**At The State House**

The **Senate Labor Committee** will take testimony on **Wednesday, January 29th**, **At the Rise** (approximately 4:30 p.m.) in the **Senate Lounge**, on three bills. **S.2092** is the **workplace bullying bill** that the Senate has passed the last couple years. The bills proposes to make employers vicariously liable for bullying activities between employees. The employee can also be held liable. Abusive conduct includes verbal and physical abuse as well as sexual harassment. **S.2143** raises the **minimum wage** each year until the wage reaches $15 in January, 2025. After that, the wage would increase based on the cost of living index. The bill also raises the **tip wage** gradually to $15 by 2028. At that point the tipped wage would equal the state’s minimum wage. Effectively, this would change the restaurant business to the European model where tipping does not occur. Lastly, the Committee will take testimony on **S.2147**, which raises the **minimum wage** to $11.25 on July 1, 2020, followed by increase every year thereafter ($12, $13, $14 and $15) until the wage reaches $15 on January 1, 2024.

**Governor FY2021 Budget**

**Article 20 – Healthcare Reform Act**

The 123-page article touches many areas of the healthcare system. It seeks to insert into state law, the federal Affordable Care Act to ensure that should the federal government disband the program, Rhode Island would continue on its own. It also makes other changes to health insurance. The Article removes insurer’s ability to use prior continuous coverage for one year as an eligibility requirement to enter the individual health insurance market. Carriers must offer all of their health insurance plans to any Rhode Island resident. Carriers cannot require copays or deductibles or other cost-sharing mechanisms for preventative services provided by in-network providers. This same requirement applies to large group health insurance coverage or to small employer health insurance plans.

The Article creates multi-state licensing compact programs for physicians, nurses (RNs and LPN/VNs), psychologists and telepsychologists, physical therapists, and emergency medical personnel (EMTs, advanced EMTs and paramedics). All of these compacts require the states to establish a common database of licensees and to communicate complaints received as well as any actions taken against bad actors.

Last year, the Governor proposed a Medicaid tax/assessment on larger employers. This tax/assessment was placed on qualifying employers based on the number of employees in the company that utilize Medicaid. The Chamber and other business organizations pushed back, arguing that the tax/assessment was substantial and unpredictable since employers can’t ask employees whether or not they access or plan to access Medicaid. This year the Governor chose not to include the tax/assessment; but she did create a reporting requirement for businesses with more than 50 employees. If your business has 50 employees (no distinction between part time and full time) or more on any given day between July 1, 2019 and June 30, 2020, you are included in this requirement. Each July 1 – June 30 is a new year and businesses must make the same determination as to whether they meet the 50 employee threshold.

So what is the program and what are the business requirements?

Rhode Island has a program called RIte Share. Under federal law, Rhode Island is permitted to pay a Medicaid-eligible person’s share of the costs for enrolling in an employer-sponsored health insurance (ESI) if it is cost effective. The ESIs have to meet certain cost and coverage requirements. The Governor’s plan expands RIte Share to include wrap-around services (costs associated with services not included in an ESI but covered under Medicaid) and premium coverage for employees covered by Medicaid but not the ESI.

Employers with more than 50 employees would be required to annually provide to the State “sufficient and necessary information” for the Medicaid agency to determine an employee’s eligibility for the expanded RIte Share program. Also, employers would have to provide quarterly reports (1) notifying the State when an employee is no longer working for the employer or has lost ESI, and (2) stating which employees are covered by ESI and which employees are not covered. Employers would be required to provide employees with information about RIte Share with enrollment materials; and to participate in an employer education and outreach campaign to be run by the Executive Office of Human Services. The first report would be due between November 15, 2020, and December 15, 2020. Lastly, employers would NOT be able to offer “financial incentives for employees to turn down ESI and remain on Medicaid.” This last requirement seems to suggest that employers could not provide any financial “bump” to employees that choose to decline health insurance for any reason (even if the spouse has insurance), because the employer would have to delve into the employee’s reasons for turning down the insurance in order to provide the financial “bump.”

The penalties for noncompliance are steep. Failure to timely report leads to a $2500 fine. Falsifying data is a $5000 fine.

This provision of the Article – reports by employers with 50+ employees – is proposed to become effective upon passage.

**Article 14 – Relating to Medical Assistance**

Article 14 addresses Medicaid payments and reimbursement rates. Current law allows for direct vendor payments for medical care; and this article would additionally allow the Executive Office of Health and Human Services (EOHHS) to allow for additional payment options. Other changes to the Medicaid program include:

* $3.00 copay for inpatient hospitalization (individuals over 19 years of age who are not disabled, in a facility or pregnant, and for which an aggregate of the new copays would not exceed 5% of the countable income)
* $1.00 copay for certain drugs for diabetes, high blood pressure and high cholesterol
* $3.65 (a $.65 increase) copay for all other drugs
* No copay for family planning prescription drugs
* Medicaid services cannot be withheld due to the beneficiary’s inability to pay a copay
* No increase in the Diagnosis Related Groups method of payment from July 1, 2020 to June 30, 2021 for fee-for-service inpatient hospital services (this rate was increased in 2018)
* Holds the fee for out-patient services to the rates established July 1, 2019.
* Effective October 1, 2020, Medicaid rates for nursing facilities would be increased by 1%, but the increase in payment must be used to increase wages paid to direct care staff

The Article then requests permission from the General Assembly to make the following changes to the health care system:

* Eliminate risk share arrangements with health plans and increase capitation rates
* Increase non-emergency medical transportation rates
* Provide coverage for Doula services (Doulas assist women through pregnancy)
* Require for-profit employers with 50+ employees to submit the information discussed in Article 20 which is outlined above and allow for the promulgation of any regulations that might be necessary to carry out that reporting program
* Increase wages for direct care employees of the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals (BHDDH)
* Review Medicaid requirements and opportunities under the Patient Protection and Affordable Care Act of 2010 and pursue “any changes in the Rhode Island Medicaid program that promote service quality, access and cost-effectiveness that may warrant a Medicaid state plan amendment”

These proposed changes likely apply to Medicaid and RIte Share only, but the Chamber will be reaching the matter further.

The following bills were filed last week:

House Bill No. [7186](http://webserver.rilin.state.ri.us/BillText/BillText20/HouseText20/H7186.pdf)   Phillips, Casey, Serodio, Hawkins, Ruggiero**,**AN ACT RELATING TO TAXATION -- SALES AND USE TAXES -- ENFORCEMENT AND COLLECTION (Eliminates the ten dollar ($10.00) fee requirement for the sales tax permit.)

House Bill No. [7224](http://webserver.rilin.state.ri.us/BillText/BillText20/HouseText20/H7224.pdf) Edwards, Diaz, Slater, Bennett, Williams**,**AN ACT RELATING TO PUBLIC PROPERTY AND WORKS-MINORITY BUSINESS ENTERPRISE (Provides that any women's business enterprise that is certified under the Federal Small Business Act would be deemed certified by the department of administration as a women's business enterprise.)

House Bill No. [7225](http://webserver.rilin.state.ri.us/BillText/BillText20/HouseText20/H7225.pdf) Edwards, Diaz, Slater, Williams**,**AN ACT RELATING TO LABOR AND LABOR RELATIONS - PAYMENT OF WAGES (Eliminates repealed statute references and create a mechanism for employees to enforce their existing right to continuation of medical benefits.)

House Bill No. [7226](http://webserver.rilin.state.ri.us/BillText/BillText20/HouseText20/H7226.pdf) Edwards, Donovan, Cassar, Canario, Diaz**,**AN ACT RELATING TO LABOR AND LABOR RELATIONS -- UNLAWFUL EMPLOYMENT PRACTICES (Prohibits an employer, employment agency, labor organization, or employee, to commit any act declared to be an unlawful employment practice; individuals would be held personally liable for such conduct.)

House Bill No. [7227](http://webserver.rilin.state.ri.us/BillText/BillText20/HouseText20/H7227.pdf) Donovan, Williams, Alzate, Shekarchi, Blazejewski**,**AN ACT RELATING TO LABOR AND LABOR RELATIONS -- FAIR EMPLOYMENT PRACTICES (Comprehensively addresses wage discrimination by expanding employee protections and the scope of the remedies available to employees who have experienced wage discrimination.)

House Bill No. [7268](http://webserver.rilin.state.ri.us/BillText/BillText20/HouseText20/H7268.pdf) Diaz, Alzate, Mendez, Bennett**,**AN ACT RELATING TO HEALTH AND SAFETY - PUBLIC HEALTH AND WORKPLACE SAFETY ACT (Provides that any law or regulation which protects a person from exposure to second hand smoke would also provide protection from exposure to second-hand marijuana smoke, regardless of how the smoke was generated.)

House Bill No. [7287](http://webserver.rilin.state.ri.us/BillText/BillText20/HouseText20/H7287.pdf) Shekarchi, Edwards, Noret, Serodio, Amore**,**AN ACT RELATING TO LABOR AND LABOR RELATIONS – MINIMUM WAGES (Repeals § 28-12-9 of the general laws which provides that the director of labor and training may approve of wages below the minimum wage for those persons whose earning capacity is impaired due to physical or mental disability.)

House Bill No. [7306](http://webserver.rilin.state.ri.us/BillText/BillText20/HouseText20/H7306.pdf) McEntee, Shekarchi, Bennett, Craven, Knight**,**AN ACT RELATING TO HEALTH AND SAFETY -- PLASTIC WASTE REDUCTION ACT (Creates the "Plastic Waste Reduction Act" designed to reduce the use of plastic bags by retail establishments by offering recyclable bag options and providing penalties for violations.)

House Bill No. [7307](http://webserver.rilin.state.ri.us/BillText/BillText20/HouseText20/H7307.pdf) Cortvriend, Marszalkowski, Speakman, Shekarchi, Ranglin-Vassell**,**AN ACT RELATING TO HEALTH AND SAFETY - PFAS IN FOOD PACKAGING (Prohibits PFAS, a class of fluorinated organic chemicals, from being used in food packaging.)

House Bill No. [7310](http://webserver.rilin.state.ri.us/BillText/BillText20/HouseText20/H7310.pdf) Shanley, Barros, Casimiro**,**AN ACT RELATING TO TAXATION -- SALES AND USE TAXES (Phases out the tangible tax for businesses over five years, while reimbursing the city, towns, and fire districts 50% of the revenue lost. Provides that each city or town would receive 0.05% of any sales tax revenue generated within said city or town.)

House Bill No. [7311](http://webserver.rilin.state.ri.us/BillText/BillText20/HouseText20/H7311.pdf) Shanley, Barros, Casimiro**,**AN ACT RELATING TO TAXATION -- INVESTMENT TAX CREDIT (Requires a business entity receiving tax incentives from the state of Rhode Island or a local municipality to report their eligibility said tax incentive.)

Senate Bill No. [2030](http://webserver.rilin.state.ri.us/BillText/BillText20/SenateText20/S2030.pdf) DiPalma, Euer, Goldin, Seveney, Paolino**,**AN ACT RELATING TO COMMERCIAL LAW - GENERAL REGULATORY PROVISIONS - INTERNET PRIVACY AND SECURITY (Establishes that manufacturers of devices capable of connecting to the Internet equip the devices with reasonable security features.)

Senate Bill No. [2046](http://webserver.rilin.state.ri.us/BillText/BillText20/SenateText20/S2046.pdf) DiPalma, Seveney, Satchell, Valverde, Euer**,**AN ACT RELATING TO TAXATION - JOBS DEVELOPMENT ACT (Sunsets/discontinues the Jobs Development Act rate reduction as of July 1, 2020.)

Senate Bill No. [2047](http://webserver.rilin.state.ri.us/BillText/BillText20/SenateText20/S2047.pdf) Satchell, Valverde, Euer, Conley, Miller**,**AN ACT RELATING TO TAXATION -- PERSONAL INCOME TAX (Establishes a nineteen percent (19%) carried interest fairness fee for investment management services in order to tax the carried interest income of hedge fund and private equity investors as traditional ordinary earned income.)

Senate Bill No. [2056](http://webserver.rilin.state.ri.us/BillText/BillText20/SenateText20/S2056.pdf)  Felag, Sosnowski, Cano, DiPalma, Seveney**,**AN ACT RELATING TO TAXATION - SALES AND USE TAXES - LIABILITY AND COMPUTATION (Eliminates the sales tax on taxi services and pet care services.)

Senate Bill No. [2059](http://webserver.rilin.state.ri.us/BillText/BillText20/SenateText20/S2059.pdf) Satchell, Seveney, Conley, Bell, Quezada**,**AN ACT RELATING TO TAXATION -- PERSONAL INCOME TAX (Adds three (3) new income tax brackets at rates of 7,99%, 8.49% and 8.99% for taxable income from $275,000 to over $1,000,000 effective January 1, 2021.)

Senate Bill No. [2068](http://webserver.rilin.state.ri.us/BillText/BillText20/SenateText20/S2068.pdf) Satchell, Sosnowski, Quezada, Seveney, Coyne**,**AN ACT RELATING TO HEALTH AND SAFETY -- PROHIBITION OF PFAS IN FOOD PACKAGING ACT (Prohibits PFAS, a class of fluorinated organic chemicals, from being used in food packaging.)

Senate Bill No. [2072](http://webserver.rilin.state.ri.us/BillText/BillText20/SenateText20/S2072.pdf) Archambault**,**AN ACT RELATING TO MOTOR AND OTHER VEHICLES -- SIZE, WEIGHT AND LOAD LIMITS--SMITHFIELD AND LINCOLN (Prohibits commercial motor trucks, with a gross weight rating of twenty-six thousand one pounds (26,001 lbs.) or more, from traveling on Limerock Road, in Smithfield and Lincoln.)

Senate Bill No. [2092](http://webserver.rilin.state.ri.us/BillText/BillText20/SenateText20/S2092.pdf) Ciccone, Nesselbush, Bell, Quezada, Picard**,**AN ACT RELATING TO LABOR AND LABOR RELATIONS -- HEALTHY WORKPLACE (Provides for opt-out of information disclosure by HIE of confidential health care information.)

Senate Bill No. [2108](http://webserver.rilin.state.ri.us/BillText/BillText20/SenateText20/S2108.pdf) Sosnowski, McCaffrey, Lynch Prata, Conley, McKenney**,**AN ACT RELATING TO HEALTH AND SAFETY -- ECONOMIC AND CLIMATE RESILIENCE ACT OF 2020 (Establishes a fee on companies that sell fossil fuels in Rhode Island for consumption or distribution within the state and establishes an "economic and climate resilience fund" to disburse the collected funds.)

Senate Bill No. [2125](http://webserver.rilin.state.ri.us/BillText/BillText20/SenateText20/S2125.pdf) Sosnowski, McCaffrey, Lynch Prata, Goodwin, Gallo**,**AN ACT RELATING TO INSURANCE -- ACCIDENT AND SICKNESS INSURANCE POLICIES (Prohibits insurance companies from varying the premium rates charged for a health coverage plan based on the gender of the individual policy holder, enrollee, subscriber, or member.)

Senate Bill No. [2140](http://webserver.rilin.state.ri.us/BillText/BillText20/SenateText20/S2140.pdf) Euer, Goldin, Murray, Valverde, Cano**,**AN ACT RELATING TO LABOR AND LABOR RELATIONS -- FAIR EMPLOYMENT PRACTICES (Forbids an employer to require an employee to execute a nondisclosure agreement; or non-disparagement agreement regarding alleged violations of civil rights or criminal conduct as a condition of employment.)

Senate Bill No. [2143](http://webserver.rilin.state.ri.us/BillText/BillText20/SenateText20/S2143.pdf) Quezada, Valverde, Nesselbush, Metts, Ciccone**,**AN ACT RELATING TO LABOR AND LABOR RELATIONS -- MINIMUM WAGES (Gradually increases the hourly minimum wage from $10.50 to $15 by July 1, 2024, and the hourly minimum wage for employees receiving gratuities from $3.89 an hour to $15 an hour by January 1, 2028.)