

SB 5241 - S AMD TO S AMD (S-4880.1/24) **602**
By Senator Rivers

WITHDRAWN 02/08/2024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~~) impacting health care services provided in
12 Washington state:

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

15 (~~(a)~~) (i) Hospitals;

16 (~~(b)~~) (ii) Hospital systems; or

17 (~~(c)~~) (iii) Provider organizations; or

18 (b) Between the following entities:

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

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

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

1 entities, as well as between Washington entities described in
2 subsection (2)(a) of this section and out-of-state entities when the
3 material change transaction impacts health care services provided in
4 Washington state. Any party to a material change transaction that is
5 licensed or operating in Washington state shall submit a notice as
6 required under this section.

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

EFFECT: Expands the parties subject to the act to apply to health
care marketplace participants when material change transactions
impact health care services in Washington state.

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