

2011 -- H 5503

LC01325

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2011

A N A C T

RELATING TO HUMAN SERVICES - MEDICAL ASSISTANCE

Introduced By: Representatives Hull, and Newberry

Date Introduced: March 02, 2011

Referred To: House Health, Education & Welfare

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 40-8-27 and 40-8-28 of the General Laws in Chapter 40-8 entitled
2 "Medical Assistance" are hereby amended to read as follows:
3 **40-8-27. Cooperation by providers.** -- ~~Medicaid~~ Rhode Island medical assistance
4 providers who employ individuals eligible or applying for medical assistance benefits under any
5 chapter of ~~title~~ titles 40 and/or 42 shall comply in a timely manner with requests made by the
6 department for any documents describing employer sponsored health insurance coverage or
7 benefits ~~the provider offers~~ offered that are necessary to determine eligibility for the state's
8 premium assistance program pursuant to section 40-8.4-12. Such documents requested by the
9 department may include, but are not limited to, certificates of coverage, ~~or a~~ summary of benefits
10 and ~~employee obligations.~~ the employee's health care contribution including premium and out-of-
11 pocket expenses. The employer will also verify whether the employee is actively enrolled in the
12 employer sponsored health insurance coverage. Upon receiving notification that the department
13 has determined that the employee is eligible for premium assistance under section 40-8.4-12, the
14 provider shall accept the enrollment of the employee and his or her family in the employer based
15 health insurance plan without regard to any seasonal enrollment restrictions, including open
16 enrollment restrictions, and/or the impact on the employee's wages. Additionally, the ~~Medicaid~~
17 Rhode Island medical assistance ~~provider~~ providers employing such persons shall not offer "pay
18 in lieu of benefits." Providers who do not comply with the provisions set forth in this section shall
19 be subject to withholding of payment and/or suspension as a participating ~~Medicaid~~ Rhode Island

1 medical assistance provider.

2 ~~**40-8-28. Vendors doing business in the state of Rhode Island.** Cooperation by~~
3 ~~**vendors doing business with the State of Rhode Island . --** All vendors who do business with~~
4 ~~the state of Rhode Island in accordance with title 37 of the Rhode Island general laws and who~~
5 ~~are also employers of Rhode Island medical assistance recipients shall make available in a timely~~
6 ~~manner to the department at the department's request, documents describing the health insurance~~
7 ~~or health benefits offered by the vendor to the employee, including, but not limited to a certificate~~
8 ~~of coverage or a summary of benefits and employee obligations for the purposes of and only to~~
9 ~~the extent necessary to carry out the provisions of this section of the general laws. The employer~~
10 ~~shall accept the enrollment of the individual and/or the family in the employer based health~~
11 ~~insurance plan without regard to any seasonal enrollment restrictions, including open enrollment~~
12 ~~restrictions, without regard to the impact on the member's wages. This is known as "pay in lieu of~~
13 ~~benefits."~~ Any vendor doing business with the state of Rhode Island who employs individuals
14 eligible or applying for Rhode Island medical assistance benefits under any applicable chapter of
15 titles 40 and/or 42 shall comply in a timely manner with requests made by the department for any
16 documents describing employer sponsored health insurance coverage or benefits offered that are
17 necessary to determine eligibility for the state's premium assistance program pursuant to section
18 40-8.4-12. Such documents requested by the department may include, but are not limited to,
19 certificates of coverage, summary of benefits, and the employee's health care contribution
20 including premium and out-of-pocket expenses. The employer will also verify whether the
21 employee is actively enrolled in the employer sponsored health insurance coverage. Upon
22 receiving notification that the department has determined that the employee is eligible for
23 premium assistance under section 40-8.4-12, the vendor shall accept the enrollment of the
24 employee and his or her family in the employer based health insurance plan without regard to any
25 seasonal enrollment restrictions, including open enrollment restrictions, and/or the impact on the
26 employee's wages. Additionally, vendors doing business with the State of Rhode Island shall not
27 offer "pay in lieu of benefits" to these employees. Vendors who do not comply with the
28 provisions set forth in this section shall be subject to withholding of payment and/or suspension
29 of vendor status with the State of Rhode Island.

30 SECTION 2. Section 40-8.4-12 of the General Laws in Chapter 40-8.4 entitled "Health
31 Care For Families" is hereby amended to read as follows:

32 **40-8.4-12. RIte Share Health Insurance Premium Assistance Program.** -- (a) Basic
33 RIte Share Health Insurance Premium Assistance Program. - The department of human services is
34 authorized and directed to amend the medical assistance Title XIX state plan to implement the

1 provisions of section 1906 of Title XIX of the Social Security Act, 42 U.S.C. section 1396e, and
2 establish the Rhode Island health insurance premium assistance program for RIte Care eligible
3 parents with incomes up to one hundred seventy-five percent (175%) of the federal poverty level
4 who have access to employer-based health insurance. The state plan amendment shall require
5 eligible individuals with access to employer-based health insurance to enroll themselves and/or
6 their family in the employer-based health insurance plan as a condition of participation in the RIte
7 Share program under this chapter and as a condition of retaining eligibility for medical assistance
8 under chapters 5.1 and 8.4 of this title and/or chapter 12.3 of title 42 and/or premium assistance
9 under this chapter, provided that doing so meets the criteria established in section 1906 of Title
10 XIX for obtaining federal matching funds and the department has determined that the individual's
11 and/or the family's enrollment in the employer-based health insurance plan is cost-effective and
12 the department has determined that the employer-based health insurance plan meets the criteria
13 set forth in subsection (d). The department shall provide premium assistance by paying all or a
14 portion of the employee's cost for covering the eligible individual or his or her family under the
15 employer-based health insurance plan, subject to the cost sharing provisions in subsection (b),
16 and provided that the premium assistance is cost-effective in accordance with Title XIX, 42
17 U.S.C. section 1396 et seq.

18 (b) Individuals who can afford it shall share in the cost. - The department of human
19 services is authorized and directed to apply for and obtain any necessary waivers from the
20 secretary of the United States Department of Health and Human Services, including, but not
21 limited to, a waiver of the appropriate sections of Title XIX, 42 U.S.C. section 1396 et seq., to
22 require that individuals eligible for RIte Care under this chapter or chapter 12.3 of title 42 with
23 incomes equal to or greater than one hundred fifty percent (150%) of the federal poverty level pay
24 a share of the costs of health insurance based on the individual's ability to pay, provided that the
25 cost sharing shall not exceed five percent (5%) of the individual's annual income. The department
26 of human services shall implement the cost-sharing by regulation, and shall consider co-
27 payments, premium shares or other reasonable means to do so.

28 (c) ~~Current~~ RIte Care eligible enrollees with access to employer-based health insurance. -
29 (1) The department of human services shall require any individual who receives RIte Care or
30 whose family receives RIte Care on the effective date of the applicable regulations adopted in
31 accordance with subsection (f) to enroll in an employer-based health insurance plan at the
32 individual's eligibility redetermination date or at an earlier date determined by the department,
33 provided that doing so meets the criteria established in the applicable sections of Title XIX, 42
34 U.S.C. section 1396 et seq., for obtaining federal matching funds and the department has

1 determined that the individual's and/or the family's enrollment in the employer-based health
2 insurance plan is cost-effective and has determined that the health insurance plan meets the
3 criteria in subsection (d). The insurer and employer shall accept the enrollment of the individual
4 and/or the family in the employer-based health insurance plan without regard to any enrollment
5 season restrictions.

6 (2) Any employer who employs individuals eligible or applying for Rhode Island medical
7 assistance benefits under any applicable chapter of titles 40 and/or 42 shall comply in a timely
8 manner with requests made by the department for any documents describing employer sponsored
9 health insurance coverage or benefits offered that are necessary to determine eligibility for the
10 state's premium assistance program pursuant to section 40-8.4-12. Such documents requested by
11 the department may include, but are not limited to, certificates of coverage, summary of benefits,
12 and the employee's health care contribution including premium and out-of-pocket expenses. The
13 employer will also verify whether the employee is actively enrolled in the employer sponsored
14 health insurance coverage. Upon receiving notification that the department has determined that
15 the employee is eligible for premium assistance under section 40-8.4-12, the provider shall accept
16 the enrollment of the employee and his or her family in the employer based health insurance plan
17 without regard to any seasonal enrollment restrictions, including open enrollment restrictions,
18 and/or the impact on the employee's wages. Additionally, employers shall not offer "pay in lieu of
19 benefits" to these employees. Employers who are Rhode Island medical assistance providers or
20 vendors doing business with the State of Rhode Island who do not comply with the provisions set
21 forth in this section shall be subject to withholding of payment and/or suspension pursuant to
22 sections 40-8-27 and sections 40-8-28.

23 (d) Approval of health insurance plans for premium assistance. - The department of
24 human services shall adopt regulations providing for the approval of employer-based health
25 insurance plans for premium assistance and shall approve employer-based health insurance plans
26 based on these regulations. In order for an employer-based health insurance plan to gain approval,
27 the department must determine that the benefits offered by the employer-based health insurance
28 plan are substantially similar in amount, scope, and duration to the benefits provided to RIte Care
29 eligible persons by the RIte Care program, when the plan is evaluated in conjunction with
30 available supplemental benefits provided by the department. The department shall obtain and
31 make available to persons otherwise eligible for RIte Care as supplemental benefits those benefits
32 not reasonably available under employer-based health insurance plans which are required for RIte
33 Care eligible persons by state law or federal law or regulation.

34 (e) Maximization of federal contribution. - The department of human services is

1 authorized and directed to apply for and obtain federal approvals and waivers necessary to
2 maximize the federal contribution for provision of medical assistance coverage under this section,
3 including the authorization to amend the Title XXI state plan and to obtain any waivers necessary
4 to reduce barriers to provide premium assistance to recipients as provided for in Title XXI of the
5 Social Security Act, 42 U.S.C. section 1397 et seq.

6 (f) Implementation by regulation. - The department of human services is authorized and
7 directed to adopt regulations to ensure the establishment and implementation of the premium
8 assistance program in accordance with the intent and purpose of this section, the requirements of
9 Title XIX, Title XXI and any approved federal waivers.

10 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 HUMAN SERVICES - MEDICAL ASSISTANCE

1 This act would amend the provisions of sections 40-8-27, 40-8-28 and 40-8.4-12 to
2 strengthen the RIte Share Premium Assistance Program, by requiring employers who employ
3 Medical Assistance beneficiaries or applicants to provide DHS with employer-sponsored
4 insurance-related information when requested.

5 This act would take effect upon passage.

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