

## Legislative Summary – May 7, 2019

Bill	Title	Impacted RCWs	
SSB 5106	OIC request legislation  Natural Disaster Mitigation	<i>This legislation will create a work group comprised of 28 entities (legislators, state agencies, insurance companies and other key stakeholders) to review disaster mitigation and preparation projects in this state and other states, make recommendations regarding how to coordinate and expand state efforts to mitigate the impacts of natural disaster and evaluate whether an ongoing resiliency program should be created.</i> OIC Involvement: The Commissioner is the chair of the workgroup. A preliminary report is due to the legislature, Governor, the Superintendent of Public Instruction and the Commissioner of Public Lands by November 1, 2019 and a final report on December 1, 2020. OIC will be coordinating this work group.	Delivered to the Governor
2SHB 1065	OIC request legislation  Out of Network Health Care	<i>This legislation will stop patients from getting an additional or “surprise” bill, after the patient’s health plan has paid an out-of-network provider and the patient has paid the cost-sharing they would pay for in-network care (such as a co-pay) when they receive medical care for an emergency or after receiving services at an in-network hospital or ambulatory surgical center when surgical or ancillary services (surgeon, pathology, anesthesiology, radiology, hospitalist or lab) are provided by an out-of-network provider. This legislation is required to be liberally construed to promote the public’s interest by ensuring that consumers are not billed out-of-network charges in these circumstances and are not put in the middle between health carriers and medical provider billing disputes.</i>  OIC’s involvement: Engage in rulemaking to define emergency services, develop the use and format of the standardized template for consumer notifications, update rules regarding provide contracts and network adequacy, and anything else needed for effective implementation of this legislation. The Commissioner is also required to contract with the APCD to develop a data set of median in-network and out-of-network allowed amounts for services to be used by providers, carriers and arbitrators during dispute resolution and to prepare and submit to the legislature an annual report summarizing the dispute resolution information provided by arbitrators.	Delivered to the Governor
SB 5032	OIC request legislation  Medicare Supplement Plans (MACRA)	<i>This bill aligns Washington law with recent federal changes in the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) and Children’s Health Insurance Program (CHIP) statutes, which seek to prevent overutilization of services. This new law prevents “new enrollee” from purchasing a Medicare Supplement Plan which provides coverage for Part B deductible and allows companies to offer a new Plan G with a high deductible option. The federal changes have been published for 3 years so most insurers and consumer groups are aware of the upcoming changes to plans C and F which after 2020 will be references and D and G.</i>  OIC’s involvement: Engage in rulemaking to bring applicable WACs into compliance with federal requirements contained in the new MACRA legislation.	Governor signed on 4/17/19 Effective date is 7/28/19

HB 1001	Service Contract Providers	<p><b><i>This legislation amends various section of existing law involving service contract and protection product guarantee providers to allow for additional matters to be consider a service contract, to change the solvency requirements, to change the basis for suspension, change when a vehicle service contract provider is considered wholly owned by a motor vehicle manufacturer and adds a new section on how minimum stockholders equity will be calculated.</i></b></p> <p>OIC's involvement: Engage in rulemaking related to solvency requirement.</p>	Governor signed on 4/8/19 Effective date is 7/28/19
SHB 1075	Consumer Competitive Group Ins.	<p><b><i>This legislation amends the insurance inducement law to permit an implementation credit payment to offset documented expenses incurred by a large group policyholder in changing coverages from one insurer to another. Implementation credits must be described in the policy or applicable filing with OIC and are considered part of the premium tax. This legislation take effect July 1, 2020.</i></b></p> <p>OIC's involvement: Review and evaluate new legislation. Implementation has been delay until 7/1/20 so there is a little more time to work with the implementation of the new legislation.</p>	Delivered to the Governor
ESHB 1099	Providing Notice about Network Adequacy to Consumers  (Brennen's Law)	<p><b><i>This legislation requires health carriers to post specific information about network adequacy on their websites for consumers to review. The information must include notification when a health provider or substance abuse provider is closed to new patients, whether mental health treatment and substance abuse treatment are considered primary care or specialty care, the number of business days within which an enrollee must be able to access primary care or specialty care services and actions an enrollee can take if they are unable to gain access to covered mental health or substance abuse treatment within the requisite number of business days.</i></b></p> <p>OIC's involvement: Engage in rulemaking to amend the electronic provider directory rules, identify the number of days within which an enrollee must have access to services, develop a model format to share required information. Additionally, the Commissioner may audit the information the health carrier provides related to this bill. The Commissioner is also required to publish an annual report on OIC's website related to this topic.</p>	Governor signed on 4/3/19 Effective 7/28/19
SHB 1870	Affordable Care Act Protections	<p><b><i>This legislation incorporates into Washington law several provisions of the ACA which include, but are not limited to: the definition of essential health benefits, prohibiting preexisting condition waiting periods and exclusions, maximum out of pocket protections, prohibition against health status and health coverage discrimination based upon age, disability or expected length of life and the Summary of Benefits and Coverage requirements. This legislation maintains the ACA requirements in Washington law even if the federal ACA requirement is repealed.</i></b></p> <p>OIC's involvement: Engage in rulemaking to amend and update appropriate WAC section to incorporate the ACA requirements as outlined in the new legislation.</p>	Governor signed on 4/17/19 Effective date is 4/17/19
ESHB 1879	RX Drug Utilization Management	<p><b><i>This legislation requires health carriers and prescription drug utilization management entities that restrict prescription drug coverage through use of utilization management protocols to provide the patient and the prescribing practitioner access to a clear, readily accessible, and timely exception process. It requires utilization management protocols to be evidence-based and establishes requirements and timelines for step therapy exception requests.</i></b></p> <p>OIC involvement: Engage in rulemaking to establish how the notice to participating providers would be given, the standard process requirements and external review options.</p>	Delivered to the Governor

SSB 5265	Volunteerism within State Government	<p><b><i>This legislation requires a study to review volunteer opportunities within state government. The study will evaluate volunteer utilization, costs and benefits of volunteer programs, identify barriers to volunteerism. A report is due to the legislature by July 1, 2020 with recommendations to remove barriers, support agencies in growing volunteer programs that supplement rather than replace staff, identify additional programs that could accommodate volunteers and strengthen connections between agencies and volunteer programs to support recruitment, engagement and training of volunteers.</i></b></p> <p>OIC involvement: OIC's has been named as a study participant due to OIC's state health insurance benefit advisors (SHIBA) – successful volunteer program.</p>	Governor signed on 4/17/19 Effective date is 7/28/19
ESB 5274	Dental Coverage for Pacific Islanders in WA	<p><b><i>This legislation increased access to dental service for COFA (compact of free association) nations identified as Native Hawaiian or Pacific Islanders. COFA islanders residing in Washington are eligible for a dental care program administered by HCA to pay the premium cost for a qualified dental plan for individuals who are eligible for this dental care program. The qualified health plan (QHP) will be sold on the health benefit exchange (HBE) as a send-along dental benefit plan.</i></b></p> <p>Impact to OIC: This bill may result in indeterminate revenue increase to insurance premium tax revenue. Any amounts received by OIC will be deposited in the HBE account. (Note: in general dental services are exempted from insurance premium tax unless they are a stand-alone family dental plan and offered in the individual market or small group market.) OIC is part of the COFA advisory committee in 2018 and will continue this role in 2019.</p>	Delivered to the Governor
E2SSB 5284	Smoke Detection Devices  (Gibby's home fire safety act)	<p><b><i>This legislation requires all dwelling units to have at least one smoke detection device when sold on (or after?) July 1, 2019 and creates new disclosure requirements for real estate transactions entered into after January 1, 2020. This legislation also creates a smoke detection device awareness account to be used for the purpose of raising public awareness of owners' and tenants' duties pertaining to smoke detection devices and the danger to life and property resulting from a failure to comply with those duties. Fines raised through RCW 43.44.110(5) will be deposited into this account. The OIC is required to provide a report to the legislature by December 31, 2020.</i></b></p> <p>OIC Impact: OIC must submit a report to Legislature by 12/31/20 reporting the use of credit or discounts on insurance premiums for fire alarms and smoke detection devices installed in dwelling units (single family residence, apartments, condominiums or cooperative units) prior to and after July 1, 2019. The report must include the details of the credits or discounts and the type of fire alarm or smoke detection device qualifying for a credit or discount.</p>	Delivered to the Governor
SB 5415	Indian Health Improvement	<p><b><i>This legislation is part of our state's effort to fulfill special trust responsibilities and legal obligations to American Indians and Alaska Natives by establishing the Governor's Indian Advisory Council to adopt an improvement plan, address issues with tribal implications that can't be resolved at the agency level, and provide oversight of the reinvestment account and how it should be used.</i></b></p> <p>OIC involvement: OIC is identified as a nonvoting representative to the Governor's Indian Health Advisory Council.</p>	Delivered to the Governor
ESSB 5526	Individual Health Ins. Market (public option)	<p><b><i>This legislation directs HBE to establish standardized qualified health plan benefit designs, to be offered beginning in PY 2021. It directs HCA to engage in a procurement for carriers to offer a "public option" qualified health plan that meets the criteria established in the legislation. HBE is directed to submit a study and implementation plan to the 2021 legislature for supplemental premium and/or cost-sharing subsidy design and funding.</i></b></p> <p>OIC involvement: The HBE, in consultation with OIC, must establish up to 3 standardized health plans for each of the bronze, silver and gold levels. The OIC must give final approval before the HCA can contract with the successful bidder(s) to offer a "public option" qualified health plan. The HBE, in consultation with OIC and HCA must develop a plan to implement and fund premium subsidies for individuals who modified adjusted gross incomes are less than 500% of the federal poverty level. The HCA in consultation with OIC and HBE must submit a report to the legislature by 12/1/2022 regarding impacts and success of implementing this act. Additionally, the Commissioner is required to submit an annual report to the legislature on the number of health plans available per county in the individual market.</p>	Delivered to the Governor

2SSB 5602	Reproductive Health Care for All	<p><b><i>This legislation expands previous legislation passed in 2018 to ensure all people have access to robust reproductive health services to maintain and improve their reproductive health. Carriers and providers may not discriminate in the coverage of reproductive health services based upon a person's gender identity or expression and cannot issue automatic denials for coverage of reproductive health care services based upon gender. This legislation adds student health plans and requires coverage to include access to contraception regardless of gender to be used for contraception or prevention of sexually transmitted infections, sexual assault screening and well-person preventive visits at no cost sharing. Carriers offering a qualified health plan are required to bill enrollees and collect payment through a single invoice.</i></b></p> <p>OIC Impact: OIC and human rights commissioner share enforcement authority over discrimination complaints. OIC will also engage in rulemaking related to section 3 of this act. (Note: OIC already has a rulemaking open on this topic and will incorporate this updated legislation into the existing rulemaking under R2018-10) The language in 1902 has been added to the bill and OIC will be developing a mechanism to inform plans of the need to continue with one bill despite any changes in federal law.</p>	Delivered to the Governor
SSB 5889	Insurance Communication Confidentiality (EOB)	<p><b><i>This legislation defines a "protected individual" as either an adult covered as a dependent on the enrollee's health benefit plan or a minor who may obtain health care without a parent's or legal guardian's consent via state of federal law. A health carrier is required to direct all communications regarding sensitive health care services directly to the protected individual receiving care or to a physical or email address, or telephone number specified by the protected individual. Sensitive health care services include reproductive health, sexually transmitted diseases, substance use disorder, and gender dysphoria, gender affirming care, domestic violence and mental health services.</i></b></p> <p>OIC's involvement: OIC is permitted to engage in rulemaking after considering relevant standards adopted by national managed care accreditation organizations, NAIC and after considering the effect of those standards on the ability of carriers to undertake enrollee care management and disease management programs. Additionally, OIC must develop a process for regular collection of information from carriers for the purpose of monitoring compliance and develop a standardized form protected individuals may submit to make a confidential communication request.</p>	Governor signed on 4/17/19 Effective date is 1/01/20

## Operations Budget: Appropriations

***Within the amounts appropriated, the Commissioner shall review how pharmacy benefit managers (PBM) are regulated in other states and report the findings to the governor and appropriate committees of the legislature by September 15, 2019.***

OIC's involvement: Research how other states regulate pharmacy benefit managers and provide a timely report to the legislature.

## Proviso

OIC is named as a member of the Universal Health Care workgroup.

OIC's involvement: Participation in Universal Health Care workgroup.