

SB 5241 - S AMD TO S AMD (S-4880.1/24) **573**
By Senator Kuderer

ADOPTED 02/08/2024

1 On page 5, beginning on line 6, strike all of section 4 and
2 insert the following:

3 **"Sec. 4.** RCW 19.390.030 and 2019 c 267 s 3 are each amended to
4 read as follows:

5 (1) Not less than ~~((sixty))~~ 120 days prior to the effective date
6 of any transaction that results in a material change, the parties to
7 the transaction shall submit written notice to the attorney general
8 of such material change transaction.

9 (2) For the purposes of this ~~((section))~~ chapter, a material
10 change transaction includes a merger, acquisition, or contracting
11 affiliation ~~((between))~~ :

12 (a) Between two or more ((entities)) of the following ((types))
13 entities:

- 14 ~~((a))~~ (i) Hospitals;
15 ~~((b))~~ (ii) Hospital systems; or
16 ~~((c))~~ (iii) Provider organizations; or

17 (b) Between the following entities:

18 (i) An entity described in (a) of this subsection and a carrier
19 or an insurance holding company system, as defined in RCW 48.31B.005;
20 or

21 (ii) An entity described in (a) of this subsection and any other
22 person or entity that has as its primary function the provision of
23 health care services or that is a parent organization of, has control
24 over, or governance of, an entity that has as its primary function
25 the provision of health care services.

26 (3) A material change transaction includes proposed changes
27 identified in subsection (2) of this section between ~~((a Washington~~
28 ~~entity and an out-of-state entity where the out-of-state entity~~
29 ~~generates ten million dollars or more in health care services revenue~~
30 ~~from patients residing in Washington state, and the entities are of~~
31 ~~the types identified in subsection (2) of this section)) Washington~~
32 entities, as well as between Washington entities described in

1 subsection (2)(a) of this section and out-of-state entities. Any
2 party to a material change transaction that is licensed or operating
3 in Washington state shall submit a notice as required under this
4 section.

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

EFFECT: Includes hospital mergers with insurance carriers,
insurance holding companies, and specified health care services
providers or their governing entities.

Removes the \$10,000,000 revenue requirement for reviewing mergers
with out-of-state entities.

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