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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2021

J O I N T R E S O L U T I O N

CREATING A SPECIAL LEGISLATIVE COMMISSION TO STUDY AND ASSESS THE
IMPLEMENTATION OF AN IMPROVED MEDICARE-FOR-ALL-TYPE SINGLE PAYER
PROGRAM IN THE STATE OF RHODE ISLAND

Introduced By: Representatives Lombardi, Potter, and Morales

Date Introduced: January 13, 2021

Referred To: House Health, Education & Welfare

1 WHEREAS, Health care is a human right, not a commodity available only to those who
2 can afford it; and

3 WHEREAS, Although the federal Affordable Care Act (ACA) allowed states to offer
4 more people taxpayer-subsidized private health insurance, the ACA has not provided universal,
5 comprehensive, affordable coverage for all Rhode Islanders; and

6 WHEREAS, In 2019, about 4.3 percent of Rhode Islanders (43,000), had no health
7 insurance, causing about 43 (1 per 1,000 uninsured) unnecessary deaths each year; and

8 WHEREAS, An estimated 45 percent of Rhode Islanders (450,000) are under-insured
9 (e.g., not seeking health care because of high deductibles and co-pays); and

10 WHEREAS, COVID-19 exacerbated and highlighted problems with the status quo health
11 insurance system including:

12 • Coverage is too easily lost when health insurance is tied to jobs - between February and
13 May, 2020, about 21,000 more Rhode Islanders lost their jobs and their health insurance;

14 • Systemic racism is reinforced - Black and Hispanic/Latinx Rhode Islanders, more likely
15 to be uninsured or underinsured, have suffered the highest rates of COVID-19 mortality and
16 morbidity; and

17 • The fear of out-of-pocket costs for the uninsured and underinsured puts everyone at risk
18 because they avoid testing and treatment; and

19 WHEREAS, The existing U.S. health insurance system has failed to control the cost of

1 health care and to provide universal access to health care in a system which is widely accepted to
2 waste 30 percent of its revenues on activities that do not improve the health of Americans; and

3 WHEREAS, Every industrialized nation in the world, except the United States, offers
4 universal health care to its citizens and enjoys better health outcomes for less than two-thirds to
5 one-half the cost; and

6 WHEREAS, Health care is rationed under our current multi-payer system, despite the
7 fact that Rhode Island patients, businesses and taxpayers already pay enough money to have
8 comprehensive and universal health insurance under a single-payer system; and

9 WHEREAS, About one-third of every “health care” dollar spent in the U.S. is wasted on
10 unnecessary administrative costs and excessive pharmaceutical company profits due to laws
11 preventing Medicare from negotiating prices and private health insurance companies lacking
12 adequate market share to effectively negotiate prices; and

13 WHEREAS, Private health insurance companies are incentivized to let the cost of health
14 care rise because higher costs require health insurance companies to charge higher health
15 insurance premiums, increasing companies’ revenue and stock price; and

16 WHEREAS, The health care marketplace is not an efficient market and because it
17 represents only 18 percent of the U.S. domestic market, and significantly restricts economic
18 growth, thus the financial well-being of every American, including every Rhode Islander; and

19 WHEREAS, Rhode Islanders cannot afford to keep the current multi-payer health
20 insurance system:

21 • Between 1991 and 2014, health care spending in Rhode Island per person rose by over
22 250 percent rising much faster than income and greatly reducing disposable income;

23 • It is estimated that by 2025, the cost of health insurance for an average family of four
24 will equal about one-half of their annual income; and

25 • In the U.S., about two-thirds of personal bankruptcies are medical cost-related and of
26 these, about three-fourths had health insurance at the onset of their medical problems - in no other
27 industrialized country do people worry about going bankrupt over medical costs; and

28 WHEREAS, Rhode Island private businesses bear most of the costs of employee health
29 insurance coverage and spend significant time and money choosing from a confusing array of
30 increasingly expensive plans which do not provide comprehensive coverage; and

31 WHEREAS, Rhode Island employees and retirees lose significant wages and pensions as
32 they are forced to pay higher amounts of health insurance and health care costs; and

33 WHEREAS, Rhode Island’s hospitals are under increasing financial distress – i.e.,
34 closing, sold to out-of-state entities, attempting mergers – largely due to health insurance

1 reimbursement problems that other nations do not face and are fixed by a single payer system;
2 and

3 WHEREAS, The state and its municipalities face enormous other post-employment
4 benefits (OPEB) unfunded liabilities due mostly to health insurance costs; and

5 WHEREAS, The high costs of medical care could be lowered significantly if the state
6 could negotiate on behalf of all its residents for bulk purchasing, as well as gain access to usage
7 and price information currently kept confidential by private health insurers as "proprietary
8 information"; and

9 WHEREAS, Single payer health care would establish a true "free market" system where
10 doctors compete for patients rather than health insurance companies dictating which patients are
11 able to see which doctors and setting reimbursement rates; and

12 WHEREAS, Health care providers would spend significantly less time with
13 administrative work caused by multiple health insurance company requirements and barriers to
14 care delivery and would spend significantly less for overhead costs because of streamlined
15 billing; and

16 WHEREAS, A single payer program would, based on the performance of existing
17 Medicare, eliminate 50 percent of the administrative waste in the current system of private
18 insurance before other savings achieved through meaningful negotiation of prices and other
19 savings are considered; and

20 WHEREAS, Legislation has been proposed since 2015 to establish a single payer
21 program for the state, including a funding mechanism, and this legislation has been "held for
22 further study" each year; and

23 WHEREAS, In 1962, Canada's successful single payer program began in the province of
24 Saskatchewan (with approximately the same population as Rhode Island) and became a national
25 program within ten years; and

26 WHEREAS, The proposed Rhode Island single payer program was studied by Professor
27 Gerald Friedman at UMass Amherst in 2015 and he concluded that:

28 • "Single payer in Rhode Island will finance medical care with substantial savings
29 compared with the existing multi-payer system of public and private insurers and would improve
30 access to health care by extending coverage to the 4 percent of Rhode Island residents still
31 without insurance under the Affordable Care Act and expanding coverage for the growing
32 number with inadequate health care coverage; and

33 • Single payer would improve the economic health of Rhode Island by increasing real
34 disposable income for most residents, reducing the burden of health care on businesses and

1 promoting increased employment, and shifting the costs of health care away from working and
2 middle-class residents"; now, therefore be it

3 RESOLVED, That a special legislative commission be and the same is hereby created
4 consisting of nineteen (19) members: two (2) of whom shall be physicians who are board certified
5 in their fields and primary care providers, one of whom shall be appointed by the President of the
6 Senate and one of whom shall be appointed by the Speaker of the House; two (2) of whom shall
7 be representatives of the community who represent diverse populations (e.g., minorities), one of
8 whom shall be appointed by the President of the Senate and one of whom shall be appointed by
9 the Speaker of the House; two (2) of whom shall be university professors of economics familiar
10 with health care finance, one of whom shall be appointed by the President of the Senate and one
11 of whom shall be appointed by the Speaker of the House; one of whom shall be the Medicaid
12 Director of the Rhode Island Executive Office of Health and Human Services, or designee; one of
13 whom shall be the Director of the Department of Behavioral Healthcare, Developmental
14 Disabilities, and Hospitals of the Rhode Island Executive Office of Health and Human Services,
15 or designee; one of whom shall be the Executive Director of the Rhode Island Dental Association,
16 or designee; one of whom shall be the President of the Rhode Island Chapter of Physicians for a
17 National Health Program, or designee; one of whom shall be the Executive Director of the Rhode
18 Island State Nurses Association, or designee; one of whom shall be the President of the Hospital
19 Association of Rhode Island, or designee; one of whom shall be the President of the Mental
20 Health Association of Rhode Island, or designee; one of whom shall be the Dean of the Brown
21 School of Public Health, or designee; one of whom shall be the Dean of the URI College of
22 Pharmacy, or designee; two (2) of whom shall be representatives of organized labor, one of
23 whom shall be appointed by the President of the Senate and one of whom shall be appointed by
24 the Speaker of the House; and two (2) of whom shall be representatives of Rhode Island
25 businesses, one of which is a business that employs less than fifty people and one of which
26 employs more than fifty people, one of whom shall be appointed by the President of the Senate
27 and one of whom shall be appointed by the Speaker of the House.

28 The purpose of said commission shall be to make a comprehensive study to determine the
29 pros and cons of implementing a single payer program in Rhode Island.

30 Vacancies in said commission shall be filled in like manner as the original appointment.

31 The membership of said commission shall receive no compensation for their services.

32 All departments and agencies of the state shall furnish such advice and information,
33 documentary and otherwise, to said commission and its agents as is deemed necessary or
34 desirable by the commission to facilitate the purposes of this resolution.

1 The Joint Committee on Legislative Services is hereby authorized and directed to provide
2 suitable quarters for said commission and/or make arrangements to hold online meetings; and be
3 it further

4 RESOLVED, That the commission shall report its findings and recommendations to the
5 Senate and House no later than one year from the date of passage, and said commission shall
6 expire two (2) years from the date of passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

J O I N T R E S O L U T I O N

CREATING A SPECIAL LEGISLATIVE COMMISSION TO STUDY AND ASSESS THE
IMPLEMENTATION OF AN IMPROVED MEDICARE-FOR-ALL-TYPE SINGLE PAYER
PROGRAM IN THE STATE OF RHODE ISLAND

1 This resolution would create a nineteen (19) member special legislative commission
2 whose purpose it would be to study and assess the implementation of an improved Medicare-for-
3 all-type single payer program in Rhode Island, and who would report back to the Senate and
4 House one year from the date of passage, and whose life would expire two years from the date of
5 passage.

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