

ARTICLE 16 AS AMENDED

RELATING TO HEALTH CARE

SECTION 1. Section 23-17-38.1 of the General Laws in Chapter 23-17 entitled "Licensing of Health Care Facilities" is hereby amended to read as follows:

~~23-17-38.1. Hospitals – Licensing fee. -- (a) There is imposed a hospital licensing fee at the rate of five and thirty five hundredths percent (5.35%) upon the net patient services revenue of every hospital for the hospital's first fiscal year ending on or after January 1, 2011, except that the license fee for all hospitals located in Washington County, Rhode Island shall be discounted by thirty seven percent (37%). The discount for Washington County hospitals is subject to approval by the Secretary of the US Department of Health and Human Services of a state plan amendment submitted by the Executive Office of Health and Human Services for the purpose of pursuing a waiver of the uniformity requirement for the hospital license fee. This licensing fee shall be administered and collected by the tax administrator, division of taxation within the department of revenue, and all the administration, collection and other provisions of 51 of title 44 shall apply. Every hospital shall pay the licensing fee to the tax administrator on or before July 15, 2013 and payments shall be made by electronic transfer of monies to the general treasurer and deposited to the general fund. Every hospital shall, on or before June 17, 2013, make a return to the tax administrator containing the correct computation of net patient services revenue for the hospital fiscal year ending September 30, 2011, and the licensing fee due upon that amount. All returns shall be signed by the hospital's authorized representative, subject to the pains and penalties of perjury.~~

~~(b)~~(a) There is also imposed a hospital licensing fee at the rate of ~~five and two hundred forty six thousandths percent (5.246%)~~ five and four hundred eighteen thousandths percent (5.418%) upon the net patient services revenue of every hospital for the hospital's first fiscal year ending on or after January 1, 2012, except that the license fee for all hospitals located in Washington County, Rhode Island shall be discounted by thirty-seven percent (37%). The discount for Washington County hospitals is subject to approval by the Secretary of the US Department of Health and Human Services of a state plan amendment submitted by the Executive Office of Health and Human Services for the purpose of pursuing a waiver of the uniformity requirement for the hospital license fee. This licensing fee shall be administered and collected by the tax administrator, division of taxation within the department of revenue, and all the

1 administration, collection and other provisions of 51 of title 44 shall apply. Every hospital shall
2 pay the licensing fee to the tax administrator on or before July 14, 2014 and payments shall be
3 made by electronic transfer of monies to the general treasurer and deposited to the general fund.
4 Every hospital shall, on or before June 16, 2014, make a return to the tax administrator containing
5 the correct computation of net patient services revenue for the hospital fiscal year ending
6 September 30, 2012, and the licensing fee due upon that amount. All returns shall be signed by
7 the hospital's authorized representative, subject to the pains and penalties of perjury.

8 (b) There is also imposed a hospital licensing fee at the rate of five and seven hundred
9 three thousandths percent (5.703%) upon the net patient services revenue of every hospital for the
10 hospital's first fiscal year ending on or after January 1, 2013, except that the license fee for all
11 hospitals located in Washington County, Rhode Island shall be discounted by thirty-seven percent
12 (37%). The discount for Washington County hospitals is subject to approval by the Secretary of
13 the US Department of Health and Human Services of a state plan amendment submitted by the
14 Executive Office of Health and Human Services for the purpose of pursuing a waiver of the
15 uniformity requirement for the hospital license fee. This licensing fee shall be administered and
16 collected by the tax administrator, division of taxation within the department of revenue, and all
17 the administration, collection and other provisions of 51 of title 44 shall apply. Every hospital
18 shall pay the licensing fee to the tax administrator on or before July 13, 2015 and payments shall
19 be made by electronic transfer of monies to the general treasurer and deposited to the general
20 fund. Every hospital shall, on or before June 15, 2015, make a return to the tax administrator
21 containing the correct computation of net patient services revenue for the hospital fiscal year
22 ending September 30, 2013, and the licensing fee due upon that amount. All returns shall be
23 signed by the hospital's authorized representative, subject to the pains and penalties of perjury.

24 (c) For purposes of this section the following words and phrases have the following
25 meanings:

26 (1) "Hospital" means a person or governmental unit duly licensed in accordance with this
27 chapter to establish, maintain, and operate a hospital, except a hospital whose primary service and
28 primary bed inventory are psychiatric.

29 (2) "Gross patient services revenue" means the gross revenue related to patient care
30 services.

31 (3) "Net patient services revenue" means the charges related to patient care services less
32 (i) charges attributable to charity care, (ii) bad debt expenses, and (iii) contractual allowances.

33 (d) The tax administrator shall make and promulgate any rules, regulations, and
34 procedures not inconsistent with state law and fiscal procedures that he or she deems necessary

1 for the proper administration of this section and to carry out the provisions, policy and purposes
2 of this section.

3 (e) The licensing fee imposed by this section shall apply to hospitals as defined herein
4 which are duly licensed on July 1, ~~2013~~ 2014, and shall be in addition to the inspection fee
5 imposed by § 23-17-38 and to any licensing fees previously imposed in accordance with § 23-17-
6 38.1.

7 SECTION 2. Section 23-1-46 of the General Laws in Chapter 23-1 entitled "Department
8 of Health" is hereby amended to read as follows:

9 **23-1-46. Insurers.** -- (a) ~~Beginning in the fiscal year 2007, each insurer licensed or~~
10 ~~regulated pursuant to the provisions of chapters 18, 19, 20, and 41 of title 27 shall be assessed a~~
11 ~~child immunization assessment and an adult immunization assessment for the purposes set forth~~
12 ~~in this section. The department of health shall make available to each insurer, upon its request,~~
13 ~~information regarding the department of health's immunization programs and the costs related to~~
14 ~~the program. Further, the department of health shall submit to the general assembly an annual~~
15 ~~report on the immunization programs and cost related to the programs, on or before February 1 of~~
16 ~~each year. Annual assessments shall be based on direct premiums written in the year prior to the~~
17 ~~assessment and for the child immunization program shall not include any Medicare Supplement~~
18 ~~Policy (as defined in section 27-18.2-1(g)), Medicaid or Medicare premiums. Adult influenza~~
19 ~~immunization program annual assessments shall include contributions related to the program~~
20 ~~costs from Medicare, Medicaid and Medicare Managed Care. As to accident and sickness~~
21 ~~insurance, the direct premium written shall include, but is not limited to, group, blanket, and~~
22 ~~individual policies. Those insurers assessed greater than ten thousand dollars (\$10,000) for the~~
23 ~~year shall be assessed four (4) quarterly payments of twenty five percent (25%) of their total~~
24 ~~assessment. Beginning July 1, 2001, the annual rate of assessment shall be determined by the~~
25 ~~director of health in concurrence with the primary payors, those being insurers assessed at greater~~
26 ~~than ten thousand dollars (\$10,000) for the previous year. This rate shall be calculated by the~~
27 ~~projected costs for the Advisory Committee on Immunization Practices (ACIP) recommended~~
28 ~~and state mandated vaccines after the federal share has been determined by the Centers for~~
29 ~~Disease Control and Prevention. The primary payors shall be informed of any recommended~~
30 ~~change in rates at least six (6) months in advance, and rates shall be adjusted no more frequently~~
31 ~~than one time annually. For the childhood vaccine program the director of the department of~~
32 ~~health shall deposit these amounts in Beginning January 1, 2016, a portion of the amount~~
33 ~~collected pursuant to § 42-7.4-3, up to the actual amount expended or projected to be expended~~
34 ~~by the state for vaccines for children that are recommended by the Advisory Committee on~~

1 Immunization Practices (ACIP), the American Academy of Pediatrics (AAP), and/or mandated
2 by state law, less the federal share determined by the Centers for Disease Control and Prevention,
3 less any amount collected in excess of the prior year's funding requirement as indicated in
4 subsection (b) (the "child immunization funding requirement") shall be deposited into the
5 "childhood immunization account"- described in § 23-1-45(a). These ~~assessments~~ funds shall be
6 used solely for the purposes of the "childhood immunization programs" described in §23-1-44,
7 and no other. ~~For the adult immunization program the director of the department of health shall~~
8 ~~deposit these amounts in the "adult immunization account".~~ Beginning January 1 2016, a portion
9 of the amount collected from the healthcare services funding method described in § 42-7.4-3, up
10 to the actual amount expended or projected to be expended by the state for adult immunizations
11 recommended by ACIP and/or mandated by state law, less the federal share determined by the
12 Centers for Disease Control and Prevention, less any amount collected in excess of the prior
13 year's funding requirement as indicated in subsection (b) (the "adult immunization funding
14 requirement") shall be deposited into the "adult immunization account" described in § 23-1-45(c).
15 These funds shall be used solely for the purposes of the "adult immunization programs" described
16 in § 23-1-44 and no other.

17 (b) The department of health shall submit to the general assembly an annual report on the
18 immunization programs and costs related to the programs, on or before February 1 of each year.

19 Any funds collected in excess of funds needed to carry-out ACIP recommendations,
20 taking into account a reasonable annual carry forward surplus, shall be deducted from the
21 subsequent year's ~~assessments.~~ funding requirements.

22 SECTION 3. Section 42-12-29 of the General Laws in Chapter 42-12 entitled
23 "Department of Human Services" is hereby amended to read as follows:

24 **42-12-29. Children's health account.** -- (a) There is created within the general fund a
25 restricted receipt account to be known as the "children's health account". All money in the
26 account shall be utilized by the department of human services to effectuate coverage for the
27 following service categories: (1) home health services, which include pediatric private duty
28 nursing and certified nursing assistant services; (2) comprehensive, evaluation, diagnosis,
29 assessment, referral and evaluation (CEDARR) services, which include CEDARR family center
30 services, home based therapeutic services, personal assistance services and supports (PASS) and
31 kids connect services and (3) child and adolescent treatment services (CAITS). All money
32 received pursuant to this section shall be deposited in the children's health account. The general
33 treasurer is authorized and directed to draw his or her orders on the account upon receipt of
34 properly authenticated vouchers from the department of human services.

1 (b) ~~Beginning in the fiscal year 2007, each insurer licensed or regulated pursuant to the~~
2 ~~provisions of chapters 18, 19, 20, and 41 of title 27 shall be assessed for the purposes set forth in~~
3 ~~this section. The department of human services shall make available to each insurer, upon its~~
4 ~~request, information regarding the department of human services child health program and the~~
5 ~~costs related to the program. Further, the department of human services shall submit to the~~
6 ~~general assembly an annual report on the program and cost related to the program, on or before~~
7 ~~February 1 of each year. Annual assessments shall be based on direct premiums written in the~~
8 ~~year prior to the assessment and shall not include any Medicare Supplement Policy (as defined in~~
9 ~~section 27-18-2.1(g)), Medicare managed care, Medicare, Federal Employees Health Plan,~~

10 ~~Medicaid/Rite Care or dental premiums. As to accident and sickness insurance, the direct~~
11 ~~premium written shall include, but is not limited to, group, blanket, and individual policies. Those~~
12 ~~insurers assessed greater than five hundred thousand dollars (\$500,000) for the year shall be~~
13 ~~assessed four (4) quarterly payments of twenty five percent (25%) of their total assessment.~~
14 ~~Beginning July 1, 2006, the annual rate of assessment shall be determined by the director of~~
15 ~~human services in concurrence with the primary payors, those being insurers likely to be assessed~~
16 ~~at greater than five hundred thousand dollars (\$500,000). The director of the department of~~
17 ~~human services shall deposit that amount~~ Beginning January 1, 2016, a portion of the amount
18 collected pursuant to § 42-7.4-3, up to the actual amount expended or projected to be expended
19 by the state for the services described in § 42-12-29(a), less any amount collected in excess of the
20 prior year's funding requirement as indicated in § 42-12-29(c), but in no event more than the limit
21 set forth in § 42-12-29(d) (the "child health services funding requirement"), shall be deposited in
22 the "children's health account". The ~~assessment~~ funds shall be used solely for the purposes of the
23 "children's health account", and no other.

24 (c) The office of health and human services shall submit to the general assembly an
25 annual report on the program and costs related to the program, on or before February 1 of each
26 year. The department shall make available to each insurer required to make a contribution
27 pursuant to § 42-7.4-3, upon its request, detailed information regarding the children's health
28 programs described in subsection (a) and the costs related to those programs. Any funds collected
29 in excess of funds needed to carry out the programs shall be deducted from the subsequent year's
30 ~~assessment.~~ funding requirements.

31 (d) The total ~~annual assessment on all insurers~~ amount required to be deposited into the
32 children's health account shall be equivalent to the amount paid by the department of human
33 services for all services, as listed in subsection (a), but not to exceed seven thousand five hundred
34 dollars (\$7,500) per child per service per year.

1 (e) The children's health account shall be exempt from the indirect cost recovery
2 provisions of section 35-4-27 of the general laws.

3 SECTION 4. Title 42 of the General Laws entitled "STATE AFFAIRS AND
4 GOVERNMENT" is hereby amended by adding thereto the following chapter:

5 CHAPTER 7.4

6 THE HEALTHCARE SERVICES FUNDING PLAN ACT

7 **42-7.4-1. Short title.** -- This chapter shall be known and may be cited as "The Healthcare
8 Services Funding Plan Act."

9 **42-7.4-2. Definitions.** -- The following words and phrases as used in this chapter shall
10 have the following meaning:

11 (1) "Secretary" means the secretary of health and human services.

12 (2)(i) "Insurer" means all persons offering, administering, and/or insuring healthcare
13 services, including, but not limited to:

14 (A) Policies of accident and sickness insurance, as defined by chapter 18 of title 27;

15 (B) Nonprofit hospital or medical service plans, as defined by chapters 19 and 20 of title
16 27;

17 (C) Any person whose primary function is to provide diagnostic, therapeutic, or
18 preventive services to a defined population on the basis of a periodic premium;

19 (D) All domestic, foreign, or alien insurance companies, mutual associations and
20 organizations;

21 (E) Health maintenance organizations, as defined by chapter 41 of title 27;

22 (F) All persons providing health benefits coverage on a self-insurance basis;

23 (G) All third-party administrators described in chapter 20.7 of title 27; and

24 (H) All persons providing health benefit coverage under Title XIX of the Social Security
25 Act (Medicaid) as a Medicaid managed care organization offering managed Medicaid.

26 (ii) "Insurer" shall not include any nonprofit dental service corporation as defined in §
27 27-20.1-2, nor any insurer offering only those coverages described in § 42-7.4-14.

28 (3)(i) "Contribution enrollee" means an individual residing in this state, with respect to
29 whom an insurer administers, provides, pays for, insures, or covers health care services, unless
30 excepted by this section.

31 (ii) "Contribution enrollee" shall not include an individual whose healthcare services are
32 paid or reimbursed by Part A or Part B of the Medicare program, a Medicare supplemental policy
33 as defined in section 1882(g)(1) of the Social Security Act, 42 U.S.C. 1395ss(g)(1), or Medicare
34 managed care policy, the federal employees' health benefit program, Tricare, CHAMPUS, the

1 Veterans' healthcare program, the Indian health service program, or any local governmental
2 corporation, district, or agency providing health benefits coverage on a self-insured basis;

3 (iii) Delayed applicability for state employees, retirees, and dependents and not-for-profit
4 healthcare corporations. An individual whose healthcare services are paid or reimbursed by the
5 state of Rhode Island pursuant to chapter 12 of title 36 or a not-for-profit healthcare corporation
6 subject to the provisions of § 23-17-38.1 of the Rhode Island General Laws shall not be treated as
7 a "contribution enrollee" until July 1, 2016.

8 (4) "Person" means any individual, corporation, company, association, partnership,
9 limited liability company, firm, state governmental corporations, districts, and agencies, joint
10 stock associations, trusts, and the legal successor thereof.

11 (5) "Healthcare services funding contribution" means per capita amount each contributing
12 insurer must contribute to support the programs funded by the method established under this
13 section, with respect to each contribution enrollee; provided, however, that, with respect to an
14 insurer that is a Medicaid managed care organization offering managed Medicaid, the healthcare
15 funding services contribution for any contribution enrollee whose healthcare services are paid or
16 reimbursed under Title XIX of the Social Security Act (Medicaid) shall not include the children's
17 health services funding requirement described in § 42-12-29.

18 **42-7.4-3. Imposition of healthcare services funding contribution. --** (a) Each insurer is
19 required to pay the healthcare services funding contribution for each contribution enrollee of the
20 insurer at the time the contribution is calculated and paid, at the rate set forth in this section.

21 (1) Beginning January 1, 2016, the secretary shall set the healthcare services funding
22 contribution each fiscal year in an amount equal to: (i) The child immunization funding
23 requirement described in § 23-1-46; plus (ii) The adult immunization funding requirement
24 described in § 23-1-46; plus (iii) The children's health services funding requirement described in
25 § 42-12-29; and all as divided by (iv) The number of contribution enrollees of all insurers.

26 (2) The contribution set forth herein shall be in addition to any other fees or assessments
27 upon the insurer allowable by law.

28 (b) The contribution shall be paid by the insurer; provided, however, a person providing
29 health benefits coverage on a self-insurance basis that uses the services of a third-party
30 administrator shall not be required to make a contribution for a contribution enrollee where the
31 contribution on that enrollee has been or will be made by the third-party administrator.

32 (c) The secretary shall create a process to facilitate the transition to the healthcare
33 services funding contribution method that: (i) assures adequate funding beginning July 1, 2016,
34 (ii) reflects that funding via the healthcare services funding contribution method initially will be

1 for only a portion of the state's fiscal year, and (iii) avoids duplicate liability for any insurer that
2 made a payment under the premium assessment method in effect prior to January 1, 2016, for a
3 period for which it would also be liable for a contribution under the healthcare services funding
4 contribution method as described in this chapter.

5 **42-7.4-4. Returns and payment.** -- (a) Subject to subsection (b), every insurer required
6 to make a contribution shall, on or before the last day of July, October, January and April of each
7 year, make a return to the secretary together with payment of the quarterly healthcare services
8 funding contribution for the preceding three (3) month period.

9 (b)(1) Upon request of the director of the department of health, the secretary shall
10 develop a process whereby an insurer required to make the contribution may be directed to make
11 estimated payments for the portion of the liability arising under § 42-7.4-3 and the secretary shall
12 make that pre-paid amount available to the department of health, as requested.

13 (2) Unless requested to make an estimated payment as described in subsection (b)(1)
14 above, any insurer required to make the contribution that can substantiate that the insurer's
15 contribution liability would average less than twenty-five thousand dollars (\$25,000) per month
16 may file returns and remit payment annually on or before the last day of June each year; provided,
17 however, that the insurer shall be required to make quarterly payments if the secretary determines
18 that:

19 (i) The insurer has become delinquent in either the filing of the return or the payment of
20 the healthcare services funding contribution due thereon; or

21 (ii) The liability of the insurer exceeds seventy-five thousand dollars (\$75,000) in
22 healthcare services funding contribution per quarter for any two (2) subsequent quarters.

23 (c) All returns shall be signed by the insurer required to make the contribution, or by its
24 authorized representative, subject to the pains and penalties of perjury.

25 (d) If a return shows an overpayment of the contribution due, the secretary shall refund or
26 credit the overpayment to the insurer required to make the contribution, or the insurer may deduct
27 the overpayment from the next quarterly or annual return.

28 (e) The secretary, for good cause shown, may extend the time within which an insurer is
29 required to file a return, and if the return is filed during the period of extension no penalty or late
30 filing charge may be imposed for failure to file the return at the time required by this section, but
31 the insurer shall be liable for interest as prescribed in this section. Failure to file the return during
32 the period for the extension shall void the extension.

33 **42-7.4-5. Set-off for delinquent payment.** -- If an insurer required to make the
34 contribution pursuant to this chapter shall fail to pay a contribution within thirty (30) days of its

1 due date, the secretary may request any agency of state government making payments to the
2 insurer to set-off the amount of the delinquency against any payment or amount due the insurer
3 from the agency of state government and remit the sum to the secretary. Upon receipt of the setoff
4 request from the secretary, any agency of state government is authorized and empowered to set-
5 off the amount of the delinquency against any payment or amounts due the insurer. The amount
6 of set-off shall be credited against the contribution due from the insurer.

7 **42-7.4-6. Assessment on available information -- Interest on delinquencies --**

8 **Penalties -- Collection powers. --** If any insurer shall fail to file a return within the time required
9 by this chapter, or shall file an insufficient or incorrect return, or shall not pay the contribution
10 imposed by this section when it is due, the secretary shall assess the contribution upon the
11 information as may be available, which shall be payable upon demand and shall bear interest at
12 the annual rate provided by § 44-1-7, from the date when the contribution should have been paid.
13 If the failure is due, in whole or part, to negligence or intentional disregard of the provisions of
14 this section, a penalty of ten percent (10%) of the amount of the determination shall be added to
15 the contribution. The secretary shall collect the contribution with interest. The secretary may
16 request any agency to assist in collection, including the tax administrator, who may collect the
17 contribution with interest in the same manner and with the same powers as are prescribed for
18 collection of taxes in title 44.

19 **42-7.4-7. Claims for refund -- Hearing upon denial. --** (a) Any insurer required to pay

20 the contribution may file a claim for refund with the secretary at any time within two (2) years
21 after the contribution has been paid. If the secretary shall determine that the contribution has been
22 overpaid, he or she shall make a refund with ten percent (10%) interest from the date of
23 overpayment.

24 (b) Any insurer whose claim for refund has been denied may, within thirty (30) days from
25 the date of the mailing by the secretary of the notice of the decision, request a hearing and the
26 secretary shall, as soon as practicable, set a time and place for the hearing and shall notify the
27 person.

28 **42-7.4-8. Hearing by secretary on application. --** Any insurer aggrieved by the action

29 of the secretary in determining the amount of any contribution or penalty imposed under the
30 provisions of this chapter may apply to the secretary, within thirty (30) days after the notice of the
31 action is mailed to it, for a hearing relative to the contribution or penalty. The secretary shall fix a
32 time and place for the hearing and shall so notify the person. Upon the hearing the secretary shall
33 correct manifest errors, if any, disclosed at the hearing and thereupon assess and collect the
34 amount lawfully due together with any penalty or interest thereon.

1 **42-7.4-9. Appeals.** -- Appeals from administrative orders or decisions made pursuant to
2 any provisions of this chapter shall be pursued pursuant to chapter 35 of title 42. The right to
3 appeal under this section shall be expressly made conditional upon prepayment of all
4 contribution, interest, and penalties unless the insurer demonstrates to the satisfaction of the court
5 that the insurer has a reasonable probability of success on the merits and is unable to prepay all
6 contribution, interest, and penalties, considering not only the insurer's own financial resources
7 but also the ability of the insurer to borrow the required funds. If the court, after appeal, holds that
8 the insurer is entitled to a refund, the insurer shall also be paid interest on the amount at the rate
9 provided in § 44-1-7.1 of the Rhode Island general laws, as amended.

10 **42-7.4-10. Records.** -- Every insurer required to make the contribution shall:

11 (1) Keep records as may be necessary to determine the amount of its liability under this
12 section;

13 (2) Preserve those records for a period of three (3) years following the date of filing of
14 any return required by this section, or until any litigation or prosecution under this section is
15 finally determined; and

16 (3) Make those records available for inspection by the secretary or his/her authorized
17 agents, upon demand, at reasonable times during regular business hours.

18 **42-7.4-11. Method of payment and deposit of contribution.** -- (a) The payments
19 required by this chapter may be made by electronic transfer of monies to the general treasurer.

20 (b) The general treasurer shall take all steps necessary to facilitate the transfer of monies
21 to:

22 (1) The "childhood immunization account" described in § 23-1-45(a) in the amount
23 described in § 23-1-46(a);

24 (2) To the "adult immunization account" described in § 23-1-45(c) in the amount
25 described in § 23-1-46(a);

26 (3) To the "children's health account" described in § 42-12-29(a) in the amount described
27 in § 42-12-29(b); and

28 (4) Any remainder of the payments shall be proportionally distributed to those accounts
29 and credited against the next year's healthcare services funding contribution.

30 (c) The general treasurer shall provide the secretary with a record of any monies
31 transferred and deposited.

32 **42-7.4-12. Rules and regulations.** -- The secretary is authorized to make and promulgate
33 rules, regulations, and procedures not inconsistent with state law and fiscal procedures as he or
34 she deems necessary for the proper administration of this healthcare services funding plan act and

1 to carry out the provisions, policies, and purposes of this chapter including, but not limited to,
2 data it must collect from insurers for the correct computation of the healthcare services funding
3 contribution, collaboration with other state agencies for collecting necessary information, and the
4 form of the return and the data that it must contain for the correct computation of the healthcare
5 services funding contribution.

6 **42-7.4-13. Excluded coverage from the healthcare services funding plan act. --**

7 (a) In addition to any exclusion and exemption contained elsewhere in this chapter, this
8 chapter shall not apply to insurance coverage providing benefits for, nor shall an individual be
9 deemed a contribution enrollee solely by virtue of receiving benefits for the following:

10 (1) Hospital confinement indemnity;

11 (2) Disability income;

12 (3) Accident only;

13 (4) Long-term care;

14 (5) Medicare supplement;

15 (6) Limited benefit health;

16 (7) Specified disease indemnity;

17 (8) Sickness or bodily injury or death by accident or both; and

18 (9) Other limited benefit policies.

19 **42-7.4-14. Impact on Health Insurance Rates. (a) Allocation --** An insurer required to

20 make a healthcare services funding contribution may pass on the cost of that contribution in the
21 cost of its services, such as its premium rates (for insurers), without being required to specifically
22 allocate those costs to individuals or populations that actually incurred the contribution. The costs
23 are to be fairly allocated among the market segments incurring such costs.

24 (b) Oversight - The health insurance commissioner shall ensure, through the rate review
25 and approval process, that the rates filed for fully insured groups and individuals, pursuant to
26 chapter 18.5, 18.6 or 50 of title 27, reflect the transition to the funding method described in this
27 section.

28 **42-7.4-15. Study on Expansion of Health Care Services Funding Program.--**

29 Recognizing the value of the immunization programs to municipal employees, police, fire, and
30 other public safety officers, and to teachers and other school district employees, the director of
31 the department of health or his or her designee shall meet with representatives and agencies of
32 local governments, including but not limited to the league of cities and towns, the division of
33 municipal finance, the association of police chiefs, the association of fire chiefs, and the
34 association of school committees, to obtain and share information regarding the effectiveness of

1 the program and the manner and timing under which municipalities shall become included in the
2 funding method described in this section. The department shall also seek clarification from the
3 Centers for Medicare and Medicaid Services regarding the extent to which Medicare, Medicare
4 managed care organizations, and Medicare supplement plans could become included in the
5 funding method described in this section. The department shall report its findings to the
6 chairpersons of the house finance committee and senate finance committee not later than April 1,
7 2015.

8 SECTION 5. Section 1 of this article shall take effect upon passage. The remainder of
9 this article shall take effect as of January 1, 2016.

10