

FINAL BILL REPORT

SB 5066

Brief Description: Concerning health care benefit managers.

Sponsors: Senators Short, Rolfes, Cleveland and Conway.

Senate Committee on Health & Long Term Care

House Committee on Health Care & Wellness

House Committee on Appropriations

Background: All health care benefit managers (HCBMs), including pharmacy benefit managers (PBMs), must be registered by the Office of the Insurance Commissioner (OIC). Applications for registration must include the identity of the HCBM and the individuals and entities with a controlling interest in the HCBM, and whether the HCBM does business as a PBM or a different type of benefit manager, in addition to other required information. Registered HCBMs must pay licensing and renewal fees. The fees must be set at an amount that ensures the registration, renewal, and oversight activities of the OIC are self-supporting.

Prior to approving an application, the OIC must find that the HCBM has not committed any act that resulted in the denial, suspension, or revocation of a registration, has the capacity to comply with state and federal laws, and has designated a person responsible for such compliance.

A HCBM may not provide services to a health carrier or an employee benefits program without a written agreement describing the rights and responsibilities of the parties. The HCBM must file with the OIC every benefit management contract and contract amendment between the HCBM and a provider, pharmacy, pharmacy services administration organization, or other HCBM.

Summary: A HCBM must file with the OIC every benefit management contract and contract amendment between the HCBM and a health carrier.

Contracts and contract amendments between HCBMs and health carriers that were executed prior to the effective date of this act and remain in force, must be filed with the OIC no later than 60 days following the effective date of this act.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Votes on Final Passage:

Senate	48	0
House	96	0

Effective: The bill contains an emergency clause and takes effect immediately.