

2019 FEB -6 PM 2:20



SECURITY DIVISION



State of Rhode Island and Providence Plantations

Gina M. Raimondo
Governor

EXECUTIVE ORDER

19-03

February 6, 2019

ESTABLISHING A TARGET FOR HEALTH CARE
SPENDING GROWTH IN RHODE ISLAND

WHEREAS, recent studies show that Rhode Island has both individual market and small business commercial insurance premiums that are among the lowest in the Northeastern United States, including the second lowest individual premiums in the New England and Mid-Atlantic regions;

WHEREAS, Rhode Island Medicaid per member costs have decreased year-on-year from Fiscal Year 2013 to Fiscal Year 2017;

WHEREAS, despite these accomplishments, individuals, families and businesses struggle to pay their monthly health care costs;

WHEREAS, Rhode Island's per capita health care spending has historically outpaced economic growth in Rhode Island;

WHEREAS, enhanced transparency and shared accountability for a health care spending target can be used to accelerate changes in our health care delivery system, creating benefits for employers, state government, and Rhode Islanders;

WHEREAS, the establishment, monitoring and implementation of an annual health care cost growth target is an appropriate means to establish accountability for bending the health care cost growth curve;

WHEREAS, the Rhode Island Health Care Cost Trends Steering Committee, established by the Executive Office of Health and Human Services (EOHHS) and the Office of the Health Insurance Commissioner (OHIC), has provided recommendations on: (1) the selection of methodologies to measure and report on the total cost of health care in Rhode Island, including the

data sources for measurement; and (2) the establishment of a target for health care spending growth; and

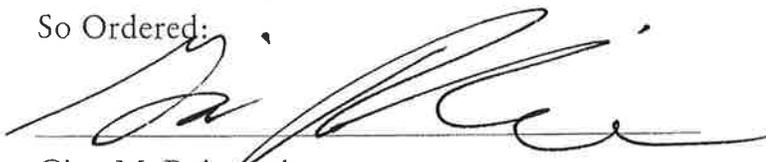
WHEREAS, members of the Rhode Island Health Care Cost Trends Steering Committee have entered into a written compact committing themselves and, as applicable, their provider and insurer organizations for their attributed populations, to make their best efforts to constrain health care spending to that target.

NOW, THEREFORE, I, Gina M. Raimondo, by virtue of the authority vested in me as Governor of the State of Rhode Island and Providence Plantations, do hereby order and direct the following:

1. The Rhode Island Health Care Cost Growth Target (“Target”) is hereby established for 2019 through 2022 as 3.2% annual growth over 2018 health care spend. The Target applies across all Rhode Island health care markets and populations.
2. During 2022, the methodology of the Target shall be reassessed and maintained or replaced with a new target for 2023 and beyond.
3. OHIC and EOHHS shall
 - a. Engage relevant parties, including insurers, providers, and community partners, to develop strategies to help meet the Target that are data-based and practicable;
 - b. Ensure that consumers and businesses purchasing health insurance share in the positive impact of the Target and related work, including through OHIC’s existing rate review authority;
 - c. Report annually during the fourth quarter on performance relative to the Target during the prior calendar year at:
 1. State, health insurance market (e.g., commercial, Medicaid, Medicare, Medicare Advantage) and individual payer levels; and
 2. Accountable care organization (ACO) level for entities of a sufficient size, using clinical risk adjustment methodologies;
 - d. Publish a technical manual that contains the methodology for the Target, including where to obtain data to calculate the values of the Target and how to assess performance, by no later than October 31, 2019; and
 - e. Otherwise support the implementation of the Cost Growth Steering Committee’s recommendations, as documented in the compact signed by members of the Committee.

This Executive Order shall take effect immediately.

So Ordered:



Gina M. Raimondo
Governor

Dated: February 6, 2019