

Washington

Washington Insurance Commission
Insurance Building
Olympia, WA 98504-0321
(206) 753-7300

Summary of Important Regulations

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|-----------------------------|-----|
| MEWA Regulations | No |
| TPA Regulations | No |
| Stop-Loss Regulations | Yes |
| UR Regulations | No |

NAIC Model Laws and Regulation

| <u>Name of Model Law/Regulation</u> | <u>Model/Similar</u> | <u>Related</u> |
|--|---|---|
| Health Insurance Reserves Model Regulation | Wash. Rev. Code Ann. §§ 284-16-400 to 284-16-540 | None |
| Comprehensive Health Ins. Cost Containment Model Act | None | None |
| Standardized Health Claims Form Model Regulation | None | Bulletins 78-4, 78-10, 84-5 |
| Small Employer Health Insurance Availability Model Law | None | Wash. Rev. Code Ann. § 48.20.028; §§ 48.21.045 to 48.21.047; §§ 48.44.022 to 48.44.024; §§ 48.46.064 to 48.46.068 |
| Model Regulation To Eliminate Unfair Sex Discrimination | None | Wash. Rev. Code § 48.30.300 |
| Health Information Privacy Model Law | None | None |
| Preferred Provider Arrangements Model Law | None | None |
| Utilization Review Model Law | Wash. Admin. Code R §§ 284-43-500 to 284-43-560 | None |
| Managed Care Plan Network Adequacy Model Law | None | Wash. Admin. Code R §§ 284-43-110 to 284-43-360 |
| Third Party Administrator Law | None | None |

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| Health Examination Benefits Availability Law | None | None |
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NAIC Model Laws and Regulation

| <u>Name of Model Law/Regulation</u> | <u>Model/Similar</u> | <u>Related</u> |
|--|---|--|
| Accident and Sickness Insurance Minimum Standards Model Law | Wash. Rev. Code Ann. §§ 48.20.450 to 48.20.480 | None |
| Agents and Brokers Licensing Model Law | None | Wash. Rev. Code Ann. §§ 48.17.010 to 48.17.600 |
| MEWA Licensing Model Law | None | Utah Ins. Reg. R. 590.88 |
| Managing General Agents Law | Wash. Rev. Code Ann. §§ 48.98.005 to 48.98.901 | Wash. Admin. Code R. §§ 284-12-200 to 284-12-280 |
| Health Maintenance Organization Model Law | None | Wash. Rev. Code Ann. §§ 48.46.010 to 48.46-920 |
| Insurance Information and Privacy Protection Law | None | None |
| Unfair Trade Practices Law | Wash. Rev. Code Ann. §§ 48.30.010 to 48.30.270 | None |
| Model Regulation on Unfair Discrimination in Life and Health Insurance on the Basics of Physical or Mental Impairment | None | Wash. Rev. Code Ann. § 48.30.300 |
| Model Regulation on Unfair Discrimination in Life and Health Insurance on the Basics of Washington | None | Wash. Rev. Code Ann. § 48.30.300; See Bulletin 86-6 |

Total or Partial Blindness

NAIC Model Laws and Regulation

| <u>Name of Model Law/Regulation</u> | <u>Model/Similar</u> | <u>Related</u> |
|--|-----------------------------------|--|
| Unfair Discrimination against Subjects of Domestic Abuse in Health Benefit Plans Model Law | None | Wash. Rev. Code Ann. § 48.18.550 |
| Unfair Claims Settlement Practices Law | Wash. Admin. Code R. § 284-30-330 | None |
| Improper Termination Practices Law | None | None |
| Employee Leasing Registration Model Law | None | None |
| Private Employer Workers' Compensation Group Self-Insurance Model Law | None | Wash. Admin. Code R. §§ 296-15-010 to 296-15-065 |
| Public Employee Workers' Compensation Group Self-Insurance Model Law | None | None |
| Twenty Four Hour Coverage Pilot Project Model Law | None | None |

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State-Mandates

Benefits That Must Be Covered

- Alcoholism treatment
- Breast reconstruction
- Contraceptives (only if prescription drugs are covered)
- Drug abuse treatment
- Emergency services
- Formula for PKU
- Mammography screening
- Minimum maternity stays
- Neurodevelopmental therapy
- Second medical and surgical opinion

Benefits That Must Be Offered

- Home health care
- Hospice care
- Mental health
- TMJ disorders

Persons Who Must Be Allowed Coverage

- Adopted children
- Continuation/dependents
- Continuation/employees
- Conversion to non-group
- Handicapped dependents
- Newborns

Providers Who Must Be Covered

- Chiropractors
- Dentists
- Licensed Health Professionals
- Nurses
- Nurse Midwives
- Nurse Practitioners
- Optometrists
- Physical Therapists

- Podiatrists
- Psychologists

Coordination of Benefits

- | | |
|----------------------------|-----|
| • Birthday Rule? | Yes |
| • Divorced/Separated Rule? | Yes |
| • Joint Custody Rule? | No |
| • Active v. Inactive Rule? | Yes |
| • Longer v. Shorter Rule? | Yes |
| • Managed Care Rule? | No |
| • COBRA Rule? | No |
| • Preservation Rule? | No |

Patient's Bill of Rights Legislation

Yes

High Risk Health Pool

Yes – capped at 150%

External Grievance System

Yes – all health plans

Basis of Filing Grievances

Denial, modification or reduction of a claim payment or termination of coverage

Status of Decision of Grievance Panel

Binding on insurer only

Prompt Payment of Health Claim Requirement

Yes – 60 days

Miscellaneous

- Reconstructive breast surgery resulting from a mastectomy which resulted from disease, illness, or injury including coverage for all stages of one reconstructive breast reduction on the nondiseased breast after definitive reconstructive surgery on the diseased breast has been performed.
- Prenatal diagnosis of congenital disorders, if the contract provides benefits for pregnancy, childbirth, or related medical conditions to enrollees.
- Formulas necessary for the treatment of phenylketonuria.
- Screening or diagnostic mammography services, delivered on the recommendation of the patient's physician or certified advanced registered nurse practitioner, if the policy covers hospital or medical expenses; deductible or copayment provisions may be applied and an insurer may negotiate rates and contract with specific providers for the delivery of mammography services.

- Treatment of temporomandibular joint disorder, offered on a mandatory option basis; policies offering medical coverage only may limit benefits to medical services, while policies offering dental coverage only may limit such benefits to dental services, although no insurer offering only medical coverage may define all such disorders as purely dental in nature, and no insurer offering dental coverage only may define them as purely medical.
- Employer-sponsored group policies of comprehensive health insurance must include coverage for neurodevelopmental therapies for covered individuals age six and under; such benefits may be subject to deductibles and/or copayments, the submission of written treatment plans, and standard waiting periods for preexisting conditions.

MEWA Regulation

Washington State has contracted all health insurance entities to report that unless they are licensed as a health insurance provider, they will be deemed unqualified, MEWAs being their general target. Washington will issue a certificate of authority to transact disability insurance in the state as an insurer, or it must be registered as either a health care service contractor or a health maintenance organization. The health care service contractor is analogous to the Blues and is an alternative to MEWA status in Washington. This is an idea that may take flight in other states as an alternative to closing down MEWAs.

TPA Regulations

TPA Registration.¹ Washington does not have a TPA licensing statute at this time. However, TPAs should be aware of certain provisions of the Washington Insurance Code pertaining to the Insurance Commission's authority over *nontraditional life and health insurance providers*. Similarly, there is a regulation dealing with unfair practices with respect to out-of-state group life and disability insurance which might impact on the operations of TPAs.²

Stop-Loss Regulation

Washington Insurance Department, by statute,³ requires a specific minimum of the lesser of \$5,000 or 5% of expected claims and an aggregate no less than 120% of such expected claims.

Utilization Review Regulations

Not regulated.

Miscellaneous

Small Group Reform

Washington permits basic group health insurance policies to be offered to employers of fewer than 25 employees.⁴ These policies may provide coverage for a hospital expense and services rendered by a physician,

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but is not subject to the state's mandated benefits provisions. In addition, regulations have been issued concerning the small group basic coverage policy.

However, an insurer may still offer benefits in excess of the basic coverage authorized by this law. This insurance policy may not supplant or supersede any existing policy for the benefit of employers in the state. Moreover, it does not restrict the right for employees to collectively bargain for insurance providing benefits in excess of those provided by this law. These provisions are also applicable to health care services contracts and to health maintenance agreements.

MSA Legislation

No action.

State Premium Taxes

All carriers pay 2%, subject to an additional 125% for Insurance Department maintenance.

Continuation of Coverage and Conversion of Benefits

Washington state law requires group disability policies to allow employees to continue coverage during a labor dispute that results in the suspension or termination of wages. Employees may be required to pay the full cost of the premium as required by the insurer.⁵ Continued coverage in this case must be allowed for up to six months.

Washington law requires insurers to allow individuals who lose their coverage under a group policy to convert to individual coverage without evidence of insurability. Converted policies cannot exclude preexisting conditions that were covered by the group policy.

Registration of Self-Funded Plans

A self-funded plan must register with the State Insurance Department. If the plan cannot show that it is subject to the jurisdiction of some other state or federal agency, it must meet certain solvency requirements and must comply with the insurance code.⁶

Self-Funded School Districts

School districts and educational service districts that self-fund must purchase stop-loss insurance, use the services of a TPA, and comply with mandated benefits.⁷

Endnotes

- ¹ Wash. Rev. Code Ann. § 48.42.
- ² Wash Admin. Code R § 284-30.600.
- ³ Wash. Rev. Code Ann. § 48.21:045.
- ⁴ Wash. Rev. Code Ann. § 48.21:105.
- ⁵ Wash Rev. Code Ann. § 48.21:260.
- ⁶ Wash. Rev. Code Ann. § 48.21.010.
- ⁷ Wash. Rev. Code Ann. § 48.6.2.