Rhode Island Snapshot

At a glance

Rhode Island has a unique regulatory structure for health insurance. In 2004, it created the Office of the Health Insurance Commissioner (OHIC), which has resulted in more health insurance specific regulations and policy efforts. A large focus has been the Affordability Standards, an expansion of the regulatory authority of OHIC to curb the cost of health care in Rhode Island, which apply to all commercial health insurers regulated by the state.

For primary care policy within the Affordability Standards, the focus has included increased primary care investment, practice transformation support for the adoption of the patient-centered medical home (PCMH) model, and increased use of primary care alternative payment models (APMs). Specifically, the primary care APM sections have increased the percent of covered lives through APMs and increased the use of prospective payments and practice support payments.

Federal

State

2004

The Rhode Island Health Care Reform Act of 2004

- Creates the OHIC, Rhode Island's commercial health insurance policy and regulatory agency.
- Authorizes OHIC to lead the creation and implementation of the Rhode Island Affordability Standards.

2009

Affordability Standards

- Requires commercial health insurers to:
  - Expand and improve primary care infrastructure by increasing the primary care spend by 1% per year 2010-2014.
  - Support the adoption of the PCMH model by directing payments to practices through OHIC's medical home transformation program (or an insurer may develop its own PCMH initiative).
  - Financially incentivize physicians to adopt electronic health records.
  - Engage in comprehensive payment reform efforts across the health care system including the primary care spend as mentioned above, and hospital rate caps.
- A 2013 evaluation of these standards found that the standards had "increased primary care infrastructure in the state, and accelerated PCMH transformation efforts."

2013

State Innovation Model design award (SIM)

2014

2014 Updated Affordability Standards

- Increases the primary care spend mandate to 10.7% of total health care spending.
- Requires 80% of contracted primary care practices to be functioning as PCMHs by the end of 2019.
- Requires insurers to provide practice support payments to adopt and maintain the PCMH model.
- Requires health insurers to increase their use of APMs and move away from fee-for-service (FFS).
- Creates the Alternative Payment Methodology Committee.

Federal

State

2015

State Innovation Model test award (SIM)

Alternative Payment Methodology Committee

- A state-convened advisory committee that provided recommendations for an APM target and how to achieve this target.
- Committee released multiple APM plans from 2015–2019, which helped inform continued updates to the Affordability Standards.

Measure alignment

- In 2015, the State Innovation Model (SIM) grant supported the creation of a Measure Alignment process through convening a work group of diverse stakeholders. This led to the creation of the first Aligned Measure Sets for use in primary care, ACO, and hospital contracts.
- In 2017, the Measure Alignment function transitioned to OHIC under the Affordability Standards to require that all commercial payers use the Aligned Measure Sets in any contract with a financial incentive tied to quality. OHIC is responsible for convening the work group annually to review quality measures and make changes to the Aligned Measure Sets as necessary.

2019

2020

2020 Updated Affordability Standards

- Requires health insurers to further increase use of primary care APMs by 2021, including development and implementation of a prospectively paid APM model that includes compensation for integrated behavioral health services.
- Set goals for primary care payments through these APMs to increase from 10% of covered lives in 2021 to 60% of covered lives by 2024; these targets were later extended and adjusted in the 2023 updates to the Affordability Standards.

2022

Compact to Accelerate Advanced Value-Based Payment Model Adoption in Rhode Island

- A voluntary compact between health insurers, providers, OHIC, and others to advance use of APMs beyond the scope and authority of what is possible through the Affordability Standards.
- Compact outlined both action steps and targets for primary care APMs in Rhode Island.
- No follow-up to date from this compact on the action steps or targets.

Rhode Island Affordability Standards Policy Manual

- Provides guidance for compliance with the Affordability Standards, including related to primary care spend, value-based contracting, use of aligned measure sets, and data specifications.

Primary Care First (PCF)

Federal

State

2023

[2023 Updated Affordability Standards]

- Creates a definition for Primary Care APM that includes prospective payment for a defined set of primary care services.
- Creates additional support for behavioral health integration through practice transformation and integration into primary care APMs.
- Extends the deadline for 60% of covered lives in primary care APMs from 2024 to 2027 and adjusted the interval year target percent of covered lives.

2024

[2024 Updates to Affordability Standards] (effective 3/20/25)

- Revises the definition of primary care expenditures as all claims and non-claims payments directly to a primary care practice for primary care services.
- Requires stepwise increases in the primary care spend target to at least 10% of total medical expenditures, with at least 8% of each insurer's total medical expenditure being through primary care APMs, by 2028 (the definition of total medical expenditures was revised to provide an updated denominator for the primary care spend target).

2025

- Amends that care management and infrastructure payments to primary care practices shall not be at risk for total cost of care performance but may be at risk for performance on quality measures.
- Annual budget development for total cost of care contracts shall be held harmless for mandated increases in primary care funding.
- Establishes requirements concerning prior authorizations to decrease administrative burden, including a reduction in the volume of prior authorization requests by 20% relative to baseline 2023 requests, with prioritization of services ordered by primary care for those reductions.