



OFFICE OF
INSURANCE COMMISSIONER

Technical Assistance Advisory 2025-02¹

TO: All health care benefit managers and health carriers operating in the State of Washington

FROM: Insurance Commissioner Patty Kuderer

DATE: September 15, 2025

SUBJECT: OIC's Interpretation of Chapter 48.200 RCW – Health care benefit managers

The purpose of this Technical Assistance Advisory ("TAA") is to provide guidance related to the application of Chapter 48.200 RCW to health care benefit managers, including pharmacy benefit managers, and provide guidance related to provisions enacted by Engrossed Second Substitute Senate Bill 5213 (E2SSB 5213, Chapter 242, Laws of 2024). The Washington State Office of the Insurance Commissioner ("OIC") released a preproposal statement of inquiry (CR-101) on July 22, 2025, pertaining to E2SSB 5213 and health care benefit managers ([R 2025-11](#), [WSR 25-15-143](#)).

Background

The Legislature enacted Chapter 48.200 RCW in 2020, with the express intent to protect and promote the health, safety, and welfare of Washington residents by establishing standards for regulatory oversight of health care benefit managers.²

Health Care Benefit Managers

To conduct business in Washington state, health care benefit managers ("HCBMs") are required to register with the Insurance Commissioner and annually renew their registration.³ "Health care benefit manager" is defined as follows:

¹ This advisory is an interpretive policy statement released to advise the public of the OIC's current opinions, approaches, and likely courses of action. It is advisory only. RCW 34.05.230(1).

² [RCW 48.200.010](#).

³ [RCW 48.200.030](#).

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A person or entity providing services to, or acting on behalf of, a health carrier or employee benefits programs, that directly or indirectly impacts the determination or utilization of benefits for, or patient access to, health care services, drugs, and supplies including, but not limited to:

- Prior authorization or preauthorization of benefits or care;
- Certification of benefits or care;
- Medical necessity determinations;
- Utilization review;
- Benefit determinations;
- Claims processing and repricing for services and procedures;
- Outcome management;
- Payment or authorization of payment to providers and facilities for services or procedures;
- Dispute resolution, grievances, or appeals relating to determinations or utilization of benefits;
- Provider network management; or
- Disease management.⁴

There are several sub-types of HCBMs, such as laboratory benefit manager, mental health benefit manager, and pharmacy benefit manager.⁵ Chapter 48.200 RCW applies to health care benefit managers, as defined in RCW 48.200.020, who provide any of the services listed above to, or act on behalf of health carriers as defined in RCW 48.200.020 or employee benefits programs⁶ as defined in RCW 48.200.020. Health care benefit managers do not include the following:

- Health care service contractors as defined in RCW 48.44.010;
- Health maintenance organizations as defined in RCW 48.46.020;
- Issuers as defined in RCW 48.01.053;
- The public employees' benefits board established in RCW 41.05.055;
- The school employees' benefits board established in RCW 41.05.740;
- Discount plans as defined in RCW 48.155.010;
- Direct patient-provider primary care practices as defined in RCW 48.150.010;
- An employer administering its employee benefit plan or the employee benefit plan of an affiliated employer under common management and control;
- A union, either on its own or jointly with an employer, administering a benefit plan on behalf of its members;
- An insurance producer selling insurance or engaged in related activities within the scope of the producer's license;

⁴ [RCW 48.200.020\(5\)\(a\)](#).

⁵ See definitions of laboratory benefit manager, mental health benefit manager, and pharmacy benefit manager under [RCW 48.200.020](#).

⁶ "Employee benefits programs" means programs under both the public employees' benefits board established in RCW [41.05.055](#) and the school employees' benefits board established in RCW [41.05.740](#). *Id.*

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- A creditor acting on behalf of its debtors with respect to insurance, covering a debt between the creditor and its debtors;
- A behavioral health administrative services organization or other county-managed entity that has been approved by the state health care authority to perform delegated functions on behalf of a carrier;
- A hospital licensed under chapter 70.41 RCW or ambulatory surgical facility licensed under chapter 70.230 RCW, to the extent that it performs provider credentialing or recredentialing, but no other functions of a health care benefit manager as described in subsection (4)(a) of this section;
- The Robert Bree collaborative under chapter 70.250 RCW;
- The health technology clinical committee established under RCW 70.14.090;
- The prescription drug purchasing consortium established under RCW 70.14.060; or
- Any other entity that performs provider credentialing or recredentialing, but no other functions of a health care benefit manager as described in RCW 48.200.020(4)(a).

Health care benefit managers are required to comply with the requirements set forth in RCW 48.200.030 through RCW 48.200.050. Included in these requirements is the obligation for HCBMs to register with OIC and annually renew their registration. HCBMs also must file with OIC all benefit management contracts and contract amendments between the health care benefit manager and a health carrier, provider, pharmacy, pharmacy services administration organization, or other health care benefit manager, entered into directly or indirectly in support of a contract with a carrier or employee benefits programs. These contracts are required to be filed within 30 days following the effective date of the contract or contract amendment. Contracts and contract amendments between health care benefit managers and health carriers that were executed prior to July 23, 2023, and are currently in force, must be filed with OIC no later than 60 days following July 23, 2023.⁷

Pharmacy Benefit Managers

To conduct business in Washington state, pharmacy benefit managers (“PBMs”), a sub-type of HCBMs, also are required to register with the OIC and annually renew their registration.⁸ “Pharmacy benefit manager” is defined as follows:

A person that contracts with pharmacies on behalf of a health carrier, employee benefits program, or medicaid managed care program to:

- Process claims for prescription drugs or medical supplies or provide retail network management for pharmacies or pharmacists;
- Pay pharmacies or pharmacists for prescription drugs or medical supplies;

⁷ See [OIC Technical Assistance Advisory 2024-01](#) for more information about OIC's Interpretation of Chapter 48.200 RCW & RCW 48.43.731 (Carrier Filing Requirements related to HCBM contracts).

⁸ [RCW 48.200.030](#).

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- Negotiate rebates, discounts, or other price concessions with manufacturers for drugs paid for or procured as described in this subsection;
- Establish or manage pharmacy networks; or
- Make credentialing determinations.⁹

Chapter 48.200 RCW applies to pharmacy benefit managers as defined in RCW 48.200.020, that contract with pharmacies to conduct any of the services listed above on behalf of health carriers defined in RCW 48.200.020, employee benefits programs defined in RCW 48.200.020, or medicaid managed care programs.

Pharmacy benefit managers are required to comply with the requirements set forth in RCW 48.200.030 through RCW 48.200.050 (applying generally to health care benefit managers), and RCW 48.200.220 through RCW 48.200.320 (applying specifically to pharmacy benefit managers).

Specific Plans Chapter 48.200 RCW Does Not Apply To

Chapter 48.200 RCW does not apply to health care benefit managers as defined in RCW 48.200.020, who provide the services listed above **exclusively** to, or act **exclusively** on behalf of:

- Medicare supplement plans;
- Medicare Advantage plans (Part C of Medicare);
- Medicaid, except that pharmacy benefit managers that contract with pharmacies on behalf of Medicaid managed care plans are subject to Chap. 48.200 RCW;
- Children's Health Insurance Program plans;
- Discount Plans;
- Union Plans;
- Self-insured health plans (unless the plan is an employee benefits program defined under RCW 48.200.020); or
- Plans that provide monetary payment, such as income replacement disability plans or life insurance accelerate benefits, unless these plans provide coverage for health care services, drugs and supplies.

Example #1: A health care benefit manager provides health care benefit management services for Medicare supplement plans and fully-insured health plans. The health care benefit manager must register with OIC because it provides health care benefit manager services to fully-insured health plans.

Example #2: A health care benefit manager provides health care benefit management services **exclusively** for self-funded employer group health plans **other than** employee benefit programs as

⁹ [RCW 48.200.020\(14\)\(a\)](#).

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defined in RCW 48.200.020(4) (PEBB/SEBB Uniform Medical Plan). The health care benefit manager is not required to register with OIC.

As discussed further below in the Section, “Application of E2SSB 5213 to Self-funded Group Health Plans that Opt-In,” E2SSB 5213 applies RCW [48.200.280](#), [48.200.310](#), and [48.200.320](#) to self-funded group health plans governed by the provisions of the federal employee retirement income security act of 1974 (29 U.S.C. Sec. 1001 et seq.) *only* if the self-funded group health plan elects to participate in RCW [48.200.280](#), [48.200.310](#), and [48.200.320](#).

Application of E2SSB 5213 to Self-Funded Private Group Health Plans that Opt-In (Effective January 1, 2026)

[RCW 48.200.330\(1\)](#) provides that Chapter 48.200 RCW is inapplicable to persons or entities providing services to, or acting on behalf of, a union or employer administering a self-funded group health plan governed by the provisions of the federal employee retirement income security act of 1974 (29 U.S.C. Sec. 1001 et seq.), unless a self-funded private group health plan chooses to participate in RCW [48.200.280](#), [48.200.310](#), and [48.200.320](#) governing certain pharmacy benefit management business practices. This “opt-in” process is established in RCW 48.200.330(2) and (3).

As a result of these legislative changes, pharmacy benefit managers acting on behalf of self-funded private group health plans that have opted to participate in RCW [48.200.280](#), [48.200.310](#), and [48.200.320](#) as provided in RCW 48.200.330 will be required to comply with RCW [48.200.280](#), [48.200.310](#), and [48.200.320](#) in administering that self-funded private group health plan’s pharmacy benefits. In this circumstance, pharmacy benefit managers are not subject to any other provisions in Chapter 48.200 RCW. Furthermore, the Legislature has expressly stated in RCW 48.200.330(3) that the OIC does not have enforcement authority related to a pharmacy benefit manager’s conduct pursuant to a contract with a self-funded group health plan governed by the federal employee retirement income security act of 1974, 29 U.S.C. Sec. 1001 et seq., that elects to participate in RCW [48.200.280](#), [48.200.310](#), and [48.200.320](#).

OIC will implement the self-funded private group health plan opt-in process during Fall 2025, and as part of that process, make a list of the health plans that have opted in under RCW 48.200.330 available on its website on or before December 1, 2025.

Rulemaking

On December 18, 2024, the OIC adopted rules relating to health care benefit managers ([R 2024-02](#)). On July 22, 2025, the OIC filed a preproposal statement of inquiry (CR-101, [WSR 25-15-143](#)) regarding additional rulemaking to ensure the OIC can continue to effectively oversee health care benefit managers, including pharmacy benefit managers. In this rulemaking, the OIC may amend Chapter 284-180 Washington Administrative Code (WAC), including, but not limited to, implementation of E2SSB 5213 (Chapter 242, Laws of 2024).

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Please direct any questions about this advisory to the OIC's Company Licensing Unit, which may be contacted at clc@oic.wa.gov and (360) 725-7219.