

2024 -- H 7689

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2024

HOUSE RESOLUTION

REQUESTING THE AUDITOR GENERAL TO OVERSEE AN AUDIT OF MEDICAID
PROGRAMS ADMINISTERED BY MANAGED CARE ORGANIZATIONS

Introduced By: Representatives Solomon, and Stewart

Date Introduced: February 15, 2024

Referred To: House Finance

1 WHEREAS, Managed care is defined as “a healthcare insurance approach that integrates
2 the financing of health care and the delivery of care and related services to keep the costs to the
3 purchaser at a minimum while delivering what is appropriate for a given patient or population of
4 patients”; and

5 WHEREAS, Managed care organizations, also known as health maintenance
6 organizations, are prepaid health plans that furnish care through a network of providers under a
7 fixed budget and managed costs; and

8 WHEREAS, Oftentimes, managed care organizations are not providing people with
9 disabilities, chronic disease, or psychological trauma adequate access to needed specialists who
10 are qualified to diagnose and treat their conditions; and

11 WHEREAS, There is an urgent need to determine whether managed care entities in
12 Rhode Island are providing savings, as well as access and outcomes that are better than what
13 could be obtained under a fee-for-service program that is managed by the state; now, therefore be
14 it

15 RESOLVED, That this House of Representatives of the State of Rhode Island hereby
16 requests the Auditor General to oversee an audit of the Medicaid programs administered by
17 managed care organizations, and report findings to the House and the Director of the Executive
18 Office of Health and Human Services (EOHHS) within six (6) months of the passage of this
19 resolution; and be it further

1 RESOLVED, That this House hereby further requests that if the Auditor General
2 concludes that a fee-for-services state-run Medicaid program could provide better savings, access,
3 and outcomes than the current managed care system, the Office of Health and Human Services
4 and the Auditor General would develop a plan for the State to transition to a state-run fee-for-
5 service program within two (2) years from passage of this resolution; and be it further

6 RESOLVED, That said state-run fee-for-service program would:

- 7 • Allow the state to transition to a fee-for-service state-run Medicaid program within two
8 (2) years from the passage of this resolution;
- 9 • Require managed care entities to meet a medical loss ratio (MLR) of greater than ninety
10 percent (90%) net of pharmacy benefit manager costs related to spread pricing;
- 11 • Require managed care entities to remit to the state Medicaid program excess capitation
12 revenues that fail to meet the ninety percent (90%) MLR; and
- 13 • Set forth penalties for failure to meet contract terms; and be it further

14 RESOLVED, That the Secretary of State be and hereby is authorized and directed to
15 transmit duly certified copies of this resolution to The Office of the Auditor General, and the
16 Executive Office of Health and Human Services (EOHHS).

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