



Health Care Benefit Manager Regulation: Accountability and Transparency (HB 1562/SB 5601)

What is a health care benefit manager?

Many insurers, such as Regence and Premera, use health care benefit managers to manage the insurers' rehabilitation benefits. These benefits include physical therapy, occupational therapy, chiropractic, and speech therapy and are considered "limited benefits" under most insurance plans. This means that they are subject to visit limitations and other limitations. Additionally, health care benefit managers may require a primary care provider referral when it otherwise would not be required. It is these health care benefit managers that determine the number of visits allowed for the patient's rehabilitation benefits. EviCore is the health benefit manager used most in Washington.

Why should health care benefit managers be regulated?

Insurers doing business in Washington state are regulated by the Office of the Insurance Commissioner (OIC). Before the advent of health care benefit managers, insurers managed their rehabilitation benefits in-house. As such, OIC had the authority to respond to consumer and provider complaints regarding the management of these benefits.

Now that insurers are more commonly using health care benefit managers to manage their rehabilitation benefits, the state has lost the oversight ability for this very important benefit management function. There is no accountability to the state, consumers, or providers, for the actions of these health benefit managers. And there is no transparency regarding the relationship between the health benefit managers and the insurer they contract with.

What are the components of HB 1562/SB 5601?

HB 1562 and SB 5601 require that all health benefit managers be regulated by the OIC in order to do business in Washington.

- Benefit managers must file contact information, including name, address, and phone number.
- Benefit managers must file all contracts and contract amendments between the benefit manager and the insurer.
- **These bills will ensure that benefit managers' relationships with insurers are transparent and that their care assessments and administrative procedures are accountable to the OIC.**