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**SECOND SUBSTITUTE SENATE BILL 5387**

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**State of Washington 69th Legislature 2025 Regular Session**

**By** Senate Ways & Means (originally sponsored by Senators Robinson, Hasegawa, Liias, Nobles, Riccelli, Stanford, and Valdez)

AN ACT Relating to the corporate practice of health care; amending RCW 18.130.180, 18.130.190, and 19.100.120; adding a new section to chapter 18.100 RCW; adding a new section to chapter 70.41 RCW; adding a new section to chapter 71.12 RCW; adding a new section to chapter 70.230 RCW; adding a new section to chapter 18.51 RCW; adding a new section to chapter 18.46 RCW; adding a new section to chapter 70.127 RCW; adding a new section to chapter 18.134 RCW; adding a new section to chapter 48.44 RCW; adding a new section to chapter 48.46 RCW; adding a new section to chapter 18.71 RCW; adding a new section to chapter 18.57 RCW; adding a new section to chapter 18.79 RCW; adding a new section to chapter 18.06 RCW; adding a new section to chapter 18.225 RCW; adding a new section to chapter 18.22 RCW; adding a new section to chapter 18.25 RCW; adding a new section to chapter 18.32 RCW; adding a new section to chapter 18.29 RCW; adding a new section to chapter 18.36A RCW; adding a new section to chapter 18.50 RCW; adding a new section to chapter 18.53 RCW; adding a new section to chapter 18.55 RCW; adding a new section to chapter 18.59 RCW; adding a new section to chapter 18.64 RCW; adding a new section to chapter 18.71A RCW; adding a new section to chapter 18.74 RCW; adding a new section to chapter 18.83 RCW; adding a new section to chapter 18.108 RCW; adding a new section to chapter 18.138 RCW; adding a new section to chapter 18.205 RCW; adding a new section to chapter 18.290 RCW; and providing an effective date.

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

NEW SECTION. **Sec.**  A new section is added to chapter 18.100 RCW to read as follows:

(1) Except as permitted under this chapter and chapter 25.15 RCW, it is unlawful for an individual, corporation, partnership, or any other entity without a license to practice a health care profession, own a health care practice, employ licensed health care providers, or otherwise engage in a licensed health care profession.

(2) In a professional service corporation organized under this chapter for the purpose of establishing a health care practice, health care providers licensed in this state must:

(a) Hold the majority of each class of shares that are entitled to vote;

(b) Be a majority of the directors; and

(c) Hold all officer positions in the corporation except for secretary and treasurer.

(3) Shareholders who are health care providers licensed in this state must exhibit meaningful ownership of a health care practice organized under this chapter by being substantially engaged in delivering care or managing the practice.

(4) A shareholder, director, or officer of a health care practice organized under this chapter may not:

(a) Own or control shares in, serve as a director or officer of, be an employee of or an independent contractor with, or otherwise participate in managing both the health care practice and a management services organization with which the health care practice has a contract;

(b) Receive substantial compensation or remuneration from a management services organization in return for ownership or management of the health care practice;

(c) Transfer or relinquish control over the sale, the restriction of the sale, or the encumbrance of the sale of the health care practice's shares or assets;

(d) Transfer or relinquish control over the issuing of shares of stock in the health care practice, a subsidiary of the health care practice, or an entity affiliated with the health care practice, or the paying of dividends; or

(e) Enter into any financial arrangement in violation of chapter 19.68 RCW.

(5)(a) A shareholder who is a licensed health care provider of a health care practice organized under this chapter may not relinquish control over or otherwise transfer control over any of the health care practice's administrative, business, or clinical operations that affect clinical decision making or the nature or quality of health care that the practice delivers by means of a contract or other agreement or arrangement; by providing in the health care practice's articles of incorporation or bylaws; by forming a subsidiary or affiliated entity; or by other means.

(b) Nothing in this subsection shall be construed to limit the ability of a shareholder who is a licensed health care provider from consulting or collaborating with any person when developing policies or making decisions that affect clinical decision making or the nature or quality of health care provided by the practice, provided that the ultimate decision is made by the shareholder, who is a licensed health care provider.

(6) This section does not apply to:

(a) Hospitals in this state licensed under chapter 70.41 RCW or licensed by any other state;

(b) Any entity that directly or indirectly controls, is controlled by, or is under common control with a hospital licensed in this state under chapter 70.41 or 71.12 RCW or licensed by any other state;

(c) Private establishments licensed under chapter 71.12 RCW;

(d) Nursing homes licensed under chapter 18.51 RCW;

(e) Ambulatory surgical facilities licensed under chapter 70.230 RCW;

(f) Birthing centers licensed under chapter 18.46 RCW;

(g) In-home service agencies licensed under chapter 70.127 RCW;

(h) Federally qualified health centers as defined in 42 U.S.C. Sec. 1396d;

(i) A telemedicine-exclusive medical group as defined in section 8 of this act;

(j) Health maintenance organizations licensed under chapter 48.46 RCW; or

(k) Health care service contractors licensed under chapter 48.44 RCW that are organized as an integrated care delivery system that delivers health care services on a prepaid basis.

(7) For the purposes of this section:

(a) "Health care practice" means an entity that offers services within the scope of practice of a licensed health care provider.

(b) "Licensed health care provider" means a person licensed under Title 18 RCW to provide health care services to humans.

(c) "Management services organization" means any organization or entity that contracts with a professional service corporation to perform management or administrative services relating to, supporting, or facilitating the provision of health care services.

NEW SECTION. **Sec.**  A new section is added to chapter 70.41 RCW to read as follows:

(1) No person without a license to practice a health care profession in this state, who is employed by, contracted with, or affiliated with a hospital licensed under this chapter, may interfere with, control, or otherwise direct the professional judgment or ultimate clinical decisions of a licensed health care provider employed by, affiliated with, or contracted with the hospital, who is providing care to a patient at the hospital, and who is acting within their scope of practice.

(2) Conduct prohibited under this section includes, as applicable, but is not limited to, controlling through policy, discipline, punishment, threats, adverse employment actions, coercion, retaliation, or excessive pressure, any of the following:

(a) The period of time a provider may spend with a patient, including the time permitted for a health care provider to triage patients in the emergency department or evaluate admitted patients;

(b) The period of time within which a health care provider must discharge a patient;

(c) The clinical status of the patient, including whether the patient should be admitted to inpatient status, whether the patient should be kept in observation status, whether the patient should receive palliative care, and whether and where the patient should be referred upon discharge, such as a skilled nursing facility;

(d) The diagnoses, diagnostic terminology, or codes that are entered into the medical record by the health care provider; or

(e) The range of clinical orders available to a health care provider for services available at the facility, including by configuring the medical record to prohibit or significantly limit the options available to the provider.

(3) Nothing in this section shall be construed to prohibit any policy or requirement that:

(a) Is necessary for a health care provider or hospital to comply with applicable state or federal laws, state or federal coding guidelines, or third-party payor requirements; or

(b) A health care provider or hospital must comply with for purposes of credentialing, privileging, quality improvement, peer review, action taken by a health care profession regulatory authority, conditions set by the centers for medicare and medicaid services, or the physician health program under chapter 18.71 RCW.

(4) For the purposes of this section, "health care profession" means a profession licensed under Title 18 RCW to provide health care services to humans.

NEW SECTION. **Sec.**  A new section is added to chapter 71.12 RCW to read as follows:

(1) No person without a license to practice a health care profession in this state, who is employed by, contracted with, or affiliated with a private establishment licensed under this chapter, may interfere with, control, or otherwise direct the professional judgment or ultimate clinical decision making of a licensed health care provider employed by, affiliated with, or contracted with the private establishment, who is providing care to a patient at the private establishment, and who is acting within their scope of practice.

(2) Conduct prohibited under this section includes, as applicable, but is not limited to, controlling through policy, discipline, punishment, threats, adverse employment actions, coercion, retaliation, or excessive pressure, any of the following:

(a) The period of time a provider may spend with a patient, including the time permitted for a health care provider to triage patients in the emergency department or evaluate admitted patients;

(b) The period of time within which a health care provider must discharge a patient;

(c) The clinical status of the patient, including whether the patient should be admitted to inpatient status, whether the patient should be kept in observation status, whether the patient should receive palliative care, and whether and where the patient should be referred upon discharge;

(d) The diagnoses, diagnostic terminology, or codes that are entered into the medical record by the health care provider; or

(e) The range of clinical orders available to a health care provider for services available at the facility, including by configuring the medical record to prohibit or significantly limit the options available to the provider.

(3) Nothing in this section shall be construed to prohibit any policy or requirement that:

(a) Is necessary for a health care provider or private establishment to comply with applicable state or federal laws, state or federal coding guidelines, or third-party payor requirements; or

(b) A health care provider or private establishment must comply with for purposes of credentialing, privileging, quality improvement, peer review, action taken by a health care profession regulatory authority, conditions set by the centers for medicare and medicaid services, or the physician health program under chapter 18.71 RCW.

(4) For the purposes of this section, "health care profession" means a profession licensed under Title 18 RCW to provide health care services to humans.

NEW SECTION. **Sec.**  A new section is added to chapter 70.230 RCW to read as follows:

(1) No person without a license to practice a health care profession in this state, who is employed by, contracted with, or affiliated with an ambulatory surgical facility licensed under this chapter, may interfere with, control, or otherwise direct the professional judgment or ultimate clinical decision making of a licensed health care provider employed by, affiliated with, or contracted with the ambulatory surgical facility, who is providing care to a patient at the ambulatory surgical facility, and who is acting within their scope of practice.

(2) Conduct prohibited under this section includes, as applicable, but is not limited to, controlling through policy, discipline, punishment, threats, adverse employment actions, coercion, retaliation, or excessive pressure, any of the following:

(a) The period of time a provider may spend with a patient;

(b) The period of time within which a health care provider must discharge a patient;

(c) The clinical status of the patient;

(d) The diagnoses, diagnostic terminology, or codes that are entered into the medical record by the health care provider; or

(e) The range of clinical orders available to a health care provider for services available at the facility, including by configuring the medical record to prohibit or significantly limit the options available to the provider.

(3) Nothing in this section shall be construed to prohibit any policy or requirement that:

(a) Is necessary for a health care provider or ambulatory surgical facility to comply with applicable state or federal laws, state or federal coding guidelines, or third-party payor requirements; or

(b) A health care provider or ambulatory surgical facility must comply with for purposes of credentialing, privileging, quality improvement, peer review, action taken by a health care profession regulatory authority, conditions set by the centers for medicare and medicaid services, or the physician health program under chapter 18.71 RCW.

(4) For the purposes of this section, "health care profession" means a profession licensed under Title 18 RCW to provide health care services to humans.

NEW SECTION. **Sec.**  A new section is added to chapter 18.51 RCW to read as follows:

(1) No person without a license to practice a health care profession in this state, who is employed by, contracted with, or affiliated with a nursing home licensed under this chapter, may interfere with, control, or otherwise direct the professional judgment or ultimate clinical decisions of a licensed health care provider employed by, affiliated with, or contracted with the nursing home, who is providing care to residents of the nursing home, and who is acting within their scope of practice.

(2) Conduct prohibited under this section includes, but is not limited to, controlling or attempting to control decision making concerning the practice of medicine or the diagnosis and treatment of any patient through policy, discipline, punishment, threats, adverse employment actions, coercion, retaliation, or excessive pressure of any kind.

(3) Nothing in this section shall be construed to prohibit any policy or requirement that:

(a) Is necessary for a health care provider or nursing home to comply with applicable state or federal laws, state or federal coding guidelines, or third-party payor requirements; or

(b) A health care provider or nursing home must comply with for purposes of credentialing, privileging, quality improvement, peer review, action taken by a health care profession regulatory authority, conditions set by the centers for medicare and medicaid services, or the physician health program under chapter 18.71 RCW.

(4) For the purposes of this section, "health care profession" means a profession licensed under Title 18 RCW to provide health care services to humans.

NEW SECTION. **Sec.**  A new section is added to chapter 18.46 RCW to read as follows:

(1) No person without a license to practice a health care profession in this state, who is employed by, contracted with, or affiliated with a birthing center licensed under this chapter, may interfere with, control, or otherwise direct the professional judgment or ultimate clinical decisions of a licensed health care provider employed by, affiliated with, or contracted with the birthing center, who is providing care to a patient in the birthing center, and who is acting within their scope of practice.

(2) Conduct prohibited under this section includes, but is not limited to, controlling or attempting to control decision making concerning the practice of medicine or the diagnosis and treatment of any patient through policy, discipline, punishment, threats, adverse employment actions, coercion, retaliation, or excessive pressure of any kind.

(3) Nothing in this section shall be construed to prohibit any policy or requirement that:

(a) Is necessary for a health care provider or birthing center to comply with applicable state or federal laws, state or federal coding guidelines, or third-party payor requirements; or

(b) A health care provider or birthing center must comply with for purposes of credentialing, privileging, quality improvement, peer review, action taken by a health care profession regulatory authority, conditions set by the centers for medicare and medicaid services, or the physician health program under chapter 18.71 RCW.

(4) For the purposes of this section, "health care profession" means a profession licensed under Title 18 RCW to provide health care services to humans.

NEW SECTION. **Sec.**  A new section is added to chapter 70.127 RCW to read as follows:

(1) No person without a license to practice a health care profession in this state, who is employed by, contracted with, or affiliated with an in-home care agency licensed under this chapter, may interfere with, control, or otherwise direct the professional judgment or ultimate clinical decisions of a licensed health care provider employed by, affiliated with, or contracted with the in-home services agency, who is providing care to an individual in a in-home services agency operated by the in-home services agency, and who is acting within their scope of practice.

(2) Conduct prohibited under this section includes, but is not limited to, controlling or attempting to control decision making concerning the practice of medicine or the diagnosis and treatment of any patient through policy, discipline, punishment, threats, adverse employment actions, coercion, retaliation, or excessive pressure of any kind.

(3) Nothing in this section shall be construed to prohibit any policy or requirement that:

(a) Is necessary for a health care provider or in-home care agency to comply with applicable state or federal laws, state or federal coding guidelines, or third-party payor requirements; or

(b) A health care provider or in-home care agency must comply with for purposes of credentialing, privileging, quality improvement, peer review, action taken by a health care profession regulatory authority, conditions set by the centers for medicare and medicaid services, or the physician health program under chapter 18.71 RCW.

(4) For the purposes of this section, "health care profession" means a profession licensed under Title 18 RCW to provide health care services to humans.

NEW SECTION. **Sec.**  A new section is added to chapter 18.134 RCW to read as follows:

(1) No person without a license to practice a health care profession in this state, who is employed by, contracted with, or affiliated with a telemedicine-exclusive medical practice, may interfere with, control, or otherwise direct the professional judgment or ultimate clinical decisions of a licensed health care provider employed by, affiliated with, or contracted with a telemedicine-exclusive medical practice, and who is acting within their scope of practice.

(2) Conduct prohibited under this section includes, as applicable, but is not limited to, controlling through policy, discipline, punishment, threats, adverse employment actions, coercion, retaliation, or excessive pressure, any of the following:

(a) The period of time a provider may spend with a patient;

(b) The provider's ability to recommend and refer the patient to in-person treatment;

(c) The clinical status of the patient, including whether the patient should be referred to another provider;

(d) The diagnoses, diagnostic terminology, or codes that are entered into the medical record by the health care provider; or

(e) The range of clinical orders available to a health care provider for available services, including by configuring the medical record to prohibit or significantly limit the options available to the provider.

(3) Nothing in this section shall be construed to prohibit any policy or requirement that:

(a) Is necessary for a health care provider or telemedicine-exclusive medical group to comply with applicable state or federal laws, state or federal coding guidelines, or third-party payor requirements; or

(b) A health care provider or telemedicine-exclusive medical group must comply with for purposes of credentialing, privileging, quality improvement, peer review, action taken by a health care profession regulatory authority, conditions set by the centers for medicare and medicaid services, or the physician health program under chapter 18.71 RCW.

(4)(a) The legislature finds that the practices covered by this section are matters vitally affecting the public interest for the purpose of applying the consumer protection act, chapter 19.86 RCW. A violation of this chapter is not reasonable in relation to the development and preservation of business and is an unfair or deceptive act in trade or commerce and an unfair method of competition for the purpose of applying the consumer protection act, chapter 19.86 RCW.

(b) Enforcement for purposes of this section is exclusive to the attorney general, pursuant to RCW 19.86.080.

(5) For the purposes of this section:

(a) "Health care profession" means a profession licensed under Title 18 RCW to provide health care services to humans.

(b) "Telemedicine-exclusive medical group" means an entity which engages with patients exclusively through telemedicine as defined in RCW 70.41.020 and does not offer in-person health care services.

NEW SECTION. **Sec.**  A new section is added to chapter 48.44 RCW to read as follows:

(1) No person without a license to practice a health care profession in this state, who is employed by, contracted with, or affiliated with a health care service contractor licensed under this chapter that is organized as an integrated care delivery system that delivers health care services on a prepaid basis, may interfere with, control, or otherwise direct the professional judgment or ultimate clinical decisions of a licensed health care provider employed by, affiliated with, or contracted with the health care service contractor, who is providing care to a patient at a facility operated by the health care service contractor, and who is acting within their scope of practice.

(2) Conduct prohibited under this section includes, as applicable, but is not limited to, controlling through policy, discipline, punishment, threats, adverse employment actions, coercion, retaliation, or excessive pressure, any of the following:

(a) The period of time a provider may spend with a patient, including the time permitted for a health care provider to triage patients in the emergency department or evaluate admitted patients;

(b) The period of time within which a health care provider must discharge a patient;

(c) The clinical status of the patient, including whether the patient should be admitted to inpatient status, whether the patient should be kept in observation status, whether the patient should receive palliative care, and whether and where the patient should be referred upon discharge, such as a skilled nursing facility;

(d) The diagnoses, diagnostic terminology, or codes that are entered into the medical record by the health care provider; or

(e) The range of clinical orders available to a health care provider for services available at the facility, including by configuring the medical record to prohibit or significantly limit the options available to the provider.

(3) Nothing in this section shall be construed to prohibit any policy or requirement that:

(a) Is necessary for a health care provider or health care service contractor to comply with applicable state or federal laws, state or federal coding guidelines, or third-party payor requirements; or

(b) A health care provider or health care service contractor must comply with for purposes of credentialing, privileging, quality improvement, peer review, action taken by a health care profession regulatory authority, conditions set by the centers for medicare and medicaid services, or the physician health program under chapter 18.71 RCW.

(4) For the purposes of this section, "health care profession" means a profession licensed under Title 18 RCW to provide health care services to humans.

NEW SECTION. **Sec.**  A new section is added to chapter 48.46 RCW to read as follows:

(1) No person without a license to practice a health care profession in this state, who is employed by, contracted with, or affiliated with a health maintenance organization licensed under this chapter, may interfere with, control, or otherwise direct the professional judgment or ultimate clinical decisions of a licensed health care provider employed by, affiliated with, or contracted with the health maintenance organization, who is providing care to a patient at a facility operated by the health maintenance organization, and who is acting within their scope of practice.

(2) Conduct prohibited under this section includes, as applicable, but is not limited to, controlling through policy, discipline, punishment, threats, adverse employment actions, coercion, retaliation, or excessive pressure, any of the following:

(a) The period of time a provider may spend with a patient, including the time permitted for a health care provider to triage patients in the emergency department or evaluate admitted patients;

(b) The period of time within which a health care provider must discharge a patient;

(c) The clinical status of the patient, including whether the patient should be admitted to inpatient status, whether the patient should be kept in observation status, whether the patient should receive palliative care, and whether and where the patient should be referred upon discharge, such as a skilled nursing facility;

(d) The diagnoses, diagnostic terminology, or codes that are entered into the medical record by the health care provider; or

(e) The range of clinical orders available to a health care provider for services available at the facility, including by configuring the medical record to prohibit or significantly limit the options available to the provider.

(3) Nothing in this section shall be construed to prohibit any policy or requirement that:

(a) Is necessary for a health care provider or health maintenance organization to comply with applicable state or federal laws, state or federal coding guidelines, or third-party payor requirements; or

(b) A health care provider or health maintenance organization must comply with for purposes of credentialing, privileging, quality improvement, peer review, action taken by a health care profession regulatory authority, conditions set by the centers for medicare and medicaid services, or the physician health program under chapter 18.71 RCW.

(4) For the purposes of this section, "health care profession" means a profession licensed under Title 18 RCW to provide health care services to humans.

**Sec.**  RCW 18.130.180 and 2024 c 220 s 2 are each amended to read as follows:

Except as provided in RCW 18.130.450, the following conduct, acts, or conditions constitute unprofessional conduct for any license holder under the jurisdiction of this chapter:

(1) The commission of any act involving moral turpitude, dishonesty, or corruption relating to the practice of the person's profession, whether the act constitutes a crime or not. If the act constitutes a crime, conviction in a criminal proceeding is not a condition precedent to disciplinary action. Upon such a conviction, however, the judgment and sentence is conclusive evidence at the ensuing disciplinary hearing of the guilt of the license holder of the crime described in the indictment or information, and of the person's violation of the statute on which it is based. For the purposes of this section, conviction includes all instances in which a plea of guilty or nolo contendere is the basis for the conviction and all proceedings in which the sentence has been deferred or suspended. Nothing in this section abrogates rights guaranteed under chapter 9.96A RCW;

(2) Misrepresentation or concealment of a material fact in obtaining a license or in reinstatement thereof;

(3) All advertising which is false, fraudulent, or misleading;

(4) Incompetence, negligence, or malpractice which results in injury to a patient or which creates an unreasonable risk that a patient may be harmed. The use of a nontraditional treatment by itself shall not constitute unprofessional conduct, provided that it does not result in injury to a patient or create an unreasonable risk that a patient may be harmed;

(5) Suspension, revocation, or restriction of the individual's license to practice any health care profession by competent authority in any state, federal, or foreign jurisdiction, a certified copy of the order, stipulation, or agreement being conclusive evidence of the revocation, suspension, or restriction;

(6) The possession, use, prescription for use, or distribution of controlled substances or legend drugs in any way other than for legitimate or therapeutic purposes, diversion of controlled substances or legend drugs, the violation of any drug law, or prescribing controlled substances for oneself;

(7) Violation of any state or federal statute or administrative rule regulating the profession in question, including any statute or rule defining or establishing standards of patient care or professional conduct or practice;

(8) Failure to cooperate with the disciplining authority by:

(a) Not furnishing any papers, documents, records, or other items;

(b) Not furnishing in writing a full and complete explanation covering the matter contained in the complaint filed with the disciplining authority;

(c) Not responding to subpoenas issued by the disciplining authority, whether or not the recipient of the subpoena is the accused in the proceeding; or

(d) Not providing reasonable and timely access for authorized representatives of the disciplining authority seeking to perform practice reviews at facilities utilized by the license holder;

(9) Failure to comply with an order issued by the disciplining authority or a stipulation for informal disposition entered into with the disciplining authority;

(10) Aiding or abetting an unlicensed person to practice when a license is required;

(11) Violations of rules established by any health agency;

(12) Practice beyond the scope of practice as defined by law or rule;

(13) Misrepresentation or fraud in any aspect of the conduct of the business or profession;

(14) Failure to adequately supervise auxiliary staff to the extent that the consumer's health or safety is at risk;

(15) Engaging in a profession involving contact with the public while suffering from a contagious or infectious disease involving serious risk to public health;

(16) Promotion for personal gain of any unnecessary or inefficacious drug, device, treatment, procedure, or service;

(17) Conviction of any gross misdemeanor or felony relating to the practice of the person's profession. For the purposes of this subsection, conviction includes all instances in which a plea of guilty or nolo contendere is the basis for conviction and all proceedings in which the sentence has been deferred or suspended. Nothing in this section abrogates rights guaranteed under chapter 9.96A RCW;

(18) The offering, undertaking, or agreeing to cure or treat disease by a secret method, procedure, treatment, or medicine, or the treating, operating, or prescribing for any health condition by a method, means, or procedure which the licensee refuses to divulge upon demand of the disciplining authority;

(19) The willful betrayal of a practitioner-patient privilege as recognized by law;

(20) Violation of chapter 19.68 RCW or a pattern of violations of RCW 41.05.700(8), 48.43.735(8), 48.49.020, 48.49.030, 71.24.335(8), or 74.09.325(8);

(21) Interference with an investigation or disciplinary proceeding by willful misrepresentation of facts before the disciplining authority or its authorized representative, or by the use of threats or harassment against any patient or witness to prevent them from providing evidence in a disciplinary proceeding or any other legal action, or by the use of financial inducements to any patient or witness to prevent or attempt to prevent him or her from providing evidence in a disciplinary proceeding;

(22) Current misuse of:

(a) Alcohol;

(b) Controlled substances; or

(c) Legend drugs;

(23) Abuse of a client or patient or sexual contact with a client or patient;

(24) Acceptance of more than a nominal gratuity, hospitality, or subsidy offered by a representative or vendor of medical or health-related products or services intended for patients, in contemplation of a sale or for use in research publishable in professional journals, where a conflict of interest is presented, as defined by rules of the disciplining authority, in consultation with the department, based on recognized professional ethical standards;

(25) Violation of RCW 18.130.420;

(26) Performing conversion therapy on a patient under age eighteen;

(27) Violation of any provision of sections 1 through 10 of this act;

(28) Violation of RCW 18.130.430;

((~~(28)~~)) (29) Violation of RCW 18.130.460; or

((~~(29)~~)) (30) Implanting the license holder's own gametes or reproductive material into a patient.

**Sec.**  RCW 18.130.190 and 2003 c 53 s 141 are each amended to read as follows:

(1) The secretary shall investigate complaints concerning practice by unlicensed persons of a profession or business for which a license is required by the chapters specified in RCW 18.130.040 including, but not limited to, a violation of section 1 of this act. In the investigation of the complaints, the secretary shall have the same authority as provided the secretary under RCW 18.130.050.

(2) The secretary may issue a notice of intention to issue a cease and desist order to any person whom the secretary has reason to believe is engaged in the unlicensed practice of a profession or business for which a license is required by the chapters specified in RCW 18.130.040. The person to whom such notice is issued may request an adjudicative proceeding to contest the charges. The request for hearing must be filed within twenty days after service of the notice of intention to issue a cease and desist order. The failure to request a hearing constitutes a default, whereupon the secretary may enter a permanent cease and desist order, which may include a civil fine. All proceedings shall be conducted in accordance with chapter 34.05 RCW.

(3) If the secretary makes a final determination that a person has engaged or is engaging in unlicensed practice, the secretary may issue a cease and desist order. In addition, the secretary may impose a civil fine in an amount not exceeding one thousand dollars for each day upon which the person engaged in unlicensed practice of a business or profession for which a license is required by one or more of the chapters specified in RCW 18.130.040. The proceeds of such fines shall be deposited to the health professions account.

(4) If the secretary makes a written finding of fact that the public interest will be irreparably harmed by delay in issuing an order, the secretary may issue a temporary cease and desist order. The person receiving a temporary cease and desist order shall be provided an opportunity for a prompt hearing. The temporary cease and desist order shall remain in effect until further order of the secretary. The failure to request a prompt or regularly scheduled hearing constitutes a default, whereupon the secretary may enter a permanent cease and desist order, which may include a civil fine.

(5) Neither the issuance of a cease and desist order nor payment of a civil fine shall relieve the person so practicing or operating a business without a license from criminal prosecution therefor, but the remedy of a cease and desist order or civil fine shall be in addition to any criminal liability. The cease and desist order is conclusive proof of unlicensed practice and may be enforced under RCW 7.21.060. This method of enforcement of the cease and desist order or civil fine may be used in addition to, or as an alternative to, any provisions for enforcement of agency orders set out in chapter 34.05 RCW.

(6) The attorney general, a county prosecuting attorney, the secretary, a board, or any person may in accordance with the laws of this state governing injunctions, maintain an action in the name of this state to enjoin any person practicing a profession or business for which a license is required by the chapters specified in RCW 18.130.040 without a license from engaging in such practice or operating such business until the required license is secured. However, the injunction shall not relieve the person so practicing or operating a business without a license from criminal prosecution therefor, but the remedy by injunction shall be in addition to any criminal liability.

(7)(a) Unlicensed practice of a profession or operating a business for which a license is required by the chapters specified in RCW 18.130.040, unless otherwise exempted by law, constitutes a gross misdemeanor for a single violation.

(b) Each subsequent violation, whether alleged in the same or in subsequent prosecutions, is a class C felony punishable according to chapter 9A.20 RCW.

(8) All fees, fines, forfeitures, and penalties collected or assessed by a court because of a violation of this section shall be remitted to the health professions account.

NEW SECTION. **Sec.**  A new section is added to chapter 18.71 RCW to read as follows:

Upon application for a license or license renewal, an applicant must attest, in a form and manner determined by the commission, that they are aware of regulations related to the corporate practice of health care included in sections 1 through 10 of this act.

NEW SECTION. **Sec.**  A new section is added to chapter 18.57 RCW to read as follows:

Upon application for a license or license renewal, an applicant must attest, in a form and manner determined by the board, that they are aware of regulations related to the corporate practice of health care included in sections 1 through 10 of this act.

NEW SECTION. **Sec.**  A new section is added to chapter 18.79 RCW to read as follows:

Upon application for a license or license renewal, an applicant for a registered nurse, advanced practice registered nurse, or licensed practical nurse license must attest, in a form and manner determined by the board, that they are aware of regulations related to the corporate practice of health care included in sections 1 through 10 of this act.

NEW SECTION. **Sec.**  A new section is added to chapter 18.06 RCW to read as follows:

Upon application for a license or license renewal, an applicant must attest, in a form and manner determined by the secretary, that they are aware of regulations related to the corporate practice of health care included in sections 1 through 10 of this act.

NEW SECTION. **Sec.**  A new section is added to chapter 18.225 RCW to read as follows:

Upon application for a license or license renewal, an applicant must attest, in a form and manner determined by the secretary, that they are aware of regulations related to the corporate practice of health care included in sections 1 through 10 of this act.

NEW SECTION. **Sec.**  A new section is added to chapter 18.22 RCW to read as follows:

Upon application for a license or license renewal, an applicant must attest, in a form and manner determined by the board, that they are aware of regulations related to the corporate practice of health care included in sections 1 through 10 of this act.

NEW SECTION. **Sec.**  A new section is added to chapter 18.25 RCW to read as follows:

Upon application for a license or license renewal, an applicant must attest, in a form and manner determined by the commission, that they are aware of regulations related to the corporate practice of health care included in sections 1 through 10 of this act.

NEW SECTION. **Sec.**  A new section is added to chapter 18.32 RCW to read as follows:

Upon application for a license or license renewal, an applicant must attest, in a form and manner determined by the commission, that they are aware of regulations related to the corporate practice of health care included in sections 1 through 10 of this act.

NEW SECTION. **Sec.**  A new section is added to chapter 18.29 RCW to read as follows:

Upon application for a license or license renewal, an applicant must attest, in a form and manner determined by the secretary, that they are aware of regulations related to the corporate practice of health care included in sections 1 through 10 of this act.

NEW SECTION. **Sec.**  A new section is added to chapter 18.36A RCW to read as follows:

Upon application for a license or license renewal, an applicant must attest, in a form and manner determined by the board, that they are aware of regulations related to the corporate practice of health care included in sections 1 through 10 of this act.

NEW SECTION. **Sec.**  A new section is added to chapter 18.50 RCW to read as follows:

Upon application for a license or license renewal, an applicant must attest, in a form and manner determined by the secretary, that they are aware of regulations related to the corporate practice of health care included in sections 1 through 10 of this act.

NEW SECTION. **Sec.**  A new section is added to chapter 18.53 RCW to read as follows:

Upon application for a license or license renewal, an applicant must attest, in a form and manner determined by the board, that they are aware of regulations related to the corporate practice of health care included in sections 1 through 10 of this act.

NEW SECTION. **Sec.**  A new section is added to chapter 18.55 RCW to read as follows:

Upon application for a license or license renewal, an applicant must attest, in a form and manner determined by the secretary, that they are aware of regulations related to the corporate practice of health care included in sections 1 through 10 of this act.

NEW SECTION. **Sec.**  A new section is added to chapter 18.59 RCW to read as follows:

Upon application for a license or license renewal, an applicant must attest, in a form and manner determined by the board, that they are aware of regulations related to the corporate practice of health care included in sections 1 through 10 of this act.

NEW SECTION. **Sec.**  A new section is added to chapter 18.64 RCW to read as follows:

Upon application for a license or license renewal, an applicant must attest, in a form and manner determined by the commission, that they are aware of regulations related to the corporate practice of health care included in sections 1 through 10 of this act.

NEW SECTION. **Sec.**  A new section is added to chapter 18.71A RCW to read as follows:

Upon application for a license or license renewal, an applicant must attest, in a form and manner determined by the commission, that they are aware of regulations related to the corporate practice of health care included in sections 1 through 10 of this act.

NEW SECTION. **Sec.**  A new section is added to chapter 18.74 RCW to read as follows:

Upon application for a license or license renewal, an applicant must attest, in a form and manner determined by the board, that they are aware of regulations related to the corporate practice of health care included in sections 1 through 10 of this act.

NEW SECTION. **Sec.**  A new section is added to chapter 18.83 RCW to read as follows:

Upon application for a license or license renewal, an applicant must attest, in a form and manner determined by the board, that they are aware of regulations related to the corporate practice of health care included in sections 1 through 10 of this act.

NEW SECTION. **Sec.**  A new section is added to chapter 18.108 RCW to read as follows:

Upon application for a license or license renewal, an applicant must attest, in a form and manner determined by the board, that they are aware of regulations related to the corporate practice of health care included in sections 1 through 10 of this act.

NEW SECTION. **Sec.**  A new section is added to chapter 18.138 RCW to read as follows:

Upon application for certification or certification renewal, an applicant must attest, in a form and manner determined by the secretary, that they are aware of regulations related to the corporate practice of health care included in sections 1 through 10 of this act.

NEW SECTION. **Sec.**  A new section is added to chapter 18.205 RCW to read as follows:

Upon application for certification or certification renewal, an applicant must attest, in a form and manner determined by the secretary, that they are aware of regulations related to the corporate practice of health care included in sections 1 through 10 of this act.

NEW SECTION. **Sec.**  A new section is added to chapter 18.290 RCW to read as follows:

Upon application for a license or license renewal, an applicant must attest, in a form and manner determined by the secretary, that they are aware of regulations related to the corporate practice of health care included in sections 1 through 10 of this act.

**Sec.**  RCW 19.100.120 and 2011 c 336 s 559 are each amended to read as follows:

The director may issue a stop order denying effectiveness to or suspending or revoking the effectiveness of any registration statement if he or she finds that the order is in the public interest and that:

(1) The registration statement as of its effective date, or as of any earlier date in the case of an order denying effectiveness, is incomplete in any material respect or contains any statement which was in the light of the circumstances under which it was made false or misleading with respect to any material fact;

(2) Any provision of this chapter or any rule or order or condition lawfully imposed under this chapter has been violated in connection with the offering by:

(a) The person filing the registration statement but only if such person is directly or indirectly controlled by or acting for the franchisor; or

(b) The franchisor, any partner, officer, or director of a franchisor, or any person occupying a similar status or performing similar functions or any person directly or indirectly controlling or controlled by the franchisor.

(3) The franchise offering registered or sought to be registered is the subject of a permanent or temporary injunction of any court of competent jurisdiction entered under any federal or state act applicable to the offering but the director may not:

(a) Institute a proceeding against an effective registration statement under this clause more than one year from the date of the injunctive relief thereon unless the injunction is thereafter violated; and

(b) Enter an order under this clause on the basis of an injunction entered under any other state act unless that order or injunction is based on facts that currently constitute a ground for stop order under this section;

(4) A franchisor's enterprise or method of business includes or would include activities which are illegal where performed, including but not limited to violations of section 1 of this act;

(5) The offering has worked or tended to work a fraud upon purchasers or would so operate;

(6) The applicant has failed to comply with any rule or order of the director issued pursuant to RCW 19.100.050.

(7) The applicant or registrant has failed to pay the proper registration fee but the director may enter only a denial order under this subsection and he or she shall vacate such order when the deficiency has been corrected.

NEW SECTION. **Sec.**  This act takes effect January 1, 2027.

**--- END ---**