

WSR 24-15-141

AGENDA

OFFICE OF THE

INSURANCE COMMISSIONER

[Filed July 23, 2024, 5:03 p.m.]

Semi-Annual Rules Agenda

July 2024

Pursuant to RCW 34.05.314, the office of the insurance commissioner (OIC) is sending its semi-annual rules development agenda for publication in the Washington State Register. There may be additional rule-making activity not included on this agenda, and all information referenced is subject to change.

For general information on OIC's rule making, please visit the legislation and rule-making web page.

For the most up-to-date information on proposed rules, please visit the proposed rules web page.

To sign up for email or text alerts about rule changes, legislation, industry information, and consumer news, please visit the insurance updates web page.

For questions, please contact Joyce Brake, OIC policy and rules manager at rulescoordinator@oic.wa.gov or 360-725-7041.

OIC has initiated rule making on the following rules, which are all in CR-101 status:

Proposed rule	Summary
Implementation of SSB 5986 and updates to the Balance Billing Protection Act (BBPA) (Insurance Commissioner Matter R 2024-01) WSR 24-11-117	SSB 5986 was signed into law on March 19, 2024. The legislation adds ground ambulance balance billing protections to the BBPA. Rule making is necessary to revise chapter 284-43B WAC to include reference to ground ambulance services. The rules will facilitate the implementation of the law changes by ensuring that affected entities understand their rights and obligations under the new law. Rule making is also necessary to update the BBPA rules including, but not limited to, consideration of arbitrator fees and revisions to the arbitration process for arbitration authorized under RCW 48.49.135.
Relating to health care benefit managers (Insurance Commissioner Matter R 2024-02) WSR 24-11-126	E2SSB 5213 amends state law concerning the business practices of health care benefit managers (HCBMs) and pharmacy benefit managers (PBMs, which are a type of HCBM). The law's provisions address, among other issues, PBM reimbursement to pharmacies for dispensing prescription drugs; consumer access to mail order and retail pharmacies; consumer out-of-pocket costs for prescription drugs; HCBM registration and reporting; and oversight authority of OIC regarding HCBM registration and operations. Rule making is necessary to revise existing HCBM rules at chapter 284-180 WAC and to ensure that all affected entities understand their rights and obligations under the new law. In addition, rule making related to HCBMs is necessary to ensure that OIC can effectively oversee HCBMs in light of recent health care industry developments. OIC may revise provisions of chapter 284-180 WAC or chapter 284-170 WAC to accomplish this.
Prior authorization modernization and substance use disorder treatment (Insurance Commissioner Matter R 2024-03) WSR 24-11-131	In 2023, the legislature modernized prior authorization processes to prevent delays in care and improve health outcomes. To implement those objectives, OIC will resume its proposed rule making on prior authorization revisions from last year's E2SHB 1357 (RCW 48.43.830) and will include the corresponding mental health-related utilization management requirements from this year's 2SSB 6228. Multiple WAC provisions within chapter 284-43 WAC need amendments to be consistent with the enacted legislation. This effort may include, but is not limited to: (1) Updating prior authorization review time frames, clinical review criteria, and prior authorization processes; (2) updating the initial authorization requirements for substance use disorder treatment; and (3) clarifying what may be considered when determining medical necessity for substance use disorder treatment.

Proposed rule	Summary
Insurer Holding Company Act (Insurance Commissioner Matter R 2024-04) WSR 24-12-074	SB 6027 (2023) was passed to align Washington's Insurer Holding Company Act with the updated National Association of Insurance Commissioners (NAIC) model authorities including the Holding Company System Regulatory Act and Insurance Holding Company System Model Regulation with Reporting Forms. The NAIC revised these models in 2020 and adopted the updated versions as accreditation requirements for state insurance regulators effective January 1, 2026. This rule making will fully implement the new law and updates to NAIC model laws and provide administrative guidance and regulatory clarification for the group capital calculation requirements, including insurance holding company exemptions. Additionally, this rule making is designed to adopt the complete group capital calculation framework recommended by the NAIC.
Consolidated health care (Insurance Commissioner Matter R 2024-05) WSR 24-12-075	OIC is considering consolidated health care rule making due to the recent passage of insurance-related legislation and other changes in law. Multiple provisions of health care and insurance regulations in WAC may need to be updated by OIC to be consistent with the legislation passed and codified in RCW and recent federal law changes. This rule making may include, but is not limited to, clarifying prescription drug coverage for behavioral health treatment; updating reimbursement and collaboration requirements related to physician assistants; updating the definition of "established relationship" as applied to audio-only telemedicine services; and clarifying coverage and cost sharing requirements for preventive services.
Producer and adjuster licensing requirements (R 2024-06) WSR 24-13-082	The proposed rule will update chapter 284-17 WAC to ensure producer and adjuster licensing requirements are clear, relevant, and aligned with Title 48 RCW insurance laws and the planned National Insurance Producer Registry (NIPR) interface enhancement. The rule will also: <ul style="list-style-type: none"> • Simplify the licensing process for limited-line credit insurance by automatically adding it for producers already licensed for life, disability, property or casualty insurance. • Allow insurance agencies to designate a new responsible licensed producer (DRLP) during license renewal if the current DRLP is inactive, fixing an issue identified by NIPR. • Simplify the fee structure for the cancellation of producer licenses. This will simplify fee calculations and prevent delays in implementing new NIPR features. • Remove outdated language that exempted crop adjusters from continuing education (CE) requirements, aligning with a 2022 rule that mandated CE for all licensed resident adjusters. • Remove references to pre-licensing education (PLE) to follow a 2023 law that abolished the PLE requirement. • Remove references to specific dates for electronic submissions, as all licensing processes are now fully electronic.

In addition to the above-mentioned topics, any person may petition OIC under RCW 34.05.330 requesting the adoption, amendment, or repeal of any rule.

David Schumacher
Director