Chapter 284-43B WAC
BALANCE BILLING

NEW SECTION

WAC 284-43B-010 Definitions. (1) The definitions in RCW 48.43.005 apply throughout this chapter unless the context clearly requires otherwise, or the term is defined otherwise in subsection (2) of this section.

(2) The following definitions shall apply throughout this chapter:

(a) "Allowed amount" means the maximum portion of a billed charge a health carrier will pay, including any applicable enrollee cost-sharing responsibility, for a covered health care service or item rendered by a participating provider or facility or by a nonparticipating provider or facility.

(b) "Balance bill" means a bill sent to an enrollee by an out-of-network provider or facility for health care services provided to the

enrollee after the provider or facility's billed amount is not fully reimbursed by the carrier, exclusive of permitted cost-sharing.

(c) "Emergency medical condition" means a medical, mental health, or substance use disorder condition manifesting itself by acute symptoms of sufficient severity including, but not limited to, severe pain or emotional distress, such that a prudent layperson, who possesses an average knowledge of health and medicine, could reasonably expect the absence of immediate medical, mental health, or substance use disorder treatment attention to result in a condition (a) placing the health of the individual, or with respect to a pregnant woman, the health of the woman or her unborn child, in serious jeopardy, (b) serious impairment to bodily functions, or (c) serious dysfunction of any bodily organ or part.

(d) "Emergency services" means a medical screening examination, as required under section 1867 of the social security act (42 U.S.C.361395dd), that is within the capability of the emergency department of a hospital, including ancillary services routinely available to the emergency department to evaluate that emergency medical condition, and further medical examination and treatment, to the extent they are within the capabilities of the staff and facilities available at the hospital, as are required under section 1867 of the social security act (42 U.S.C. 1395dd) to stabilize the patient. Stabilize, with respect to an emergency medical condition, has the meaning given in section 1867(e)(3) of the social security act (42 U.S.C.51395dd(e)(3)).
(e) "Facility" means a hospital licensed under chapter 70.41 RCW or an ambulatory surgical facility licensed under chapter 70.230 RCW.

(f) "In-network" or "participating" means a provider or facility that has contracted with a carrier or a carrier's contractor or subcontractor to provide health care services to enrollees and be reimbursed by the carrier at a contracted rate as payment in full for the health care services, including applicable cost-sharing obligations. A single case agreement between a provider or facility and a carrier executed under WAC 284-170-200 does not constitute a contract exclusively for purposes of this definition under the balance billing protection act this subsection.

(g) "Median in-network contracted rate for the same or similar service in the same or similar geographical area" means the median amount negotiated for an emergency or surgical or ancillary service for participation in the carrier's health plan network with in-network providers of emergency or surgical or ancillary services furnished in the same or similar geographic area, excluding any in-network copayment or coinsurance imposed with respect to the enrollee. If there is more than one amount negotiated with the health plan's in-network providers for the emergency or surgical or ancillary service in the same or similar geographic area, the median in-network
contracted rate is the median of these amounts, excluding any in-network copayment or coinsurance imposed with respect to the enrollee. In determining the median described in the preceding sentence, the amount negotiated with each in-network provider is treated as a separate amount (even if the same amount is paid to more than one provider). If no per-service amount has been negotiated with any in-network providers for a particular service, the median amount must be calculated based upon the service that is most similar to the service provided. For purposes of this subsection, median means the middle number of a sorted list of negotiated reimbursement amounts, arranged in order from least to greatest, with in-network providers with respect to a certain emergency or surgical or ancillary service. If there is an even number of items in the sorted list of negotiated reimbursement amounts, the median is found by taking the average of the two middlemost numbers.

(h4) "Offer to pay," "carrier payment," or "payment notification" means a claim that has been adjudicated and paid by a carrier to an out-of-network or nonparticipating provider for emergency services or for surgical or ancillary services provided at an in-network facility.

(i) "Out-of-network" or "nonparticipating" means a provider or facility that has not contracted with a carrier or a carrier's contractor or subcontractor to provide health care services to enrollees.
(j) “Provider” means a person regulated under Title 18 RCW or chapter 70.127 RCW to practice health or health-related services or otherwise practicing health care services in this state consistent with state law, or an employee or agent of a such a person acting in the course and scope of his or her employment, that provides emergency services, or surgical or ancillary services at an in-network facility.

(k.e) "Surgical or ancillary services" means surgery, anesthesiology, pathology, radiology, laboratory, or hospitalist services.

NEW SECTION

WAC 284-43B-020 Balance billing prohibition and consumer cost-sharing. (1) If an enrollee receives any emergency services, or any nonemergency surgical or ancillary services at an in-network facility from an out-of-network provider:

(a) The enrollee satisfies his or her obligation to pay for the health care services if he or she pays the in-network cost-sharing amount specified in the enrollee's or applicable group's health plan.
contract. The enrollee's obligation must be determined using the carrier's median in-network contracted rate for the same or similar service in the same or similar geographical area. The carrier must provide an explanation of benefits to the enrollee and the out-of-network provider that reflects the cost-sharing amount determined under this subsection.

(b) The carrier, out-of-network provider, or out-of-network facility, and any agent, trustee, or assignee of the carrier, out-of-network provider, or out-of-network facility must ensure that the enrollee incurs no greater cost than the amount determined under (a) of this subsection.

(c)(i) For emergency services provided to an enrollee, the out-of-network provider or out-of-network facility, and an agent, trustee, or assignee of the out-of-network provider or out-of-network facility may not balance bill or otherwise attempt to collect from the enrollee any amount greater than the amount determined under (a) of this subsection. This does not impact the provider's ability to collect a past due balance for an applicable in-network cost-sharing amount with interest;

(ii) For emergency services provided to an enrollee in an emergency department or upon admission to an out-of-network hospital
located and licensed in Oregon or Idaho, the carrier must hold an enrollee harmless from balance billing; and

(iii) For nonemergency surgical or ancillary services provided at an in-network facility, the out-of-network provider and an agent, trustee, or assignee of the out-of-network provider may not balance bill or otherwise attempt to collect from the enrollee any amount greater than the amount determined under (a) of this subsection. This does not impact the provider's ability to collect a past due balance for an applicable in-network cost-sharing amount with interest.

(d) For emergency services and nonemergency surgical or ancillary services provided at an in-network facility, the carrier must treat any cost-sharing amounts determined under (a) of this subsection paid or incurred by the enrollee for an out-of-network provider or facility's services in the same manner as cost-sharing for health care services provided by an in-network provider or facility and must apply any cost-sharing amounts paid or incurred by the enrollee for such services toward the enrollee's maximum out-of-pocket payment obligation.

(e) If the enrollee pays an out-of-network provider or out-of-network facility an amount that exceeds the in-network cost-sharing amount determined under (a) of this subsection, the provider or
facility must refund any amount in excess of the in-network cost-sharing amount to the enrollee within thirty business days of the provider or facility's receipt of the enrollee's payment. Simple interest must be paid to the enrollee for any unrefunded payments at a rate of twelve percent per annum beginning on the first calendar day after the thirty business days.

(2) The carrier must make payments for health care services described in section 6, chapter 427, Laws of 2019, provided by an out-of-network provider or facility directly to the provider or facility, rather than the enrollee.

(3) A health care provider or facility, or any of its agents, trustees or assignees may not require a patient at any time, for any procedure, service, or supply, to sign or execute by electronic means, any document that would attempt to avoid, waive, or alter any provision of this section.

NEW SECTION

WAC 284-43B-030 Out-of-network claim payment and dispute resolution. The allowed amount paid to an out-of-network provider for
health care services described under section 6, chapter 427, Laws of 2019, shall be a commercially reasonable amount, based on payments for the same or similar services provided in a similar geographic area.

(1) Within thirty calendar days of receipt of a claim from an out-of-network provider or facility, the carrier shall offer to pay the provider or facility a commercially reasonable amount. Payment of an adjudicated claim shall be considered an offer to pay. The amount actually paid to an out-of-network provider by a carrier may be reduced by the applicable consumer cost-sharing determined under WAC 284-43B-020(1)(a). The date of receipt by the provider or facility of the carrier's offer to pay is five calendar days after a transmittal of the offer is mailed to the provider or facility, or the date of transmittal of an electronic notice of payment. The claim submitted by the out-of-network provider or facility to the carrier must contain sufficient information necessary to process the claim. The information submitted must include the name and address of the facility in which, or on whose behalf, the service that is the subject of the claim was provided. A carrier may not require submission of a clean claim, as defined in WAC 284-170-431(3), as a condition of making an offer to pay the claim.
(2) If the out-of-network provider or facility wants to dispute the carrier's offer to pay, the provider or facility must notify the carrier no later than thirty calendar days after receipt of the offer to pay or payment notification from the carrier. A carrier may not require a provider or facility to reject or return payment of the adjudicated claim as a condition of putting the payment into dispute.

(3) If the out-of-network provider or facility disputes the carrier's offer to pay, the carrier and provider or facility have thirty calendar days after the provider or facility receives the offer to pay to negotiate in good faith.

(4) If the carrier and the out-of-network provider or facility do not agree to a commercially reasonable payment amount within the thirty-calendar day period under subsection (3) of this section, and the carrier, out-of-network provider or out-of-network facility chooses to pursue further action to resolve the dispute, the dispute shall be resolved through arbitration, as provided in section 8, chapter 427, Laws of 2019.

(5)(a) To initiate arbitration, the carrier, provider, or facility must provide written notification to the commissioner and the noninitiating party no later than ten calendar days following completion of the period of good faith negotiation under subsection
(3) of this section. The written notification to the commissioner must provide dates related to each of the time period limitations described in subsections (1) through (4) of this section.

(b) If an out-of-network provider or out-of-network facility chooses to address multiple claims in a single arbitration proceeding as provided in section 8, chapter 427, Laws of 2019, notification must be provided no later than ten calendar days following completion of the period of good faith negotiation under subsection (3) of this section for the most recent claim that is to be addressed through the arbitration. All of the claims at issue must:

(i) Involve identical carrier and provider or facility parties;

(ii) Involve claims with the same or related current procedural terminology codes relevant to a particular procedure; and

(iii) Occur within a two month period of one another. For purposes of this subsection, a provider or facility claim occurs on the date the service is provided to a patient or, in the case of inpatient facility admissions, the date the admission ends.

(c) A notification submitted to the commissioner later than ten calendar days following completion of the period of good faith negotiation will be rejected.
(c) Within seven calendar days of receipt of notification from the initiating party, the commissioner must provide the parties with a list of approved arbitrators or entities that provide arbitration. The arbitrator selection process must be completed within twenty calendar days of receipt of the original list of arbitrators from the commissioner, as follows:

(i) If the parties are unable to agree on an arbitrator from the original list sent by the commissioner, they must notify the commissioner within five calendar days of receipt of the original list of arbitrators. The commissioner must send the parties a list of five arbitrators within five calendar days of receipt of notice from the parties under this subsection.

(ii) If, after the opportunity to veto up to two of the five named arbitrators on the list of five arbitrators sent by the commissioner to the parties, more than one arbitrator remains on the list, the parties must notify the commissioner within five calendar days of receipt of the list of five arbitrators. The commissioner will choose the arbitrator from among the remaining arbitrators on the list.

(d) For purposes of this subsection, the date of receipt of a list of arbitrators is the date of electronic transmittal of the list.
to the parties by the commissioner. The date of receipt of notice from
the parties to the commissioner is the date of electronic transmittal
of the notice to the commissioner by the parties.

(6) If a noninitiating party fails to timely respond without good
cause to a notice initiating arbitration, the initiating party will
choose the arbitrator.

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NEW SECTION

WAC 284-43B-040 Enrollee notice regarding poststabilization
services. When an enrollee receives emergency services at an out-of-
network facility, the carrier must take the following actions to
minimize the risk that an enrollee will be balance billed for
poststabilization services provided at the out-of-network facility:

(1) Once an enrollee who has received emergency services is
stabilized, the carrier must provide a written notice to the enrollee
in person at the point of service, informing the enrollee:

(a) That the facility and some providers that practice at the
facility are out-of-network health care providers;
(b) The range of the estimated amount that the out-of-network facility or provider may charge the enrollee for continued services;

(c) That the enrollee can be safely transferred to an in-network facility. The notice must include a list of in-network facilities in the relevant geographic area that could appropriately care for the enrollee; and

(d) Information about whether prior authorization or other care management limitations may be required in advance of receiving in-network services at the facility.

(2) The enrollee must acknowledge in writing, that the out-of-network services provided after the enrollee has been stabilized may not be covered, or may be covered at a higher out-of-network cost-sharing amount than if the service were provided at an in-network facility and that the enrollee may be balance billed amounts in excess of their applicable cost-sharing amount under their health plan.

(3) The notice under subsection (1) of this section shall be in a format determined by the commissioner to give a reasonable layperson clear comprehension of the terms of the agreement, including all possible enrollee financial responsibilities. The notice must:

(a) Not exceed one page in length;

(b) Be readily identifiable as a contract of consent;
(c) Clearly state that consent to potential out-of-network charges is optional and that the enrollee has the choice to transfer to an in-network facility;

(d) Include a range of the estimated amount that the out-of-network provider or providers will charge the enrollee for such services involved; and

(e) Be available in the five most common languages in the Washington state geographic area served by the carrier, with the carrier making a good faith effort to provide oral notice in the enrollee's primary language if it is not one of such five languages.

(4) A carrier shall maintain documentation of notice given to an enrollee pursuant to this section and the enrollee's confirmation of receipt of such information in the enrollee's patient record for two years after the date of service.

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NEW SECTION

WAC 284-43B-040 050  Determining whether an enrollee's health plan is subject to the requirements of the act.  Carriers must make available through electronic and other methods of communication generally used by a provider or facility to verify enrollee
eligibility and benefits information regarding whether an enrollee's health plan is subject to the requirements of this act. Carriers must make this information available using the most current version of the Health Insurance Portability and Accountability Act (HIPAA) mandated X12 Health Care Eligibility Benefit Response (271) transaction information through use of a standard message that is placed in a standard location within the 271 transaction. The designated lead organization for administrative simplification in Washington state, after consultation with carriers, providers and facilities through a new or an existing workgroup or committee, must post the language of the standard message and the location within the 271 transaction in which the message is to be placed on its website on or before November 1, 2019. This information also must be posted on the website of the office of the insurance commissioner.

Carriers must make available through electronic and other methods of communication generally used by a provider or facility to verify enrollee eligibility and benefits information regarding whether an enrollee's health plan is subject to the requirements of this act. This process shall be standardized across carriers. Development of the standardized process shall occur through the designated lead organization for administrative simplification in Washington state.
WAC 284-43B-050 Notice of consumer rights and transparency.

(1) The commissioner shall develop a standard template for a notice of consumer rights under the Balance Billing Protection Act. The notice may be modified periodically, as determined necessary by the commissioner. The notice template will be posted on the public web site of the office of the insurance commissioner.

(2) The standard template for the notice of consumer rights under the Balance Billing Protection Act must be provided to consumers enrolled in any health plan issued in Washington state as follows:

(a) Carriers must:

(i) Include the notice in the carrier’s any communication to an enrollee, in electronic or any other format, that authorizes nonemergency surgical surgery or ancillary services any other procedure at an in-network facility;

(ii) Post the notice on their web site in a prominent and relevant location, such as in a location that addresses coverage of emergency services and prior authorization requirements for nonemergency surgical or ancillary services surgery or other procedures performed at in-network facilities; and
(iii) Provide the notice to any enrollee upon request.

(b) Health care facilities and providers must:

(i) For any facility or provider that is owned and operated independently from all other businesses and that has more than fifty employees, upon confirming that a patient's health plan is subject to the Balance Billing Protection Act, include the notice in any communication to a patient, in electronic or any other format, confirming the scheduling of nonemergency surgical or ancillary services at a facility;

(ii) Post the notice on their web site, if the provider or facility maintains a web site, in a prominent and relevant location near the list of the carrier health plan provider networks with which the provider or facility is an in-network provider; and

(iii) Provide the notice upon request of a patient.

(3) For claims processed on or after July 1, 2020, when processing a claim that is subject to the balance billing prohibition in section 6, chapter 427, Laws of 2019, the carrier must indicate on any form used by the carrier to notify enrollees of the amount the carrier has paid on the claim:

(a) Whether the claim is subject to the prohibition in the act; and
(b) The center for medicare and medicaid services individual national provider identifier number and any applicable organization national provider identifier number for the facility or provider that is the provider of services on the claim.

(4) A facility or health care provider meets its obligation under section 11 or 12, chapter 427, Laws of 2019, to include a listing on its web site of the carrier health plan provider networks with which the facility or health care provider contracts by posting this information on its web site within fourteen seven calendar days of receipt of a fully executed contract from a carrier. If the contract is posted in advance of the effective date of the contract, the effective date of the contract must be indicated.

(5) Not less than thirty days prior to executing a contract with a carrier, a hospital or ambulatory surgical facility must provide the carrier with a list of the nonemployed providers or provider groups contracted to provide surgical or ancillary services at the hospital or ambulatory surgical facility. The list must include the name of the provider or provider group, mailing address, federal tax identification number or numbers and contact information for the staff person responsible for the provider’s or provider group’s contracting. The hospital or ambulatory surgical facility must notify the carrier within thirty days of a removal from or addition to the nonemployed provider list. A hospital or ambulatory surgical facility also must provide an
updated list of these providers within fourteen calendar days of a request for an updated list by a carrier.

(6) An in-network provider must submit accurate information to a carrier regarding the provider’s network status in a timely manner, consistent with the terms of the contract between the provider and the carrier.

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NEW SECTION

WAC 284-43B-060 070  Enforcement. (1) If the commissioner has cause to believe that any health facility or provider has engaged in a pattern of unresolved violations of section 6 or 7, chapter 427, Laws of 2019, the commissioner may submit information to the department of health or the appropriate disciplining authority for action.

(2) In determining whether there is cause to believe that a health care provider or facility has engaged in a pattern of unresolved violations, the commissioner shall consider, but is not limited to, consideration of the following:

(a) Whether there is cause to believe that the health care provider or facility has committed two or more violations of section 6 or 7, chapter 427, Laws of 2019;
(b) Whether the health care provider or facility has been nonresponsive to questions or requests for information from the commissioner related to one or more complaints alleging a violation of section 6 or 7, chapter 427, Laws of 2019; and

(c) Whether, subsequent to correction of previous violations, additional violations have occurred.

(3) Prior to submitting information to the department of health or the appropriate disciplining authority, the commissioner may provide the health care provider or facility with an opportunity to cure the alleged violations or explain why the actions in question did not violate section 6 or 7, chapter 427, Laws of 2019.

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NEW SECTION

WAC 284-43B-070_080  Self-funded group health plan opt in.  (1) A self-funded group health plan that elects to participate in sections 6 through 8, chapter 427, Laws of 2019, shall provide notice to the commissioner of their election decision on a form prescribed by the commissioner. The completed form must include Submission of the completed form will be considered an attestation that the self-funded
group health plan has elected to participate in and be bound by sections 6 through 8, chapter 427, laws of 2019. The form will be posted on the commissioner's public web site for use by self-funded group health plans.

(2) A self-funded group health plan may elect to initiate its participation on January 1st of any year or in any year on the first day of the self-funded group health plan’s plan year.

(3) A self-funded group health plan's election occurs on an annual basis. The plan may elect to initiate its participation on January 1st of any year or on the first day of the self-funded group health plan's plan year. On its election form, the plan must indicate whether it chooses to affirmatively renew its election on an annual basis or whether it should be presumed to have renewed on an annual basis until elected to continue to participate unless the commissioner receives advance notice from the plan that it is terminating its election as of either December 31st of a calendar year or the last day of its plan year. Notices under this subsection must be submitted to the commissioner at least thirty days in advance of the effective date of the election to initiate participation and the effective date of the termination of participation.
Self-funded group health plan sponsors and their third
party administrators may develop their own internal processes related
to member notification, member appeals and other functions associated
with their fiduciary duty to enrollees under the Employee Retirement

NEW SECTION

WAC 284-43B-080  Effective date. Chapter 284-43B WAC takes
effect on January 1, 2020.

AMENDATORY SECTION (Amending WSR 16-14-106, filed 7/6/16, effective
8/6/16)

WAC 284-170-480  Participating provider—Filing and approval.

(1) An issuer must file for prior approval all participating provider
agreements and facility agreements thirty calendar days prior to use.
If a carrier negotiates a provider or facility contract or a
compensation agreement that deviates from an approved agreement, then
the issuer must file that negotiated contract or agreement with the
commissioner for approval thirty days before use. The commissioner
must receive the filings electronically in accordance with chapters
284-44A, 284-46A, and 284-58 WAC.

(2)(a) An issuer may file a provider or facility contract
template with the commissioner. A "contract template" is a sample
contract and compensation agreement form that the issuer will use to
contract with multiple providers or facilities. A contract template
must be issued exactly as approved.

(i) When an issuer modifies the contract template, an issuer must
refile the modified contract template for approval. All changes to the
contract template must be indicated through strike outs for deletions
and underlines for new material. The modified template must be issued
to providers and facilities upon approval.

(ii) Alternatively, issuers may file the modified contract
template for prospective contracting and a contract addendum or
amendment that would be issued to currently contracted providers or
facilities for prior approval. The filing must include any
correspondence that will be sent to a provider or facility that
explains the amendment or addendum. The correspondence must provide
sufficient information to clearly inform the provider or facility what
the changes to the contract will be. All changes to the contract
template must be indicated through strike outs for deletions and underlines for new material.

(iii) Changes to a previously filed and approved provider compensation agreement modifying the compensation amount or terms related to compensation must be filed and are deemed approved upon filing if there are no other changes to the previously approved provider contract or compensation agreement.

(b)(i) All negotiated contracts and compensation agreements must be filed with the commissioner for approval thirty calendar days prior to use and include all contract documents between the parties.

(ii) If the only negotiated change is to the compensation amount or terms related to compensation, it must be filed and is deemed approved upon filing.

(3) If the commissioner takes no action within thirty calendar days after submission, the form is deemed approved except that the commissioner may extend the approval period an additional fifteen calendar days upon giving notice before the expiration of the initial thirty-day period. Approval may be subsequently withdrawn for cause.

(4) The issuer must maintain provider and facility contracts at its principal place of business in the state, or the issuer must have
access to all contracts and provide copies to facilitate regulatory review upon twenty days prior written notice from the commissioner.

(5) Nothing in this section relieves the issuer of the responsibility detailed in WAC 284-170-280 (3)(b) to ensure that all provider and facility contracts are current and signed if the provider or facility is listed in the network filed for approval with the commissioner.

(6) If an issuer enters into a reimbursement agreement that is tied to health outcomes, utilization of specific services, patient volume within a specific period of time, or other performance standards, the issuer must file the reimbursement agreement with the commissioner thirty days prior to the effective date of the agreement, and identify the number of enrollees in the service area in which the reimbursement agreement applies. Such reimbursement agreements must not cause or be determined by the commissioner to result in discrimination against or rationing of medically necessary services for enrollees with a specific covered condition or disease. If the commissioner fails to notify the issuer that the agreement is disapproved within thirty days of receipt, the agreement is deemed approved. The commissioner may subsequently withdraw such approval for cause.
(7) Provider contracts and compensation agreements must clearly set forth the carrier provider networks and applicable compensation agreements associated with those networks so that the provider or facility can understand their participation as an in-network provider and the reimbursement to be paid. The format of such contracts and agreements may include a list or other format acceptable to the commissioner so that a reasonable person will understand and be able to identify their participation and the reimbursement to be paid as a contracted provider in each provider network. A health carrier may meet this requirement by including a list or other acceptable format to the commissioner so that a reasonable person will understand how the carrier offers participation and reimburses services in each provider network.

[Statutory Authority: RCW 48.02.060. WSR 16-14-106 (Matter No. R 2016-11), § 284-170-480, filed 7/6/16, effective 8/6/16; WSR 16-07-144 (Matter No. R 2016-01), recodified as § 284-170-480, filed 3/23/16, effective 4/23/16. WSR 16-01-074, recodified as § 284-43-9998, filed 12/14/15, effective 12/14/15. Statutory Authority: RCW 48.02.060, 48.18.120, 48.20.450, 48.20.460, 48.43.055, 48.43.505, 48.43.510, 48.43.515, 48.43.530, 48.43.535, 48.43.730, 48.44.020, 48.44.050,
48.44.080, 48.46.030, 48.46.200. WSR 16-01-074 (Matter No. R 2014-08), § 284-43-330, filed 12/14/15, effective 1/14/16. Statutory Authority: RCW 48.02.060, 48.44.050, 48.46.030, 48.46.200, and 2013 c 277 § 1.
