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HOUSE BILL 2959

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State of Washington

66th Legislature

2020 Regular Session

By Representatives Riccelli, Robinson, and Pollet

Read first time 03/02/20. Referred to Committee on Health Care & Wellness.

1 AN ACT Relating to requiring the reporting of paid claims by  
2 covered entities to the office of the insurance commissioner; and  
3 adding a new section to chapter 48.43 RCW.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 48.43  
6 RCW to read as follows:

7 (1) A covered entity is required to report to the commissioner's  
8 office annually on claims paid during the preceding calendar year.  
9 The first report is due September 1, 2020, for all claims paid during  
10 calendar year 2019. Reports are due by May 1st each year thereafter.

11 (2) The report shall be in the manner and form required by the  
12 commissioner's office; however, it must include the number of  
13 individual claims for each type of claim, the total dollar value paid  
14 for each type of claim, the average dollar value paid for each type  
15 of claim, and other relevant information for the following types of  
16 claims:

17 (a) Claims paid for medical care in a hospital;

18 (b) Claims paid for medical care in a medical facility other than  
19 a hospital;

20 (c) Claims paid for dental care;

21 (d) Claims paid for pharmaceutical care;

1 (e) Claims paid for ancillary care, including ambulatory services  
2 and emergency and nonemergency transportation;

3 (f) Claims paid for services provided by any professional  
4 regulated under chapter 18.130 RCW, except for veterinarians,  
5 marriage and family therapists, athletic trainers, massage  
6 therapists, and mental health counselors; and

7 (g) Claims paid for behavioral health services, including mental  
8 health and substance use disorder treatment.

9 (3) Beginning December 1, 2020, and continuing annually  
10 thereafter, the commissioner's office must submit a report  
11 summarizing the claims paid by covered entities to the appropriate  
12 committees of the legislature.

13 (4) The definitions in this subsection apply throughout this  
14 section unless the context clearly requires otherwise.

15 (a) "Claims-related expenses" means:

16 (i) Cost containment expenses including payments for utilization  
17 review, care or case management, disease management, medication  
18 review management, risk assessment, and similar administrative  
19 services intended to reduce the claims paid for health and medical  
20 services rendered to covered individuals by attempting to ensure the  
21 needed services are delivered in the most efficacious manner possible  
22 or by helping those covered individuals maintain or improve their  
23 health;

24 (ii) Payments that are made to or by an organized group of health  
25 or medical service providers in accordance with managed care risk  
26 arrangements or network access agreements if the payments are  
27 unrelated to the provision of services to specific covered  
28 individuals; and

29 (iii) General administrative expenses.

30 (b) "Covered entity" means health carriers as defined in RCW  
31 48.43.005, third-party administrators, and employers offering self-  
32 funded coverage.

33 (c) "Health and medical services" means:

34 (i) Services including furnishing medical care, dental care,  
35 pharmaceutical care, and care provided in a hospital or other medical  
36 facility;

37 (ii) Ancillary services, including ambulatory services and  
38 emergency and nonemergency transportation;

39 (iii) Services provided by any professional regulated under  
40 chapter 18.130 RCW, except for veterinarians, marriage and family

1 therapists, athletic trainers, massage therapists, and mental health  
2 counselors; and

3 (iv) Behavioral health services, including mental health and  
4 substance use disorder treatment.

5 (d) "Paid claims" includes the net recovery of actual payments  
6 made on behalf of a Washington resident to a health and medical  
7 services provider or reimbursed to an individual by a covered entity.

8 "Paid claims" does not include:

9 (i) Claims-related expenses;

10 (ii) Payments made to a qualifying provider under an incentive  
11 compensation arrangement if the payments are not reflected in the  
12 processing of claims submitted for services rendered to specific  
13 covered individuals;

14 (iii) Claims paid by covered entities for specified accident,  
15 accident-only coverage, credit, disability income, long-term care,  
16 health-related claims under automobile insurance, homeowners  
17 insurance, farm owners insurance, commercial multiple peril  
18 insurance, workers compensation, and coverage issued as a supplement  
19 to liability insurance;

20 (iv) Claims paid for services to a nonresident of Washington or  
21 for services provided outside of Washington;

22 (v) Claims paid under health coverage offered to federal  
23 employees;

24 (vi) Claims paid by a tribal government or a Taft-Hartley trust,  
25 or a third-party administrator acting on behalf of a tribal  
26 government or Taft-Hartley trust;

27 (vii) Claims paid under federal and state programs, including  
28 medicare, apple health, apple health for kids, tricare, and veterans  
29 administration coverage;

30 (viii) Reimbursement to an individual under a health  
31 reimbursement arrangement authorized under the federal internal  
32 revenue code, including a flexible spending arrangement, a health  
33 savings account, an Archer medical savings account, or a medicare  
34 advantage medical savings account;

35 (ix) Cost-sharing paid by an individual, including copayments,  
36 coinsurance, and deductibles;

37 (x) Claims paid by coverage offered under chapter 48.41 RCW.

38 (e) "Third-party administrators" means any person or entity who,  
39 on behalf of a health carrier or health care purchaser other than a

1 tribal government or a Taft-Hartley trust, receives or collects  
2 charges or contributions for providers and facilities.

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