
HOUSE BILL 2170

State of Washington

66th Legislature

2019 Regular Session

By Representatives Jenkins, Caldier, Cody, and Macri

1 AN ACT Relating to notice of material changes to the operations
2 or governance structure of participants in the health care
3 marketplace; amending RCW 19.--.---, 19.--.---, and 19.--.---; and
4 providing a contingent effective date.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 **Sec. 1.** RCW 19.--.--- and 2019 c ... (SHB 1607) s 3 are each
7 amended to read as follows:

8 (1) Not less than sixty days prior to the effective date of any
9 transaction that results in a material change, the parties to the
10 transaction shall submit written notice to the attorney general of
11 such material change.

12 (2) For the purposes of this section, a material change includes
13 a merger, acquisition, or contracting affiliation between two or more
14 entities of the following types:

15 (a) Carriers;

16 (b) Hospitals;

17 ~~((b))~~ (c) Hospital systems; or

18 ~~((e))~~ (d) Provider organizations.

19 (3) A material change includes proposed changes identified in
20 subsection (2) of this section between a Washington entity and an
21 out-of-state entity where the out-of-state entity generates ten

1 million dollars or more in health care services revenue from patients
2 residing in Washington state, and the entities are of the types
3 identified in subsection (2) of this section. Any party to a material
4 change that is licensed or operating in Washington state shall submit
5 a notice as required under this section.

6 (4) For purposes of subsection (2) of this section, a merger,
7 acquisition, or contracting affiliation between two or more carriers,
8 hospitals, hospital systems, or provider organizations only qualifies
9 as a material change if the carriers, hospitals, hospital systems, or
10 provider organizations did not previously have common ownership or a
11 contracting affiliation.

12 **Sec. 2.** RCW 19.--.--- and 2019 c ... (SHB 1607) s 6 are each
13 amended to read as follows:

14 Any (~~provider~~) carrier, hospital, hospital system, or provider
15 organization conducting business in this state that files a premerger
16 notification with the federal trade commission or the United States
17 department of justice, in compliance with the Hart-Scott-Rodino
18 antitrust improvements act, Title 15 U.S.C. Sec. 18a, shall provide a
19 copy of such filing to the attorney general. Providing a copy of the
20 Hart-Scott-Rodino filing to the attorney general satisfies the notice
21 requirement under RCW 19.--.--- (section 4, chapter . . . (SHB 1607),
22 Laws of 2019).

23 **Sec. 3.** RCW 19.--.--- and 2019 c ... (SHB) 1607) s 9 are each
24 amended to read as follows:

25 The notice requirement in RCW 19.--.--- (section 3, chapter . . .
26 (SHB 1607), Laws of 2019) applies to transactions with an anticipated
27 effective date on or after January 1, (~~2020~~) 2021.

28 NEW SECTION. **Sec. 4.** This act takes effect if Substitute House
29 Bill No. 1607 takes effect.

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