
2 receives benefits through Rhode Island's Medicaid programs, including 3 in 5 nursing home  
3 residents, 3 in 5 individuals with disabilities, and 1 in 5 Medicare beneficiaries; and

4 WHEREAS, Prior to 1994, Rhode Island managed its own Medicaid programs  
5 reimbursing health care providers directly; and

6 WHEREAS, Since 1994, Rhode Island has privatized an ever-growing portion of its  
7 Medicaid program so that by 2018, 60 percent of the entire Medicaid budget (about \$1.7 billion)  
8 went to private health insurance companies to manage Rhode Island's Medicaid programs; and

9 WHEREAS, In annual reports since 2009, the Rhode Island Office of the Auditor  
10 General repeatedly found that the state lacks adequate oversight of such private health insurance  
11 companies; and

12 WHEREAS, The Auditor General found that Rhode Island overpaid more than \$200  
13 million to private health insurance companies in 2015 and could not recoup overpayments until  
14 2017, due to opposition from such companies; and

15 WHEREAS, Academic peer-reviewed research has found that privatizing management of  
16 Medicaid does not save states money and often costs them more; and

17 WHEREAS, In 2009, Connecticut conducted an audit which found that it was overpaying  
18 private health insurance companies (United Healthcare Group, Aetna, and Community Health  
19 Network of Connecticut) nearly \$50,000,000 of Medicaid funds per year; and

1           WHEREAS, In 2010, Connecticut abandoned its attempt to privatize management of its  
2 Medicaid program and subsequently saved hundreds of millions of dollars and achieved the  
3 lowest Medicaid cost increases in the country; and

4           WHEREAS, Rhode Island has not conducted analyses of the actual costs and benefits of  
5 contracting with private health insurance companies nor collected data sufficient to undertake  
6 such analyses; now, therefore be it

7           RESOLVED, That this Senate of the State of Rhode Island and Providence Plantations  
8 hereby respectfully requests the Rhode Island State Auditor General to conduct or oversee a study  
9 or audit similar to the one undertaken by the Connecticut Comptroller in 2009 to determine  
10 whether Rhode Island is overpaying private health insurance companies and whether reversing  
11 the privatization of Rhode Island's Medicaid programs can save the state money; and be it further

12           RESOLVED, That this Senate hereby respectfully requests the Rhode Island State  
13 Auditor General to report its findings to the Rhode Island Senate on or before January 2, 2020;  
14 and be it further

15           RESOLVED, That the Secretary of State be and hereby is authorized and directed to  
16 transmit a duly certified copy of this resolution to the Rhode Island State Auditor General.

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