



# PREPROPOSAL STATEMENT OF INQUIRY

**CR-101 (June 2004)**  
(Implements RCW 34.05.310)  
Do NOT use for expedited rule making

**Agency:** Office of the Insurance Commissioner

**Subject of possible rule making:** Health coverage issuer provider network formation, adequacy, and filing and approval standards

Insurance Commissioner Matter No. R 2013-22

**Statutes authorizing the agency to adopt rules on this subject:** RCW 48.02.060, 48.18.120, 48.20.450, 48.20.460, 48.43.505, 48.43.510, 48.43.515, 48.43.525, 48.43.530, 48.43.535, 48.44.020, 48.44.050, 48.44.080, 48.46.030, 48.46.200, 45 CFR 156.230, 45 CFR 156.235, 45 CFR 156.245.

**Reasons why rules on this subject may be needed and what they might accomplish:** The current network adequacy and related provider contracting regulations were adopted prior to the passage of the Affordable Care Act. Based on the significant changes in health care delivery and access to care that will occur after January 1, 2014 due to health care reform, the commissioner determines that updating these regulations is reasonable and necessary. Both qualified health plans, and health plans offered off the Exchange, must have adequate networks that at a minimum do the following: (a) support delivery of and access to services covered by the plans without unreasonable delay, (b) address the specific needs of the populations served, (c) reflect the service area's needs based on the service area's utilization data and referral patterns, and (d) can accommodate new or increased enrollment in the service area of previously uninsured individuals. Clarification of state network adequacy criteria in these areas is needed to support issuer filings. In addition, under the Affordable Care Act's new requirements, the cultural and language needs, or hearing, visual, physical and other limitations must be taken into account in network formation; this is not addressed sufficiently in current regulations. Issuer will benefit from written guidance regarding the commissioner's review standards for inclusion in provider networks of the new category of essential community providers for qualified health plans, and the network adequacy standards that are unique to or overlap with these provider types.

**Identify other federal and state agencies that regulate this subject and the process coordinating the rule with these agencies:**  
The U.S. Department of Health and Human Services (HHS) issues regulations implementing the Affordable Care Act. These proposed regulations will be consistent with any federal regulations issued on this topic. In addition, the commissioner's staff will confer with federal counterparts during the rule making process.

The state health benefit exchange, while not a state agency, certifies qualified health plans to HHS for offering on the Exchange. Network adequacy is a certification standard, and the commissioner will include the Exchange in the rule development process.

**Process for developing new rule (check all that apply):**

- Negotiated rule making
- Pilot rule making
- Agency study

X Other (describe) Submit written comments by October 20, 2013 to: [rulescoordinator@oic.wa.gov](mailto:rulescoordinator@oic.wa.gov) Fax: 360-586-3109

**How interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication:**

(List names, addresses, telephone, fax numbers, and e-mail of persons to contact; describe meetings, other exchanges of information, etc.)

Contact: Meg L. Jones  
P.O. Box 40258  
Olympia WA 98504  
[rulescoordinator@oic.wa.gov](mailto:rulescoordinator@oic.wa.gov)

Phone: 360-725-7170  
Fax: 360-586-3109

Stakeholder meetings to discuss the proposed rules will be held beginning in October, 2013. Please notify Ms. Jones if you would like to receive notice of these meetings.

**DATE**  
September 18, 2013

**NAME (TYPE OR PRINT)**  
Mike Kreidler

**SIGNATURE**

**TITLE**  
Insurance Commissioner

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STATE OF WASHINGTON  
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**DATE: September 18, 2013**  
**TIME: 8:33 AM**

**WSR 13-19-092**