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**SENATE BILL 5493**

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

**By** Senators Riccelli, Robinson, Conway, Nobles, Ramos, Stanford, Valdez, and C. Wilson

AN ACT Relating to hospital price transparency; amending RCW 70.01.030, 70.41.130, and 70.41.250; adding a new chapter to Title 70 RCW; and providing an effective date.

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

NEW SECTION. **Sec.**  The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Department" means the department of health.

(2) "Hospital" means a hospital licensed under chapter 70.41 RCW.

(3) "Item or service" means an item or service, including individual items and services and service packages, that could be provided by a hospital to a patient in connection with an inpatient admission or an outpatient department visit for which the hospital has established a standard charge, including any of the following:

(a) A supply or procedure;

(b) Room and board;

(c) The use of the hospital or other item, which is generally described as a facility fee;

(d) The service of a health care practitioner, which is generally described as a professional fee; or

(e) Any other item or service for which a hospital has established a standard charge.

(4) "Machine-readable format" means a digital representation of information in a file that can be easily imported or read into a computer system for further processing without any additional preparation.

(5) "Shoppable service" means a service that may be scheduled by an individual in advance.

(6) "Third-party payor" means an entity that is legally responsible for payment of a claim for a hospital item or service.

NEW SECTION. **Sec.**  (1) By July 1, 2027, hospitals shall publish all data and comply with all rules related to hospital price transparency pursuant to 45 C.F.R. Part 180, subparts A and B, as they existed on January 1, 2025.

(2)(a) Beginning July 1, 2027, hospitals shall submit the most recent machine-readable file containing a list of all standard charges for all hospital items or services and the most recent consumer-friendly list of standard charges for a limited set of shoppable services, as required in federal rule, to the department at least once a year.

(b) If at any time, a charge for an item or service included in the lists submitted to the department pursuant to (a) of this subsection increases by more than 20 percent, a hospital shall submit an updated list to the department within 30 days of the increase.

NEW SECTION. **Sec.**  (1)(a) The department shall evaluate whether a hospital has complied with the requirements of this chapter.

(b) To monitor and assess hospital compliance with this chapter, the department may:

(i) Evaluate complaints made by individuals or entities to the department pursuant to section 4 of this act;

(ii) Review individuals' or entities' analysis of noncompliance;

(iii) Conduct audits and comprehensive reviews;

(iv) Confirm that each hospital submitted the lists required by section 2 of this act;

(v) Require submission of certification by an authorized hospital official as to the accuracy and completeness of the standard charge information in the machine-readable files; and

(vi) Require submission of additional documentation as may be necessary to make a determination of hospital compliance.

(2) The department shall make all reports and lists available on its publicly accessible internet website within 60 days of receipt of each report.

(3)(a) Upon determining that a hospital has violated the provisions of this chapter or the rules adopted under this chapter, the department may take administrative action in accordance with the provisions of RCW 70.41.130.

(b) The department may consult with the office of the attorney general and the office of the insurance commissioner, as applicable, regarding violations for which the office of the attorney general or the office of the insurance commissioner has jurisdiction and may refer those violations to the appropriate agency as necessary.

NEW SECTION. **Sec.**  The department shall establish an electronic form for individuals to submit complaints for alleged violations of this chapter. The department shall post the electronic form on its publicly accessible internet website. The department shall also accept complaints via a department customer service telephone number. The department may refer complaints related to the consumer protection act to the office of the attorney general.

NEW SECTION. **Sec.**  By January 1, 2028, the department shall develop a tool to allow individuals to search hospital data submitted pursuant to this chapter and compare charges and shoppable services among hospitals.

NEW SECTION. **Sec.**  (1) Except as provided under subsection (4) of this section, a hospital that is in violation of the requirements of this chapter on the date when an item or service is purchased from or provided to a patient by the hospital may not initiate or pursue a collection action against the patient or patient guarantor for a debt owed for the item or service.

(2) If a patient believes that a hospital is in violation of the requirements of this chapter on the date when an item or service is purchased from or provided to the patient and the hospital takes a collection action against the patient or patient guarantor, the patient or patient guarantor may initiate a civil action in a court of competent jurisdiction to determine if the hospital is not in material compliance with this chapter and the noncompliance is related to the item or service. The hospital may not take a collection action against the patient or patient guarantor or submit a report to a patient's or patient guarantor's credit report while the civil action is pending.

(3) If a judge or jury finds a hospital to be materially out of compliance with the requirements of this chapter, the hospital shall:

(a) Refund the payor any amount of the debt the payor has paid and pay a penalty to the patient or patient guarantor in an amount equal to the total amount of the debt;

(b) Dismiss or cause to be dismissed with prejudice a civil action under subsection (2) of this section and pay any attorney fees and costs incurred by the patient or patient guarantor relating to the action; and

(c) Remove or cause to be removed from the patient's or patient guarantor's credit report a report made to a consumer reporting agency relating to the debt.

(4) Nothing in this section shall be construed to:

(a) Prohibit a hospital from billing a patient, patient guarantor, or third-party payor, including a health insurer, for an item or service provided to the patient in a manner that is not in violation of this chapter; or

(b) Require a hospital to refund a payment made to the hospital for an item or service provided to the patient if no collection action is taken in violation of this chapter.

(5) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Collection action" means any of the following actions taken with respect to a debt for an item or service that was purchased from or provided to a patient by a hospital on a date during which the hospital was not in material compliance with this chapter:

(i) Attempting to collect a debt from a patient or patient guarantor by referring the debt, directly or indirectly, to a collection agency or other third party retained by or on behalf of the hospital;

(ii) Suing the patient or patient guarantor or enforcing an arbitration or mediation clause in a hospital document, including any contract, agreement, statement, or bill; or

(iii) Directly or indirectly causing a report to be made to a consumer reporting agency.

(b) "Collection agency" has the same meaning as provided in RCW 19.16.100.

(c) "Consumer reporting agency" has the same meaning as provided in RCW 19.182.010.

NEW SECTION. **Sec.**  The department may adopt rules necessary to implement this chapter.

**Sec.**  RCW 70.01.030 and 2009 c 529 s 1 are each amended to read as follows:

(1) Health care providers licensed under Title 18 RCW and health care facilities licensed under Title 70 RCW shall provide the following to a patient upon request:

(a) An estimate of fees and charges related to a specific service, visit, or stay; and

(b) Information regarding other types of fees or charges a patient may receive in conjunction with their visit to the provider or facility. Hospitals licensed under chapter 70.41 RCW may fulfill this requirement by providing a statement and contact information as described in RCW 70.41.400 and directing the patient toward hospital charge information published by the hospital in accordance with chapter 70.--- RCW (the new chapter created in section 11 of this act).

(2) Providers and facilities listed in subsection (1) of this section may, after disclosing estimated charges and fees to a patient, refer the patient to the patient's insurer, if applicable, for specific information on the insurer's charges and fees, any cost-sharing responsibilities required of the patient, and the network status of ancillary providers who may or may not share the same network status as the provider or facility.

(3) Except for hospitals licensed under chapter 70.41 RCW, providers and facilities listed in subsection (1) of this section shall post a sign in patient registration areas containing at least the following language: "Information about the estimated charges of your health services is available upon request. Please do not hesitate to ask for information."

**Sec.**  RCW 70.41.130 and 2023 c 114 s 7 are each amended to read as follows:

(1) The department is authorized to take any of the actions identified in this section against a hospital's license or provisional license in any case in which it finds that there has been a failure or refusal to comply with the requirements of this chapter or the standards or rules adopted under this chapter ((~~or~~)), the requirements of RCW 71.34.375 on the basis of findings by the department of labor and industries under RCW 70.41.425(6)(b), the requirements of chapter 70.--- RCW (the new chapter created in section 11 of this act), or the standards or rules adopted under chapter 70.--- RCW (the new chapter created in section 11 of this act).

(a) When the department determines the hospital has previously been subject to an enforcement action for the same or similar type of violation of the same statute or rule, or has been given any previous statement of deficiency that included the same or similar type of violation of the same or similar statute or rule, or when the hospital failed to correct noncompliance with a statute or rule by a date established or agreed to by the department, the department may impose reasonable conditions on a license. Conditions may include correction within a specified amount of time, training, or hiring a department-approved consultant if the hospital cannot demonstrate to the department that it has access to sufficient internal expertise. If the department determines that the violations constitute immediate jeopardy, the conditions may be imposed immediately in accordance with subsection (3) of this section.

(b)(i) In accordance with the authority the department has under RCW 43.70.095, the department may assess a civil fine of up to $10,000 per violation, not to exceed a total fine of $1,000,000, on a hospital licensed under this chapter when the department determines the hospital has previously been subject to an enforcement action for the same or similar type of violation of the same statute or rule, or has been given any previous statement of deficiency that included the same or similar type of violation of the same or similar statute or rule, or when the hospital failed to correct noncompliance with a statute or rule by a date established or agreed to by the department.

(ii) Proceeds from these fines may only be used by the department to offset costs associated with licensing hospitals.

(iii) The department shall adopt in rules under this chapter specific fine amounts in relation to:

(A) The severity of the noncompliance and at an adequate level to be a deterrent to future noncompliance; and

(B) The number of licensed beds and the operation size of the hospital. The licensed hospital beds will be categorized as:

(I) Up to 25 beds;

(II) 26 to 99 beds;

(III) 100 to 299 beds; and

(IV) 300 beds or greater.

(iv) If a licensee is aggrieved by the department's action of assessing civil fines, the licensee has the right to appeal under RCW 43.70.095.

(c) The department may suspend a specific category or categories of services or care or recovery units within the hospital as related to the violation by imposing a limited stop service. This may only be done if the department finds that noncompliance results in immediate jeopardy.

(i) Prior to imposing a limited stop service, the department shall provide a hospital written notification upon identifying deficient practices or conditions that constitute an immediate jeopardy, and upon the review and approval of the notification by the secretary or the secretary's designee. The hospital shall have 24 hours from notification to develop and implement a department-approved plan to correct the deficient practices or conditions that constitute an immediate jeopardy. If the deficient practice or conditions that constitute immediate jeopardy are not verified by the department as having been corrected within the same 24 hour period, the department may issue the limited stop service.

(ii) When the department imposes a limited stop service, the hospital may not admit any new patients to the units in the category or categories subject to the limited stop service until the limited stop service order is terminated.

(iii) The department shall conduct a follow-up inspection within five business days or within the time period requested by the hospital if more than five business days is needed to verify the violation necessitating the limited stop service has been corrected.

(iv) The limited stop service shall be terminated when:

(A) The department verifies the violation necessitating the limited stop service has been corrected or the department determines that the hospital has taken intermediate action to address the immediate jeopardy; and

(B) The hospital establishes the ability to maintain correction of the violation previously found deficient.

(d) The department may suspend new admissions to the hospital by imposing a stop placement. This may only be done if the department finds that noncompliance results in immediate jeopardy and is not confined to a specific category or categories of patients or a specific area of the hospital.

(i) Prior to imposing a stop placement, the department shall provide a hospital written notification upon identifying deficient practices or conditions that constitute an immediate jeopardy, and upon the review and approval of the notification by the secretary or the secretary's designee. The hospital shall have 24 hours from notification to develop and implement a department-approved plan to correct the deficient practices or conditions that constitute an immediate jeopardy. If the deficient practice or conditions that constitute immediate jeopardy are not verified by the department as having been corrected within the same 24 hour period, the department may issue the stop placement.

(ii) When the department imposes a stop placement, the hospital may not admit any new patients until the stop placement order is terminated.

(iii) The department shall conduct a follow-up inspection within five business days or within the time period requested by the hospital if more than five business days is needed to verify the violation necessitating the stop placement has been corrected.

(iv) The stop placement order shall be terminated when:

(A) The department verifies the violation necessitating the stop placement has been corrected or the department determines that the hospital has taken intermediate action to address the immediate jeopardy; and

(B) The hospital establishes the ability to maintain correction of the violation previously found deficient.

(e) The department may deny an application for a license or suspend, revoke, or refuse to renew a license.

(2) The department shall adopt in rules under this chapter a fee methodology that includes funding expenditures to implement subsection (1) of this section. The fee methodology must consider:

(a) The operational size of the hospital; and

(b) The number of licensed beds of the hospital.

(3)(a) Except as otherwise provided, RCW 43.70.115 governs notice of actions taken by the department under subsection (1) of this section and provides the right to an adjudicative proceeding. Adjudicative proceedings and hearings under this section are governed by the administrative procedure act, chapter 34.05 RCW. The application for an adjudicative proceeding must be in writing, state the basis for contesting the adverse action, including a copy of the department's notice, be served on and received by the department within 28 days of the licensee's receipt of the adverse notice, and be served in a manner that shows proof of receipt.

(b) When the department determines a licensee's noncompliance results in immediate jeopardy, the department may make the imposition of conditions on a licensee, a limited stop placement, stop placement, or the suspension of a license effective immediately upon receipt of the notice by the licensee, pending any adjudicative proceeding.

(i) When the department makes the suspension of a license or imposition of conditions on a license effective immediately, a licensee is entitled to a show cause hearing before a presiding officer within 14 days of making the request. The licensee must request the show cause hearing within 28 days of receipt of the notice of immediate suspension or immediate imposition of conditions. At the show cause hearing the department has the burden of demonstrating that more probably than not there is an immediate jeopardy.

(ii) At the show cause hearing, the presiding officer may consider the notice and documents supporting the immediate suspension or immediate imposition of conditions and the licensee's response and must provide the parties with an opportunity to provide documentary evidence and written testimony, and to be represented by counsel. Prior to the show cause hearing, the department must provide the licensee with all documentation that supports the department's immediate suspension or imposition of conditions.

(iii) If the presiding officer determines there is no immediate jeopardy, the presiding officer may overturn the immediate suspension or immediate imposition of conditions.

(iv) If the presiding officer determines there is immediate jeopardy, the immediate suspension or immediate imposition of conditions shall remain in effect pending a full hearing.

(v) If the presiding officer sustains the immediate suspension or immediate imposition of conditions, the licensee may request an expedited full hearing on the merits of the department's action. A full hearing must be provided within 90 days of the licensee's request.

**Sec.**  RCW 70.41.250 and 1993 c 492 s 265 are each amended to read as follows:

(1) The legislature finds that the spiraling costs of health care continue to surmount efforts to contain them, increasing at approximately twice the inflationary rate. The causes of this phenomenon are complex. By making physicians and other health care providers with hospital admitting privileges more aware of the cost consequences of health care services for consumers, these providers may be inclined to exercise more restraint in providing only the most relevant and cost-beneficial hospital services, with a potential for reducing the utilization of those services. The requirement of the hospital to inform physicians and other health care providers of the charges of the health care services that they order may have a positive effect on containing health costs. Further, the option of the physician or other health care provider to inform the patient of these charges may strengthen the necessary dialogue in the provider-patient relationship that tends to be diminished by intervening third-party payers.

(2) The chief executive officer of a hospital licensed under this chapter and the superintendent of a state hospital shall establish and maintain a procedure for disclosing to physicians and other health care providers with admitting privileges the charges of all health care services ordered for their patients. Copies of hospital charges shall be made available to any physician and/or other health care provider ordering care in hospital inpatient/outpatient services. The physician and/or other health care provider may inform the patient of these charges and may specifically review them. Hospitals are also directed to study methods for making daily charges available to prescribing physicians through the use of interactive software and/or computerized information, including standard charge information published in accordance with chapter 70.--- RCW (the new chapter created in section 11 of this act), thereby allowing physicians and other health care providers to review not only the costs of present and past services but also future contemplated costs for additional diagnostic studies and therapeutic medications.

NEW SECTION. **Sec.**  Sections 1 through 7 of this act constitute a new chapter in Title 70 RCW.

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

**--- END ---**