

RCW 74.76.030 Covered lives assessment—Notification.

(Contingent expiration date.) (1) All health carriers and medicaid managed care organizations shall pay an annual covered lives assessment beginning January 1st of the plan year following the approval in RCW 74.76.020(2)(a) as follows:

(a) For assessments due the first plan year:

(i) The authority shall assess a per member per month assessment of \$16 per covered life for medicaid managed care organizations; and

(ii) The commissioner shall assess a per member per month assessment of \$0.50 per covered life for health carriers.

(b) On or before May 15th of the first plan year of assessments due and on or before May 15th of each subsequent year, the authority shall determine the covered lives assessment at the rate necessary to fund the adjustment based on the inflation factor using the medicare economic index for professional services rates in RCW 74.76.050.

(c) The ratio of the total assessments collected from managed care organizations and health carriers must be set as 36 to one, respectively. Assessments for each calendar year shall be set utilizing the proportion of fully insured to medicaid managed care covered lives from the previous calendar year.

(2) The assessments as applied in subsection (1) of this section are limited to:

(a) The first 2,300,000 member months of fully insured lives per medicaid managed care organization on a per medicaid managed care organization basis; and

(b) The first 2,300,000 member months of fully insured lives per health carrier. For each health carrier, the assessment shall apply to member months of all group health plan lives first, followed by member months of individual health plans lives.

(3) If an assessment against a health carrier or medicaid managed care organization is prohibited by court order, the assessment for the remaining health carriers and medicaid managed care organizations may be adjusted in a manner consistent with subsection (1) of this section to ensure that the assessment amount calculated in subsection (1)(b) of this section will be collected.

(4) The authority shall annually notify, in writing, each medicaid managed care organization of the estimated total assessment and its payment obligation for the upcoming year. The authority shall determine a payment schedule for receipt of assessments under this section in accordance with the medicaid access program rules as defined by the authority. Payment collections may be made no more frequently than quarterly.

(5) Payments from managed care organizations are due to the authority within 45 days of the payment schedule determined under subsection (4) of this section. The authority shall charge interest as defined by RCW 43.17.240, which begins to accrue on the 46th day, on amounts received after the 45-day period. The authority may allow each managed care organization in arrears to submit a payment plan, subject to approval by the authority and initial payment under an approved payment plan.

(6) The authority may abate or defer, in whole or in part, the assessment of a managed care organization if, in the opinion of the authority, payment of the assessment would endanger the ability of the managed care organization to fulfill its contractual obligations under chapter 74.09 RCW. If an assessment against a managed care organization is abated or deferred in whole or in part, the amount by

which such assessment is abated or deferred may be assessed against the other managed care organizations in a manner consistent with the basis for assessments in subsection (1) of this section. The managed care organization receiving such abatement or deferment remains liable to the program for the deficiency plus interest the rate established in RCW 43.17.240. Upon receipt of payment of any abatement or deferment by a managed care organization, the authority shall adjust future assessments made against other managed care organizations under this subsection to reflect receipt of the payment.

(7) The authority shall deposit annual assessments and interest collected under this section with the state treasurer to the credit of the medicaid access program account created in RCW 74.76.040.

(8) Managed care organizations shall submit any annual statements or other reports deemed necessary by the authority to calculate the assessment under this section in a manner consistent with the schedule and procedures in accordance with the medicaid access program rules as defined by the authority. [2025 c 359 s 3.]

Effective date—2025 c 359 ss 1-12, 14-16, and 18-20: See note following RCW 74.76.010.

Contingent expiration date—2025 c 359: See note following RCW 74.76.010.