



Implementing Health Insurance Exchanges: Rhode Island

Establishing the Exchange

After the legislature failed to pass exchange legislation during the 2011 session, Governor Lincoln Chafee (I) signed Executive Order 11-09 on September 19, 2011, to establish the Rhode Island Health Benefit Exchange.¹

Recommendations by the Rhode Island Healthcare Reform Commission largely informed the Governor's decision to issue an Executive Order. After SB 87 failed, the Commission regrouped to continue planning a state-based exchange.² The Commission's Executive Committee focused on evaluating non-legislative strategies to establish an exchange, while the Commission's Health Insurance Exchange Workgroup began meeting biweekly to form recommendations on policy options to the Executive Committee.

Structure: The Executive Order establishes the Rhode Island Health Benefit Exchange as "a Division within the Executive Department."

Governance: The Exchange will be governed by a 13-member board. The Board includes four ex officio members (or their designees): the Director of the Department of Administration; the Health Insurance Commissioner; the Secretary of the Executive Office of Health and Human Services; and the Director of the Department of Health. The Governor appoints nine Board members, two of whom will represent consumer organizations and two to represent small businesses. The remaining appointees will provide demonstrated expertise in a diverse range of health care areas including, but not limited to, individual health care coverage, small employer health care coverage, health benefits plan administration, health care finance and accounting, administering a public or private health care delivery system, state employee health purchasing, electronic commerce, and promoting health and wellness. Board members cannot be affiliated with in any way, an insurer, a health insurance agent or broker, a health care provider, or a health care facility or clinic. No Board member can be a health care provider, unless no compensation is received for services rendered and the provider has no ownership interest in a professional health care practice.

Current appointed Board members are:

- Margaret Curran (Chair), former United States Attorney for Rhode Island
- Michael C. Gerhardt, Save The Bay and former Health Insurance Executive
- James Grace, InsureMyTrip.com
- Linda Katz, The Poverty Institute
- Peter Lee, John Hope Settlement House
- Pamela McKnight, MD (not currently practicing)
- Donald Nokes, NetCenergy
- Tim Melia, UFCW New England Council
- Minerva Quiroz, AIDS Project RI

¹ Executive Order 11-09. Establishment of the Rhode Island Health Benefits Exchange.

http://www.governor.ri.gov/documents/executiveorders/2011/Executive_Order_11-09.pdf

² SB87. Rhode Island's bill to establish a health benefit exchange in 2011.

<http://www.rilin.state.ri.us/BillText/BillText11/SenateText11/S0087A.pdf>

Implementing Health Insurance Exchanges: Rhode Island (continued)

Contracting with Plans: The Exchange will function as an active purchaser which has “the discretion to determine whether health plans offered through the Exchange are in the interests of qualified individuals and qualified employers.”

Exchange Funding

The Rhode Island Department of Business Regulation received a federal Exchange Planning grant of \$1 million in 2010 and was awarded a \$5.2 million federal Level One Exchange Establishment grant in May 2011 to “strengthen health information technology systems, develop an integrated consumer support program to provide support to individuals and small businesses, and strengthen its business operations.”³ In addition, Rhode Island is a member of the consortium of New England states that received a federal Early Innovator grant of \$36 million to develop, share, and leverage insurance exchange technology. The multi-state consortium also includes Connecticut, Maine, Vermont, and Massachusetts with the University of Massachusetts Medical School as the grant holder.⁴

The Executive Order authorizes the Exchange to receive funds from insurers or other entities, including the United States Department of Health and Human Services. The Board will determine how the funds are to be received from insurers and the amounts.

Next Steps

Moving forward, the Commission’s Health Insurance Exchange Workgroup continues to meet and discuss important issues including, verifying eligibility and developing consumer assistance tools. The state is also in the process of coordinating an eligibility rules engine that will serve both Medicaid and the Exchange; completing an information technology gap analysis; and hiring staff to support exchange implementation efforts.⁵

Additional information about the Rhode Island Healthcare Reform Commission can be found at: <http://www.healthcare.ri.gov/>

³ HealthCare.gov. “Creating a New Competitive Marketplace: Health Insurance Exchange Establishment Grants Awards List” <http://www.healthcare.gov/news/factsheets/exchanges05232011a.html>

⁴ HealthCare.gov. “States Leading the Way on Implementation: HHS Awards “Early Innovator” Grants to Seven States.” <http://www.healthcare.gov/news/factsheets/exchanges02162011a.html> (Accessed August 18, 2011)

⁵ Rhode Island Level One Establishment grant application: http://www.ohic.ri.gov/documents/Grants/3_RI%20Exchange%20Establishment%20One%20Project%20Narrative.pdf