



To: House Committee on Health & Human Services
From: Karen Malcolm, Protect Our Healthcare Coalition
Date: February 3, 2022
Re: **SUPPORT H7183** – Legislation to safeguard the ACA prohibition of annual & lifetime limits

The Protect Our HealthCare Coalition is a group of leading Rhode Island non-profits and consumer groups with a goal to protect and promote quality, affordable healthcare for all. The Coalition strongly **supports House Bill 7183** and thanks Representative Kislak and her co-sponsors for bringing it forward again this year.

The ACA put in place strong protections, guaranteeing access to comprehensive coverage that can't vary benefits and premiums based on health status. Specifically, House bill 7183 aligns Rhode Island law with the Affordable Care Act protection that assures that people will not suddenly lose health coverage if they have a particularly expensive health event. Before the Affordable Care Act, people struggling with chronic and persistent mental illness, fighting cancer or heart disease, in severe accidents, incredibly sick children, and many others battling chronic conditions were regularly cut off from coverage for needed care because they reached their annual or lifetime limit.

As policy-makers, you may ask, why now? Isn't the ACA safe? While the ACA was upheld by the U.S. Supreme Court in 2021, individual components of the Federal law remain at risk to erosion. [New Jersey](#)¹, among other states², have already taken action to codify key provisions of the law in their own statutes to protect their residents and it is time for Rhode Island to follow suit. Additionally, Rhode Island has implemented a state-based individual mandate and needs to take the next step by balancing that mandate with protections that ensure coverage is accessible and meaningful. Because this bill simply codifies existing health insurance practice, there is no cost to the state and no impact on premiums.

Why is this protection important? For context, pre-ACA, nationally about 55% of people with commercial insurance faced lifetime limits, most commonly \$1 million or \$2 million. Hitting that limit forced many into bankruptcy³ as they strived to maintain life-saving care. Between 2010 and 2016, after the ACA went into effect, [data shows](#)⁴ that personal bankruptcies declined by nearly 50% nationally.

Here in Rhode Island, The U.S. Department of Health and Human Services estimates that as many as 374,000 Rhode Islanders (including 89,000 children) benefit from the prohibition on annual/lifetime

¹ <https://acasignups.net/20/01/16/new-jersey-gov-murphy-signs-whole-bunch-aca-blue-leg-protection-bills-law>

² <https://www.ncsl.org/research/health/state-laws-and-actions-challenging-ppaca.aspx>

³ <https://www.vox.com/policy-and-politics/2017/2/15/14563182/obamacare-lifetime-limits-ban>

⁴ <https://www.consumerreports.org/personal-bankruptcy/how-the-aca-drove-down-personal-bankruptcy/>

limits. Additionally, banning limits has been shown to save Medicaid money because patients who hit a cap often ended up on Medicaid as a last resort.

Representative Kislak's bill is important for every Rhode Islander, no matter where they get their coverage, by safeguarding this important ACA protection no matter what might happen at the Federal level. It's time to ensure that Rhode Island does not go back to the days when, after paying premiums for years, people could lose coverage simply for needing life-saving care.

We urge the Committee to vote passage of H7183.

Thank you.

Protect Our Healthcare Coalition partners include: Economic Progress Institute, Mental Health Association RI, RI NOW, RI Parent Information Network, RI Health Center Association, NAACP Providence Branch, United Way of Rhode Island, Planned Parenthood of Southern New England, SEIU Rhode Island Council, Foster Forward, RI Coalition for the Homeless, Rhode Island Working Families Party, Mental Health Recovery Coalition, Oasis Wellness Center, Upstream, RI Community Food Bank, Substance Use & Mental Health Leadership Council, The Womxn Project, Rhode Island Coalition for Children and Families, HousingWorks RI, Rhode Island Organizing Project (RIOP), Thundermist Health Center

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