RHODE ISLAND GOVERNMENT REGISTER

PUBLIC NOTICE OF PROPOSED RULEMAKING

ATTORNEY GENERAL

Title of Rule: Fairness in Deductible Billing

Rule Identifier: 110-RICR-40-00-6

Rulemaking Action: Proposed Adoption

Important Dates:

Date of Public Notice:
End of Public Comment:

Rulemaking Authority:

R.I. Gen. Laws § 6-13.1-7(c)
R.I. Gen. Laws § 42-9.1-1

Summary of Rulemaking Action:

This Rule is being promulgated to establish standards health care providers must follow when billing patients for deductibles. Specifically, the Rule provides that it shall be an unfair and deceptive act or practice for any health care providers to require payment toward a deductible before all claims for the services have been adjudicated by the carrier, unless the provider satisfies specified notice, disclosure, and refund requirements. The Rule requires providers that accept voluntary pre-adjudication deductible payments to proactively identify and refund overpayments and erroneous payments, establish and maintain written refund policies and procedures, and conduct annual audits. It also establishes corresponding obligations for health insurance carriers to review complaints, identify potentially affected enrollees, notify providers of potential violations for corrective action, and retain records of such notifications. The following analyses demonstrate that the proposed Rule will provide a net benefit to the State of Rhode Island by strengthening consumer protections, promoting transparency and accountability in health care billing, and minimizing the administrative and financial impact on health care providers and carriers.

Additional Information and Public Comments:

All interested parties are invited to request additional information or submit written or oral comments concerning the proposed amendment until, _____ by contacting the appropriate party at the address listed below:

Farren Fuquea
Rules Coordinator | Deputy Chief of Policy & Legislation
150 S. Main Street
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In accordance with R.I. Gen. Laws § 42-35-2.8, an oral hearing will be granted if requested by twenty-five (25) persons, by a governmental agency or by an association having at least twenty-five (25) members. A request for an oral hearing must be made within ten (10) days of publication of this notice.

Regulatory Analysis Summary and Supporting Documentation:

The proposed Rule is intended to protect Rhode Island consumers from being improperly or excessively charged for estimated deductible amounts before their health insurance claims have been adjudicated. As health care costs and out-of-pocket expenses continue to place financial pressure on consumers, the complexity of the health care billing and insurance payment system makes it difficult for patients to independently determine whether a provider has accurately calculated the amount owed toward their deductible. In particular, consumers may have difficulty determining whether they have satisfied their annual deductible, how much of their deductible remains outstanding, or how payments for other health care services affect their remaining financial responsibility. These challenges are compounded by providers' practices of requesting payment before claims have been adjudicated, frequently at the point of service, creating a risk that consumers will pay amounts they are not ultimately obligated to pay under their insurance plans. To prevent consumers from paying more than their actual out-of-pocket health care expenses, the Office of the Attorney General (the “Office”), pursuant to its authority under R.I. Gen. Laws § 6-13.1-7, is establishing additional regulatory obligations for health care providers and health insurance carriers to ensure accurate and transparent deductible billing and protect patients from overpayment for health care services.

Although the Rhode Island Deceptive Trade Practices Act (DTPA) already prohibits unfair or deceptive acts or practices, the proposed Rule addresses a specific pattern of conduct identified through consumer complaints involving the collection of estimated deductible payments before insurance claims have been adjudicated. Patients who make these payments may be unaware that the amounts are estimates, that they are not legally obligated to pay them before claim adjudication, or that they may be entitled to a refund if they overpay. Moreover, the absence of specific requirements governing the identification and refund of deductible overpayments may leave consumers without a clear process for recovering amounts they have paid but do not actually owe, requiring them to take additional steps to obtain refunds and understand their remaining financial obligations. The proposed Rule establishes specific notice and disclosure requirements to ensure patients understand their rights, including that refusal to pay an estimated deductible will not delay or otherwise affect their care. It also requires providers that accept voluntary pre-adjudication payments to proactively identify and refund overpayments, maintain written refund policies and procedures, and conduct

annual audits. Additionally, the Rule establishes corresponding obligations for carriers to review complaints, identify potentially affected enrollees, and notify providers of potential violations for corrective action. By establishing these specific requirements, the Rule provides a framework for protecting consumers while allowing providers to continue accepting voluntary pre-adjudication payments subject to appropriate safeguards.

The Office considered alternatives to the proposed Rule, including taking no regulatory action, requiring disclosure without affirmative refund obligations, and prohibiting all pre-adjudication deductible payments. The proposed Rule was selected because it provides meaningful consumer protections while preserving flexibility in health care billing practices. Although implementation will require administrative activities by providers and carriers, including notice, reporting, refund processing, recordkeeping, and audits, these activities may be incorporated into existing billing, claims review, and account reconciliation processes. The anticipated benefits of preventing improper collections, ensuring timely refunds, promoting transparency, and protecting access to care outweigh the anticipated administrative costs. Accordingly, the proposed Rule represents a balanced and cost-effective approach to addressing consumer harm associated with estimated deductible billing while minimizing unnecessary burdens on providers and carriers.

For full regulatory analysis or supporting documentation contact the agency contact listed above.