



# RULE-MAKING ORDER PERMANENT RULE ONLY

## CR-103P (October 2017) (Implements RCW 34.05.360)

CODE REVISER USE ONLY

OFFICE OF THE CODE REVISER  
STATE OF WASHINGTON  
FILED

DATE: November 20, 2023

TIME: 11:04 AM

WSR 23-23-141

**Agency:** Office of the Insurance Commissioner

**Effective date of rule:**

**Permanent Rules**

- 31 days after filing.
- Other (specify) December 21, 2023 (If less than 31 days after filing, a specific finding under RCW 34.05.380(3) is required and should be stated below)

**Any other findings required by other provisions of law as precondition to adoption or effectiveness of rule?**

- Yes  No If Yes, explain:

**Purpose:** Create a more efficient process of registration and renewal for health care benefit manager registration, as well as improve transparency with the disclosure of any federal or state violations.

**Insurance Commissioner Matter 2023-06**

**Citation of rules affected by this order:**

New:  
 Repealed:  
 Amended: WAC 284-180-210, WAC 284-180-220, WAC 284-180-230, and WAC 284-180-240  
 Suspended:

**Statutory authority for adoption:** RCW 48.02.060; RCW 48.200.280 (6); RCW 34.05.485(1)(c); RCW 48.02.100

**Other authority:**

**PERMANENT RULE (Including Expedited Rule Making)**

Adopted under notice filed as WSR 23-20-121 on October 4, 2023 (date).

Describe any changes other than editing from proposed to adopted version: There are no differences between the proposed version and the adopted version.

If a preliminary cost-benefit analysis was prepared under RCW 34.05.328, a final cost-benefit analysis is available by contacting:

Name: Simon Casson  
 Address: PO Box 40260 Olympia, WA 98504  
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 Web site:  
 Other:

**Note: If any category is left blank, it will be calculated as zero.  
No descriptive text.**

**Count by whole WAC sections only, from the WAC number through the history note.  
A section may be counted in more than one category.**

**The number of sections adopted in order to comply with:**

Federal statute:	New	___	Amended	___	Repealed	___
Federal rules or standards:	New	___	Amended	___	Repealed	___
Recently enacted state statutes:	New	___	Amended	___	Repealed	___

**The number of sections adopted at the request of a nongovernmental entity:**

New	___	Amended	___	Repealed	___
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**The number of sections adopted on the agency's own initiative:**


New	___	Amended	<u>4</u>	Repealed	___
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**The number of sections adopted in order to clarify, streamline, or reform agency procedures:**

New	___	Amended	4	Repealed	___
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**The number of sections adopted using:**

Negotiated rule making:	New	___	Amended	___	Repealed	___
Pilot rule making:	New	___	Amended	___	Repealed	___
Other alternative rule making:	New	___	Amended	___	Repealed	___

<b>Date Adopted:</b> November 20, 2023	<b>Signature:</b> 
<b>Name:</b> Mike Kreidler	
<b>Title:</b> Insurance Commissioner	

AMENDATORY SECTION (Amending WSR 21-02-034, filed 12/29/20, effective 1/1/22)

**WAC 284-180-210 Registration and renewal fees.** (1) ~~The ((regis-~~  
~~tration, renewal and oversight activities for health care benefit man-~~  
~~agers must be)) commissioner must establish fees for registration and~~  
~~renewal in an amount that ensures the program for the registration,~~  
~~renewal, and oversight activities of the health care benefit managers~~  
~~is self-supporting.~~ Each health care benefit manager must contribute a  
sufficient amount to the commissioner's regulatory account to pay for  
the reasonable costs, including overhead, of regulating health care  
benefit managers.

(2) The initial registration fee is ~~((two hundred dollars))~~ \$200.

(3) For the renewal fee, the commissioner will charge a propor-  
tional share of the annual cost of the insurance commissioner's renew-  
al and oversight activities ~~((to all))~~ of health care benefit manag-  
ers. ~~((The))~~ Each health care benefit managers' proportional share  
~~((shall))~~ of the program annual operating costs will be based on their  
Washington state annual gross ~~((health care benefit manager business))~~  
income of their health care benefit manager business for the previous  
calendar year. The ~~((minimum))~~ renewal fee is ~~((five hundred dollars))~~  
\$500, at a minimum, and may increase based on a proportional share of  
each health care benefit managers gross income as reported to the in-  
urance commissioner.

(4) If an unexpended balance of health care benefit manager reg-  
istration and renewal funds remain in the insurance commissioner's  
regulatory account at the close of a fiscal year, the commissioner  
will carry the unexpended funds forward and use them to reduce future  
renewal fees.

AMENDATORY SECTION (Amending WSR 21-02-034, filed 12/29/20, effective 1/1/22)

**WAC 284-180-220 Health care benefit manager registration.** (1)  
~~((Beginning January 1, 2017, through December 31, 2021, to conduct~~  
~~business in this state, pharmacy benefit managers must register with~~  
~~the commissioner and must annually renew the registration.~~

~~((2-))~~ Beginning January 1, 2022, and thereafter, to conduct busi-  
ness in this state, health care benefit managers must register and  
have an approved registration with the commissioner. ~~((To continue~~  
~~conducting business in this state, previously registered pharmacy ben-~~  
~~efit managers must submit an application and registration fee to reg-~~  
~~ister as a health care benefit manager. Health care benefit managers~~  
~~must annually renew their registration.~~

~~((3-))~~ (2) Health care benefit managers must apply for registra-  
tion using the commissioner's electronic system, which is available at  
www.insurance.wa.gov.

~~((4-))~~ (3) The registration period is valid from the date of ap-  
proval of registration through June 30th of the same fiscal year.

~~((5-))~~ (4) The registration application is not complete until  
the commissioner receives the complete registration form, any support-  
ing documentation if required by the commissioner, and paid the ~~((cor-~~  
~~rect))~~ \$200 registration fee.

~~((6))~~ (5) A health care benefit manager may conduct business in this state ~~(, after the health care benefit manager receives)~~ after receiving notice of approval of the registration application from the commissioner.

AMENDATORY SECTION (Amending WSR 21-02-034, filed 12/29/20, effective 1/1/22)

**WAC 284-180-230 Health care benefit manager renewal.** (1) Health care benefit managers ~~((must))~~ annually renew their registrations and pay ~~((the health care benefit manager's))~~ their renewal fee using the commissioner's electronic system, which is available at [www.insurance.wa.gov](http://www.insurance.wa.gov).

(2) Health care benefit managers ~~((must renew))~~ renewing their registrations ~~((by:~~

~~(a))~~ must, no later than March 1st of each year, ((submitting a complete renewal form)) submit an electronic renewal report and supporting documents for approval to include:

~~((i) The health care benefit manager's))~~ (a) Their Washington state annual gross ~~((health care benefit manager business))~~ income for health care benefit manager business for the previous calendar year; and

~~((ii))~~ (b) Any additional information, including supporting documents, as required by the commissioner.

~~((b) No later than July 15th of each year, pay the renewal fee as invoiced by the commissioner.~~

~~(e))~~ (3) Health care benefit managers may amend their annual gross income report for the previous year after the date of submission, but may not amend the report later than May 31st, of the submission year.

(4) On or before June 1st of each year, the commissioner will calculate and set the renewal fees for the ((upcoming fiscal year for)) next July 1st through June 30th fiscal year. Invoices for the renewal fees and electronic payments will be available through the insurance commissioner's electronic filing and payment center. Renewal fee payments are due by July 15th of each year.

~~((3))~~ (5) The renewal application is not complete until the commissioner receives the complete renewal ((form)) report, supporting documentation if required by the commissioner, and the ((correct)) payment of the invoiced renewal fee.

~~((4) Failure to timely submit a completed renewal form and fees may result in delayed renewal or nonrenewal in addition to potential violations if a health care benefit manager provides services without being registered.~~

~~(5))~~ (6) Upon successful completion, the health care benefit manager will receive notice of approval of the renewal application from the commissioner.

~~((6) The renewal))~~ (7) Failure to timely submit a completed renewal report and fee may result in a delayed renewal or nonrenewal in addition to potential violations if a health care benefit manager provides services without being registered.

(8) Each renewed registration is valid for one fiscal year from July 1st through June 30th fiscal year.

**WAC 284-180-240 Providing and updating registration information.**

(1) ~~((At the time of registration,))~~ When registering a health care benefit manager must ~~((submit an application))~~ apply with an affidavit affirming its accuracy. ~~((In the))~~ An application~~((,))~~ for registering as a health care benefit manager must provide for:

(a) The legal name as well as any ~~((and all))~~ additional names that it uses to conduct business;

(b) The names of ~~((all))~~ persons and entities with any ownership or controlling interests, including stockholders, officers and directors, or limited liability company members, managers and officers in the health care benefit manager, ~~((along with completed NAIC Form 11 biographical affidavits and, if requested, an NAIC Approved Third-Party Vendor Background Report;))~~

~~((c))~~ Tax identification numbers;

~~((d))~~ Other)) and the identity of any entity for which the health care benefit manager has a controlling interest;

~~((c))~~ A list of tax identification numbers and business licenses and registrations ~~((that the health care benefit manager has held and those))~~ that are active;

~~((e))~~ (d) Identifying any areas of specialty, such as a pharmacy benefit management, radiology benefit management, laboratory benefit management, mental health care benefit management, or any other areas of specialty identified in the application;

~~((f))~~ (e) Contact information for communications regarding registration, renewal and oversight activities, ((including)) to include name of the contact person, address, phone number, ((name of the contact person for the health care benefit manager,)) and valid email address;

~~((g))~~ (f) Name and contact information for the person the health care benefit manager has designated as responsible for compliance with state and federal laws to include name of the contact person, address, phone number, and valid email address;

~~((h))~~ (g) Identify if the health care benefit manager has committed any violations in this or any state or been the subject of an order from a ((department of insurance or other state agency)) any federal or state agency or court; and

~~((i))~~ (h) Any additional information requested by the commissioner.

(2) Registered health care benefit managers must ~~((ensure that))~~ provide any material change in the information ~~((that they disclosed when they registered))~~ filed with the commissioner ~~((remains current by notifying the commissioner of any changes or additions)).~~

(a) This information includes, but is not limited to:

(i) Any ~~((and all))~~ additional names that the health care benefit manager uses to conduct business; and

(ii) The contact's name and email address for official communications between the commissioner and the health care benefit manager as required in subsection (1)(f) of this section.

(b) Any change in the information provided to obtain ~~((or)),~~ renew, nonrenew, or surrender a registration as a health care benefit manager is a material change and must be reported to the commissioner within ~~((thirty))~~ 30 days of ~~((any))~~ the change~~((, by the health care benefit manager using the commissioner's electronic system)).~~

(c) Any amendments to its annual renewal reports including the reported annual gross income must be reported to the commissioner no later than May 31st. Amended annual renewal reports may be accepted after review by the commissioner.