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# 1997 Survey of Rhode Island Law: Health Law & Policy: An Act Relating to Health Insurance - Whistleblowers Protection

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**Health Law & Policy.** *An Act Relating to Health Insurance—Whistleblowers Protection.* Provides that no accident or sickness insurer, nonprofit hospital corporation, nonprofit medical-services corporation or health-maintenance organization may retaliate against a physician or medical services provider because the physician reports a violation by the insurer of a subscriber or membership agreement, law, rule or regulation. Effective, July 3, 1997. 1997 R.I. Pub. Laws ch. 27.

This legislation (the Act) amends chapter 27-18 of the Rhode Island General Laws. The Act is separated into three distinct categories: (1) whistleblowers protection,<sup>1</sup> (2) penalties and remedies<sup>2</sup> and (3) additional relief and damages.<sup>3</sup> The Act makes it a misdemeanor for an accident or sickness insurer, nonprofit hospital corporation, nonprofit medical-services corporation or health-maintenance organization to retaliate directly or indirectly against a physician or medical-services provider for informing any public or private agency of a violation of the providers membership agreement, or of a violation of law, rule or regulation. The penalty for any violation enumerated above is \$1000, imprisonment for up to one year or both fine and imprisonment.<sup>4</sup> Furthermore, if the party willfully or negligently violates the provision, then a civil penalty may be assessed by the insurance commissioner of up to \$5000 for each violation.<sup>5</sup>

The Act adds additional relief provisions providing that a physician or medical provider may bring a civil action for appropriate

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1. R.I. Gen. Laws § 27-18-45 (Supp. 1997) (covering accident and sickness insurers); *see also id.* § 27-19-37 (Supp. 1997) (covering nonprofit hospital-service corporations); *id.* § 27-20-32 (Supp. 1997) (covering nonprofit medical-service corporations); *id.* § 27-41-46 (Supp. 1997) (covering health-maintenance organizations).

2. *See* R.I. Gen. Laws § 27-18-46 (Supp. 1997) (covering accident and sickness insurers); *see also id.* § 27-19-38 (Supp. 1997) (covering nonprofit hospital-service corporations); *id.* § 27-20-32 (Supp. 1997) (covering nonprofit medical-service corporations); *id.* § 27-41-46 (Supp. 1997) (covering health-maintenance organizations).

3. *See* R.I. Gen. Laws § 27-18-47 (Supp. 1997) (covering accident and sickness insurers); *see also id.* § 27-19-39 (Supp. 1997) (covering nonprofit hospital-service corporations); *id.* § 27-20-34 (Supp. 1997) (covering nonprofit medical-service corporations); *id.* § 27-41-48 (Supp. 1997) (covering health-maintenance organizations).

4. *See id.* § 27-18-46(a).

5. *See id.* § 27-18-46(b). Each violation is considered a separate offense.

injunctive relief, actual and punitive damages.<sup>6</sup> In addition, the Act outlines the jurisdiction where the action may be brought, stating that it must commence in the superior court within the county where the violation occurred, the county where the complainant resides or the county where the insurer maintains his principal place of business.<sup>7</sup> Finally, the Act provides that the superior court shall order as reinstatement of the provider agreement if the court considers it appropriate.<sup>8</sup>

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6. *See id.* § 27-18-47(a). The party may also add reasonable costs and attorneys fees.

7. *Id.* § 27-18-47(b) (accident and sickness insurers); § 27-19-39(b) (nonprofit hospital corporations); § 27-20-34(b) (nonprofit medical-service corporations); *id.* § 27-41-48(b) (health-care maintenance organizations).

8. *See id.* § 27-18-47(c) (accident and sickness insurers); § 27-19-39(c) (nonprofit hospital-service corporations); *id.* § 27-20-34(c) (nonprofit medical-service corporation); *id.* § 27-41-48(c) (health-care maintenance organization).