

2014 -- S 2704

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2014

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A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT - CATASTROPHIC HEALTH
INSURANCE PLAN ACT

Introduced By: Senators Nesselbush, Archambault, Miller, and Satchell

Date Introduced: March 05, 2014

Referred To: Senate Health & Human Services

(Attorney General)

It is enacted by the General Assembly as follows:

1 SECTION 1. 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~~ subject
5 to title 27 of the general laws to employers, the state or any political subdivision of the state, or
6 individuals, shall be filed by the insurer or health maintenance organization at the office of the
7 ~~director of business regulation~~ health insurance commissioner. The applicant shall provide a copy
8 of the filing on all rates and/or rating formulas proposed for health insurance coverage offered in
9 the individual market as defined in § 27-18.5-2 to the insurance advocacy unit of the attorney
10 general's office simultaneously with the filing at the office of the health insurance commissioner.
11 This section does not apply to any entity subject to section 27-19-1 et seq., and/or section 27-20-1
12 et seq. The rates proposed to be charged by those entities shall be governed by the provisions of
13 section 27-19-1 et seq., and/or section 27-20-1 et seq. Within sixty (60) days after receipt of the
14 application, the ~~director~~ commissioner, or the ~~director's~~ commissioner's designee, shall hold a
15 public hearing pursuant to § 42-35-1 et seq. for all rate filings for individuals as defined in § 27-
16 18.5-2 and may hold a hearing pursuant to § 42-35-1 et seq. upon not less than ten (10) days'
17 written notice prior to the hearings for other rate filings. The notice shall be published by the
18 commissioner in a newspaper or newspapers having aggregate general circulation throughout the

1 state at least ten (10) days prior to the hearing and shall contain a description of the rates
2 proposed to be charged, and a copy of the notice shall be sent to the applicant and to the
3 ~~consumer protection~~ insurance advocacy unit of the department of attorney general. In addition,
4 the applicant shall provide by mail, at least ten (10) days prior to the hearing, notice of the
5 proposed rate increase for health insurance coverage offered in the individual market as defined
6 in § 27-18.5-2 to all subscribers subject to the proposed rate increase. At any hearing held under
7 this section, the applicant shall be required to establish that the rates proposed to be charged or
8 the rating formula proposed to be used are consistent with the proper conduct of its business and
9 with the interest of the public. Any documents presented in support of a filing of proposed rates
10 under this section shall be made available for public examination at any time and place that the
11 ~~director~~ commissioner may deem reasonable. The ~~director~~ commissioner, or the ~~director's~~
12 commissioner's designee, upon that hearing may administer oaths, examine and cross-examine
13 witnesses, receive oral and documentary evidence, and shall have the power to subpoena
14 witnesses, compel their attendance and require the production of all books, papers, records,
15 correspondence, or other documents which he or she deems relevant. Any designee who shall
16 conduct a hearing pursuant to this section shall report his or her findings in writing to the ~~director~~
17 commissioner within eighty (80) days of the filing with a recommendation for approval,
18 disapproval, or modification of the rates proposed to be charged by the applicant. The
19 recommended decision shall become part of the record. The ~~director~~ commissioner shall make
20 and issue a decision not later than ten (10) days following the issuance of the recommended
21 decision or, if the ~~director~~ commissioner hears the application without the appointment of a
22 designee, as soon as is reasonably possible following the completion of the hearing on the
23 proposed rate change. The decision may approve, disapprove, or modify the rates proposed to be
24 charged by the applicant. Insurers requesting changes in rates shall underwrite the reasonable
25 expenses of the ~~department of business regulation~~ office of the health insurance commissioner in
26 connection with the hearing, including any costs related to advertisements, stenographic
27 reporting, and expert witnesses fees. Notwithstanding any other provisions of law, the filing of
28 proposed rates or a rating formula and the holding and conduct of any hearings in connection with
29 these proposed rates or rating formula shall be pursuant to this section.

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

1 requesting changes in the rates.

2 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT - CATASTROPHIC HEALTH
INSURANCE PLAN ACT

- 1 This act would require a public hearing for all insurers or health maintenance
- 2 organizations who propose rates for health insurance coverage in the individual market.
- 3 This act would take effect upon passage.

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