



OFFICE OF
INSURANCE COMMISSIONER

April 4, 2024

TO: All affected health carriers in Washington State

RE: Second Notification regarding Change Healthcare Cybersecurity Event

The Washington State Department of Insurance (OIC) continues to monitor the impact of the Change Healthcare cybersecurity event that occurred on February 21, 2024, that is affecting its operational performance. Change Healthcare is a subsidiary of UnitedHealth Group that also operates as Optum Solutions and may be acting as a health care benefit manager [RCW 48.200.020(4)(a)(i)-(xii)] in Washington State performing claims processing, preauthorization review, eligibility verification and credentialing services.

The OIC is issuing this notification to remind health carriers of their obligations to comply with prompt payment of claims requirements [WAC 284-170-431] for amounts owed by the carrier to providers and facilities. For health services provided to covered persons, a carrier must pay providers and facilities as soon as practical subject to the following minimum standards:

- Ninety-five percent (95%) of the monthly volume of clean claims shall be paid within thirty (30) days of receipt by the responsible carrier or agent of the carrier; and
- Ninety-five percent (95%) of the monthly volume of all claims shall be paid or denied within sixty (60) days of receipt by the responsible carrier or agent of the carrier, except as agreed to in writing by the parties on a claim-by-claim basis.

The OIC is aware that health carriers, providers, and facilities may have negotiated more stringent requirements in their provider contract arrangements that must be followed.

State regulation defines “clean claim” as a claim that has no defect or impropriety, including lack of any required substantiating documentation, or particular circumstances requiring special treatment that prevents timely payments from being made. [WAC 284-170-431(3)] The receipt date of a claim is the date the responsible carrier or its agent receives either written or electronic notice of the claim. [WAC 284-170-431(2)(b)] Claims processing must comply with the clean claim’s timelines for receipt and processing.

Finally, the only situations where the clean claim standards do not apply to claims are situations where there is substantial evidence of fraud or misrepresentation by providers, facilities or covered person, or instances where the carrier has not been granted reasonable access to information under

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the provider's or facilities control. [WAC 284-170-431(6)] Otherwise, a health carrier must meet their obligations to pay claims under the terms of its provider contract.

I truly appreciate the time and effort health carriers in our marketplace are putting in to help Washington residents and our provider community navigate this situation.

Sincerely,

A handwritten signature in black ink that reads "Mike Kreidler". The signature is written in a cursive, flowing style.

Mike Kreidler,
Insurance Commissioner