

2024 -- H 7716

LC004991

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2024

A N A C T

RELATING TO INSURANCE -- HEALTH CARE ACCESSIBILITY AND QUALITY
ASSURANCE ACT

Introduced By: Representatives Tanzi, Ajello, Kislak, McGaw, Morales, and Stewart

Date Introduced: February 28, 2024

Referred To: House Corporations

It is enacted by the General Assembly as follows:

1 SECTION 1. Legislative findings. The general assembly hereby finds that:

2 (1) The United States of America is battling a collective behavioral health crisis. According
3 to the National Institute of Mental Health (NIMH), approximately one in five (5) United States
4 adults lived with a mental illness in 2019 — a rate that was among the highest compared to other
5 high-income countries. Furthermore, the National Survey on Drug Use and Health (NSDUH) found
6 that 20.1 million Americans aged twelve (12) or older battled a substance use disorder in 2019;

7 (2) According to the 2021 National Survey on Drug Use and Health estimates, Rhode
8 Island has consistently exceeded the estimated United States prevalence of both Any Mental Illness
9 (AMI) and Serious Mental Illness (SMI) over the past decade.

10 (3) A review of RI insurance claims revealed that between 2016 and 2020, the second-most
11 frequently accessed setting for AMI-related care was the emergency room. Although emergency
12 room utilization related to AMI was significantly less than general outpatient, it predominated over
13 inpatient care, partial hospitalization programs, and intensive outpatient programs.

14 (4) According to data drawn from RI insurance claims, a high percentage of care related to
15 Any Mental Illness (AMI) and Substance Use Disorders (SUD), occurs at the emergency room.
16 Between 2016 and 2020 more than half of those who had been discharged from the emergency
17 room (ER) for AMI-related or SUD-related care were readmitted to the ER less than a year prior.
18 This startlingly high rate of readmission emphasizes the crucial importance of preventing initial

1 emergency room admission.

2 (5) Numerous barriers prevent access to mental health and substance use disorder
3 treatment. In 2020, the National Mental Health Association found that 22.3% of adults with any
4 mental illness reported not being able to receive needed mental health treatment.

5 (6) Critical drivers of an inability to access behavioral health treatment tend to be
6 insurance-related barriers (e.g., high out-of-pocket cost, limited number of covered
7 (“participating”) providers or services, and long waits for care).

8 (7) Another factor that hinders one’s ability to engage with behavioral health services is a
9 shortage in the supply of behavioral health care providers. In 2016, over half of the counties in the
10 United States did not have a single psychiatrist.

11 (8) Suboptimal reimbursement rates often dissuade mental health and substance use
12 professionals from participating in insurance networks. In 2019, a risk management firm reported
13 that reimbursement rates for primary care office visits in Rhode Island are 23.7% higher than those
14 for behavioral health.

15 (9) When a patient is able to locate a behavioral healthcare provider or facility whose
16 services are covered under their insurance plan, wait times are often extremely long. According to
17 the state’s Behavioral Health Open Beds system, between May and December of 2020, an average
18 of nearly twenty-four (24) individuals per day found themselves waiting at an emergency
19 department for inpatient behavioral health services. Month-to-month, this figure fluctuated from an
20 average of nineteen (19) people per day during June 2020 to twenty-nine (29) people per day during
21 August 2020. In 2022, wait times for individuals in emergency departments were extremely long.

22 (10) During the May to December 2020 time-frame, an average of two hundred nine (209)
23 individuals per month were “ready for placement” on a waitlist for a SUD residential bed.

24 (11) Research indicates that substance abuse-related mental illnesses and conditions are
25 strong predictors of emergency department use.

26 (12) According to population and disease modeling by the WHO Department of Mental
27 Health and Substance Abuse, a heightened financial focus on mental health would both increase
28 healthy life-years and yield a remarkable economic return. Specifically, researchers project that
29 every one dollar (\$1.00) invested in scaled-up behavioral healthcare resources would yield five
30 dollars (\$5.00) in increased health and productivity.

31 (13) Increased insurer reimbursement rates for behavioral health providers would attract
32 and retain in-network outpatient behavioral health providers and help ameliorate staff shortages.
33 By increasing reimbursement rates for behavioral health providers, Rhode Island’s pool of in-
34 network mental health providers will increase access to outpatient treatment and lessen the

1 utilization rate of emergency departments.

2 SECTION 2. Chapter 27-18.8 of the General Laws entitled "Health Care Accessibility and
3 Quality Assurance Act" is hereby amended by adding thereto the following section:

4 **27-18.8-11. Contracts with providers for mental health and substance use disorder**
5 **services.**

6 (a) Before January 1, 2025, and whenever necessitated by changes thereafter, but no less
7 frequently than annually, each healthcare entity or network plan shall compile and report to the
8 office a summary of how the healthcare entity or network plan requires its contracted providers to
9 submit claims for in-network outpatient behavioral health services, including through the use of
10 particular CPT codes specific to behavioral health services, through the use of modifiers particular
11 to behavioral health services appended to CPT codes of general usage, or through other formal
12 requirements which identify a particular claim as pertaining to in-network outpatient behavioral
13 health services.

14 (b) A healthcare entity or network plan shall include in every contract with a provider for
15 in-network outpatient behavioral health (including substance use disorder) services, or for
16 outpatient diagnostic or therapeutic services with a behavioral health (including substance use
17 disorder) modifier, a provision that, as of January 1, 2025, rates paid under such contract for those
18 services shall be subject to a one-time average increase of no less than the US All Urban Consumer
19 All Items Less Food and Energy CPI ("CPI-Urban") percentage increase (determined by the
20 commissioner by October 1, 2024, based on the most recently published United States Department
21 of Labor data as of that date) plus five percent (5%).

22 SECTION 3. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO INSURANCE -- HEALTH CARE ACCESSIBILITY AND QUALITY
ASSURANCE ACT

1 This act would require that healthcare entities and network plans, effective January 1, 2025,
2 include a provision in every contract with a provider for in-network outpatient behavioral health,
3 inclusive of substance use disorder, or for outpatient diagnostic or therapeutic services with
4 behavioral health that rates paid pursuant to the contract terms would be subject to a rate increase
5 at least annually of no less than five percent (5%) greater than the US All Urban Consumer All
6 Items Less Food and Energy CPI (“CPI-Urban”) percentage increase.

7 This act would take effect upon passage.

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