

2011 -- S 0479

LC01008

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2011

A N A C T

RELATING TO INSURANCE -- ESTABLISHING MINIMUM PHYSICIAN  
REIMBURSEMENT RATES FOR PAYMENTS FROM COMMERCIAL HEALTH INSURERS

Introduced By: Senator Maryellen Goodwin

Date Introduced: March 10, 2011

Referred To: Senate Health & Human Services

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 27 of the General Laws entitled "Insurance" is hereby amended by  
2 adding thereto the following chapter:

3 CHAPTER 69.1

4 MINIMUM PHYSICIAN PAYMENTS ACT OF 2011

5 27-69.1-1. Short title. – This chapter shall be known and may be cited as the "Minimum  
6 Physician Payments Act of 2011" or "MPPA."

7 27-69.1-2. Legislative findings. – The general assembly hereby finds and declares as  
8 follows:

9 (1) Most Rhode Island physicians are paid substantially less by commercial health  
10 insurers than are physicians providing the same services in Connecticut and Massachusetts;

11 (2) This payment inequity has made it difficult to recruit and retain physicians in Rhode  
12 Island;

13 (3) The inability to recruit and retain sufficient numbers of physicians poses a long-term  
14 threat to Rhode Islanders' ability to access high quality medical care;

15 (4) The federal Medicare program has a well-established and generally fair method for  
16 determining physician reimbursement;

17 (5) Commercial health insurers in Massachusetts and Connecticut generally reimburse  
18 physicians at greater rates than does Medicare; and

1           (6) This chapter is necessary, proper and constitutes an appropriate exercise of the  
2 authority of this state to regulate the delivery of health care services in order to safeguard the  
3 public health and safety of Rhode Islanders.

4           **27-69.1-3. Definitions.** – The following words and phrases, when used in this chapter,  
5 shall have the meanings given to them in this section unless the context clearly indicates  
6 otherwise:

7           (1) "Department" means the Rhode Island department of health.

8           (2) "Eligible physician" means any person licensed as a physician by the department  
9 pursuant to chapter 5-37, who is a participating provider in Rhode Island medical assistance and  
10 RItE Care and certifies to the director of the department annually that at least five percent (5%) of  
11 the care provided by the physician is free care as defined by the department.

12           (3) "Health care insurer" means a health care insurer whose premiums are paid in whole  
13 or in part by employers and as otherwise defined in subdivision 27-20.6-1(1), including any  
14 health care insurer affiliate or third-party administrator interacting with hospitals and enrollees on  
15 behalf of such an insurer, but specifically not including the following types of insurance policy:

16           (i) Hospital confinement indemnity;

17           (ii) Disability income;

18           (iii) Accident only;

19           (iv) Long-term care;

20           (v) Medicare supplement;

21           (vi) Limited benefit health;

22           (vii) Specified disease indemnity;

23           (viii) Sickness or bodily injury or death by accident or both;

24           (ix) Other limited benefit policies; and

25           (x) Health care insurance issued or administered by a small health care insurer.

26           (4) "Health care insurer affiliate" means a health care insurer that is affiliated with  
27 another entity by either the insurer or entity having a five percent (5%) or greater, direct or  
28 indirect, ownership or investment interest in the other through equity, debt or other means.

29           **27-69.1-4. Minimum payments.** – (a) Health insurers shall reimburse eligible physicians  
30 no less than one hundred and forty percent (140%) of what Medicare would pay the physician for  
31 providing the same service.

32           (b) Nothing in this chapter shall be construed to prohibit a physician, or the physician's  
33 lawful employer, from contracting with a health insurer to receive greater reimbursement than  
34 that required under this chapter.

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SECTION 2. This act shall take effect on January 1, 2012.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
A N A C T  
RELATING TO INSURANCE -- ESTABLISHING MINIMUM PHYSICIAN  
REIMBURSEMENT RATES FOR PAYMENTS FROM COMMERCIAL HEALTH INSURERS

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- 1           This act would require health insurers to reimburse eligible physicians not less the 140%
- 2   of the amount medicare would provide for the same service.
- 3           This act would take effect on January 1, 2012.

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