

# HealthSource RI Policy Manual 2016

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## CHAPTER 1: INTRODUCTION

The Patient Protection and Affordable Care Act (ACA) was signed into law on March 23, 2010. The ACA makes the following major changes to how individuals, families and businesses secure health coverage:

- Providing funding to the states to establish state-based health benefits exchanges to facilitate households' purchases of affordable health insurance coverage through an exchange.
- Creating new federal advanced premium tax credits (APTCs) to help low and moderate-income households purchase coverage.
- Creating new federal cost sharing reductions (CSRs) for individual and families purchasing through an exchange to reduce the out-of-pocket costs households below 250 percent of the Federal Poverty Level (FPL) face when using their health insurance plans.
- Expanding Medicaid for adults without children up to 133% of FPL,<sup>1</sup> and making other changes to Medicaid and Rite Care.
- Creating new ways for consumers to shop for health insurance coverage.
- Making important reforms to the private insurance market so that, for example, people cannot be denied coverage solely because they have a pre-existing condition.
- Requiring households to have health coverage or make a shared responsibility payment, or obtain an exemption from the shared responsibility payment if eligible.

In June of 2015, the Rhode Island General Assembly submitted, and Governor Gina Raimondo approved, an operating budget containing a provision establishing HealthSource RI as a division of the Rhode Island State Department of Administration (DoA). HealthSource RI's operations will be supported by a combination of budgetary allocations and an assessment on carriers, and may be supplemented by a general revenue allocation.

In September of 2011, Governor Lincoln Chaffee codified some of the major components of the ACA into Rhode Island law through an Executive Order establishing HealthSource RI as the state's first ever health insurance exchange. HealthSource RI allows households to apply for and purchase health insurance, apply for advanced premium tax credits (APTCs) to lower the costs of insurance, apply for an exemption from the shared responsibility payment, or apply for MAGI Medicaid coverage. Small businesses can

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<sup>1</sup> The effective eligibility level is 138% FPL.

purchase coverage for their employees through HealthSource RI's Small Business Health Insurance Options Program or SHOP.

Since the establishment of HealthSource RI, Rhode Island has developed an integrated approach to health reform under the ACA, incorporating HealthSource RI with the state Medicaid program. In the months and years to come, other human services programs operated through the Executive Office of Health and Human Services (EOHHS) and the Department of Human Services (DHS) will also become integrated into this new approach to health care. This work is being done to serve a broad customer base, including Medicaid-eligible individuals and families, subsidy-eligible households, Rhode Island residents purchasing coverage without subsidies, small employers and their employees, and employees of large employers.

HealthSource RI supports health reform efforts aimed at promoting the well being of Rhode Islanders and providing enhanced access to high quality, coordinated care at a reasonable, predictable cost. The mission of HealthSource RI is to serve as a robust resource for Rhode Islanders and Rhode Island businesses to learn about and easily compare the quality of affordability of their health insurance options, enroll in coverage and, if eligible, access federal tax credits for coverage.

The implementation of the ACA in Rhode Island, and establishment of HealthSource RI, has created the need for new policies and procedures at the state level. Such rules and procedures have been promulgated pursuant to the authority set forth in RIGL §23-1-1 and Executive Order 11-09, pursuant to RIGL. §§ 42-62-16 *et. seq.*

The purpose of this document is to provide a public resource to clarify the operational policies of HealthSource RI, including, but not limited to:

- Determining eligibility for Qualified Health Plans (QHPs),
- Determining eligibility for APTCs and CSRs,
- Guidelines for enrolling and disenrolling from coverage,
- Enrollment and payment deadlines for health coverage, and
- Rules concerning exemptions from the shared responsibility payment.