
HOUSE BILL 1957

State of Washington

69th Legislature

2025 Regular Session

By Representatives Schmick and Dufault

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1 AN ACT Relating to providing consistency in the rate approval
2 process for individual and small group market health plans; amending
3 RCW 48.18.110 and 48.46.060; and reenacting and amending RCW
4 48.44.020.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 **Sec. 1.** RCW 48.18.110 and 2008 c 303 s 1 are each amended to
7 read as follows:

8 (1) The commissioner shall disapprove any such form of policy,
9 application, rider, or endorsement, or withdraw any previous approval
10 thereof, only:

11 (a) If it is in any respect in violation of or does not comply
12 with this code or any applicable order or regulation of the
13 commissioner issued pursuant to the code; or

14 (b) If it does not comply with any controlling filing theretofore
15 made and approved; or

16 (c) If it contains or incorporates by reference any inconsistent,
17 ambiguous or misleading clauses, or exceptions and conditions which
18 unreasonably or deceptively affect the risk purported to be assumed
19 in the general coverage of the contract; or

20 (d) If it has any title, heading, or other indication of its
21 provisions which is misleading; or

1 (e) If purchase of insurance thereunder is being solicited by
2 deceptive advertising.

3 (2) In addition to the grounds for disapproval of any such form
4 as provided in subsection (1) of this section, the commissioner may
5 disapprove any form of disability insurance policy if the benefits
6 provided therein are unreasonable in relation to the premium charged.
7 Rates, or any modification of rates effective on or after July 1,
8 2008, for individual and small group market health benefit plans may
9 not be used until (~~(sixty)~~) 60 days after they are filed with the
10 commissioner. (~~(If)~~) For an individual health benefit plan, if the
11 commissioner does not disapprove a rate filing within (~~(sixty)~~) 60
12 days after the insurer has filed the documents required in RCW
13 48.20.025(2) and any rules adopted pursuant thereto, the filing shall
14 be deemed approved. For a small group market health benefit plan, if
15 the commissioner does not disapprove a rate filing within 60 days
16 after the insurer's rate filing is complete, the filing shall be
17 deemed approved.

18 **Sec. 2.** RCW 48.44.020 and 2008 c 303 s 2 and 2008 c 217 s 51 are
19 each reenacted and amended to read as follows:

20 (1) Any health care service contractor may enter into contracts
21 with or for the benefit of persons or groups of persons which require
22 prepayment for health care services by or for such persons in
23 consideration of such health care service contractor providing one or
24 more health care services to such persons and such activity shall not
25 be subject to the laws relating to insurance if the health care
26 services are rendered by the health care service contractor or by a
27 participating provider.

28 (2) The commissioner may on examination, subject to the right of
29 the health care service contractor to demand and receive a hearing
30 under chapters 48.04 and 34.05 RCW, disapprove any individual or
31 group contract form for any of the following grounds:

32 (a) If it contains or incorporates by reference any inconsistent,
33 ambiguous or misleading clauses, or exceptions and conditions which
34 unreasonably or deceptively affect the risk purported to be assumed
35 in the general coverage of the contract; or

36 (b) If it has any title, heading, or other indication of its
37 provisions which is misleading; or

38 (c) If purchase of health care services thereunder is being
39 solicited by deceptive advertising; or

1 (d) If it contains unreasonable restrictions on the treatment of
2 patients; or

3 (e) If it violates any provision of this chapter; or

4 (f) If it fails to conform to minimum provisions or standards
5 required by regulation made by the commissioner pursuant to chapter
6 34.05 RCW; or

7 (g) If any contract for health care services with any state
8 agency, division, subdivision, board, or commission or with any
9 political subdivision, municipal corporation, or quasi-municipal
10 corporation fails to comply with state law.

11 (3) In addition to the grounds listed in subsection (2) of this
12 section, the commissioner may disapprove any contract if the benefits
13 provided therein are unreasonable in relation to the amount charged
14 for the contract. Rates, or any modification of rates effective on or
15 after July 1, 2008, for individual and small group market health
16 benefit plans may not be used until ~~((sixty))~~ 60 days after they are
17 filed with the commissioner. ~~((If))~~ For an individual health benefit
18 plan, if the commissioner does not disapprove a rate filing within
19 ~~((sixty))~~ 60 days after the health care service contractor has filed
20 the documents required in RCW 48.44.017(2) and any rules adopted
21 pursuant thereto, the filing shall be deemed approved. For a small
22 group market health benefit plan, if the commissioner does not
23 disapprove a rate filing within 60 days after the insurer's rate
24 filing is complete, the filing shall be deemed approved.

25 (4)(a) Every contract between a health care service contractor
26 and a participating provider of health care services shall be in
27 writing and shall state that in the event the health care service
28 contractor fails to pay for health care services as provided in the
29 contract, the enrolled participant shall not be liable to the
30 provider for sums owed by the health care service contractor. Every
31 such contract shall provide that this requirement shall survive
32 termination of the contract.

33 (b) No participating provider, insurance producer, trustee, or
34 assignee may maintain any action against an enrolled participant to
35 collect sums owed by the health care service contractor.

36 **Sec. 3.** RCW 48.46.060 and 2008 c 303 s 3 are each amended to
37 read as follows:

38 (1) Any health maintenance organization may enter into agreements
39 with or for the benefit of persons or groups of persons, which

1 require prepayment for health care services by or for such persons in
2 consideration of the health maintenance organization providing health
3 care services to such persons. Such activity is not subject to the
4 laws relating to insurance if the health care services are rendered
5 directly by the health maintenance organization or by any provider
6 which has a contract or other arrangement with the health maintenance
7 organization to render health services to enrolled participants.

8 (2) All forms of health maintenance agreements issued by the
9 organization to enrolled participants or other marketing documents
10 purporting to describe the organization's comprehensive health care
11 services shall comply with such minimum standards as the commissioner
12 deems reasonable and necessary in order to carry out the purposes and
13 provisions of this chapter, and which fully inform enrolled
14 participants of the health care services to which they are entitled,
15 including any limitations or exclusions thereof, and such other
16 rights, responsibilities and duties required of the contracting
17 health maintenance organization.

18 (3) Subject to the right of the health maintenance organization
19 to demand and receive a hearing under chapters 48.04 and 34.05 RCW,
20 the commissioner may disapprove an individual or group agreement form
21 for any of the following grounds:

22 (a) If it contains or incorporates by reference any inconsistent,
23 ambiguous, or misleading clauses, or exceptions or conditions which
24 unreasonably or deceptively affect the risk purported to be assumed
25 in the general coverage of the agreement;

26 (b) If it has any title, heading, or other indication which is
27 misleading;

28 (c) If purchase of health care services thereunder is being
29 solicited by deceptive advertising;

30 (d) If it contains unreasonable restrictions on the treatment of
31 patients;

32 (e) If it is in any respect in violation of this chapter or if it
33 fails to conform to minimum provisions or standards required by the
34 commissioner by rule under chapter 34.05 RCW; or

35 (f) If any agreement for health care services with any state
36 agency, division, subdivision, board, or commission or with any
37 political subdivision, municipal corporation, or quasi-municipal
38 corporation fails to comply with state law.

39 (4) In addition to the grounds listed in subsection (2) of this
40 section, the commissioner may disapprove any agreement if the

1 benefits provided therein are unreasonable in relation to the amount
2 charged for the agreement. Rates, or any modification of rates
3 effective on or after July 1, 2008, for individual and small group
4 market health benefit plans may not be used until ((~~sixty~~)) 60 days
5 after they are filed with the commissioner. ((~~If~~)) For an individual
6 health benefit plan, if the commissioner does not disapprove a rate
7 filing within ((~~sixty~~)) 60 days after the health maintenance
8 organization has filed the documents required in RCW 48.46.062(2) and
9 any rules adopted pursuant thereto, the filing shall be deemed
10 approved. For a small group market health benefit plan, if the
11 commissioner does not disapprove a rate filing within 60 days after
12 the insurer's rate filing is complete, the filing shall be deemed
13 approved.

14 (5) No health maintenance organization authorized under this
15 chapter shall cancel or fail to renew the enrollment on any basis of
16 an enrolled participant or refuse to transfer an enrolled participant
17 from a group to an individual basis for reasons relating solely to
18 age, sex, race, or health status. Nothing contained herein shall
19 prevent cancellation of an agreement with enrolled participants (a)
20 who violate any published policies of the organization which have
21 been approved by the commissioner, or (b) who are entitled to become
22 eligible for medicare benefits and fail to enroll for a medicare
23 supplement plan offered by the health maintenance organization and
24 approved by the commissioner, or (c) for failure of such enrolled
25 participant to pay the approved charge, including cost-sharing,
26 required under such contract, or (d) for a material breach of the
27 health maintenance agreement.

28 (6) No agreement form or amendment to an approved agreement form
29 shall be used unless it is first filed with the commissioner.

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