

**2007 -- H 6502**

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LC03290  
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**STATE OF RHODE ISLAND**

**IN GENERAL ASSEMBLY**

**JANUARY SESSION, A.D. 2007**

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**J O I N T   R E S O L U T I O N**

**CREATING A SPECIAL LEGISLATIVE COMMISSION TO STUDY THE FEASIBILITY OF  
ENACTING LEGISLATION TO EMPOWER PRIMARY CARE PROVIDERS TO JOINTLY  
NEGOTIATE WITH HEALTH INSURERS**

Introduced By: Representatives Murphy, and Mumford

Date Introduced: June 06, 2007

Referred To: House read and passed

1           WHEREAS, A substantial amount of health care services in this state are purchased for  
2 the benefit of patients by health care insurers engaged in the provision of health care financing  
3 services or it otherwise delivered subject to the terms and agreements between health care  
4 insurers and providers of the services; and

5           WHEREAS, Health care insurers also manage the health care services rendered to  
6 patients through utilization review programs and other managed care tools and associated  
7 coverage and payment policies; and

8           WHEREAS, Health care insurers are often able to dictate the terms of the provider  
9 contracts that they offer primary care physicians and other health care providers, and will  
10 commonly offer provider contracts on a take-it-or-leave-it basis; and

11           WHEREAS, Current federal anti-trust enforcement policy restricts health care providers'  
12 ability to collectively negotiate fee-for-service arrangements with payers. The large majority of  
13 primary care physicians and other health care providers do not have sufficient market power to  
14 negotiate or reject provider contract terms; and

15           WHEREAS, Health care insurers have significant influence by virtue of their market  
16 power, economic resources and control over payments. In response, health care providers seek a  
17 method to assert their appropriate balancing influence on health care issues; and

18           WHEREAS, It is the intention of the general assembly to determine the public benefit or  
19 consequences associated with authorizing primary care providers to jointly discuss with health

1 care insurers topics of concern regarding the provision of quality health care, or to jointly  
2 negotiate with health care insurers and to qualify such joint negotiations and related joint  
3 activities for the state-action exemption to the federal and state anti-trust laws through the  
4 articulated state policy and active supervision of the state attorney general; now, therefore be it

5         RESOLVED, That a special legislative commission be and the same is hereby created  
6 consisting of five (5) members: one of whom shall be the Health Care Advocate of the  
7 Department of Attorney General, or designee; one of whom shall be the Director of the  
8 Department of Health, or designee; one of whom shall be the Commissioner of the Office of the  
9 Health Insurance Commissioner, or designee, who shall be the chair; and two (2) of whom shall  
10 be primary care practitioners or their representatives, of whom one shall be appointed by the  
11 President of the Senate, and one shall be appointed by the Speaker of the House.

12         The purpose of the Commission shall be to develop recommendations for strengthening  
13 the role of the state's primary care providers within the health care system, including, legislative  
14 recommendations regarding the creation of a state-authorized and state-monitored mechanism  
15 allowing primary care providers to jointly negotiate health care provider and participation  
16 agreements with health insurers.

17         Forthwith upon passage of this resolution, the members of the commission shall meet at  
18 the call of the Health Insurance Commissioner who shall provide suitable quarters and staff for  
19 said commission. Vacancies in said commission shall be filled in like manner as the original  
20 appointment.

21         The membership of said commission shall receive no compensation for their services.

22         RESOLVED, That the commission shall report its findings and recommendations to the  
23 General Assembly no later than January 1, 2008 and said commission shall expire on May 1,  
24 2008.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

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- 1           This resolution would create a five (5) member special legislative commission whose  
2 purpose it would be to make a comprehensive study of the feasibility of enacting legislation to  
3 empower primary care providers to jointly negotiate with health insurers, and who would report  
4 back to the General Assembly January 1, 2008, and whose life would expire on May 1, 2008.

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