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**SENATE BILL 5561**

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

**By** Senators Cleveland, Hasegawa, Nobles, and Valdez

AN ACT Relating to creating a health care entity registry; adding a new chapter to Title 70 RCW; and prescribing penalties.

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) "Affiliate" means:

(a) A person, entity, or organization that directly, indirectly, or through one or more intermediaries, controls, is controlled by, or is under common control or ownership of another person, entity, or organization;

(b) A person whose business is operated under a lease, management, or operating agreement by another entity, or a person substantially all of whose property is operated under a management or operating agreement with that other entity;

(c) An entity that operates the business or substantially all the property of another entity under a lease, management, or operating agreement; or

(d) Any out-of-state operations and corporate affiliates of an affiliate as defined in this subsection, including significant equity investors, health care real estate investment trusts, and management services organizations.

(2) "Control," including the terms "controlling," "controlled by," and "under common control with," means the direct or indirect power through ownership, contractual agreement, or otherwise to vote 10 percent or more of any class of voting shares of a health care entity or to direct the actions or policies of the specified entity.

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

(4) "Health care entity" means a health care provider as defined in RCW 70.02.010, health care facility as defined in RCW 48.43.005, provider organization, health care benefit manager as defined in RCW 48.200.020, or carrier as defined in RCW 48.43.005.

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

(6) "Private equity fund" means a publicly traded or nonpublicly traded company that collects capital investments from individuals or entities and purchases a direct or indirect ownership share or controlling interest of a health care entity.

(7) "Provider organization" means any corporation, partnership, business trust, association, or organized group of persons that is in the business of health care delivery or management, whether incorporated or not, that represents one or more health care providers in contracting with carriers for the payments of health care services. "Provider organization" includes, but is not limited to, physician organizations, physician-hospital organizations, independent practice associations, provider networks, accountable care organizations, management services organizations, and any other organization that contracts with carriers for payment for health care services.

NEW SECTION. **Sec.**  (1) Beginning June 30, 2027, and annually thereafter, except as provided in subsection (2) of this section, each health care entity shall report to the department on an annual basis, in a form and manner determined by the department, the following information:

(a) The legal name of the entity;

(b) The business address;

(c) The addresses of all locations of operations;

(d) Applicable business identification numbers including, but not limited to, taxpayer identification number, national provider identifier, employer identification number, centers for medicare and medicaid services certification number, national association of insurance commissioners identification number, or health care benefit manager registration number;

(e) A name and contact information of a representative of the health care entity;

(f) The name, business address, and business identification numbers, as applicable, for each person or entity that:

(i) Has an ownership or investment interest in the health care entity including, but not limited to, participation from a private equity fund;

(ii) Has a controlling interest in the health care entity; or

(iii) Is contracted as a management services organization with the health care entity;

(g) A current organizational chart showing the business structure of the health care entity, including any person or entity listed in (f) of this subsection, affiliates, and subsidiaries of the health care entity;

(h) The names, compensation, and affiliation with any other health care entity of the members of the governing board, board of directors, or similar governance body for the health care entity, any entity that is owned or controlled by, affiliated with, or under common control with the health care entity, and any entity listed in (f) of this subsection;

(i) Comprehensive financial reports of the health care entity and any entities having ownership or control over the health care entity, as determined by the department in rule. In promulgating rules, the department shall consider information already collected through existing reporting requirements; and

(j) For a health care entity that is a provider organization or a health care facility:

(i) The name, license type, specialty, and applicable identification number of each health care provider providing care at that entity, the address of the principal practice location of each provider, and whether that provider is employed by or contracted with the entity; and

(ii) The name and address of any affiliated health care facilities by license number, and facilities or services under the primary license, license type, and capacity in each major service area.

(2) Health care entities shall report the information required under this section at no cost to the department.

(3) The following health care entities are exempt from the reporting requirements under subsection (1) of this section:

(a) Independent health care provider organizations consisting of two or fewer providers; and

(b) Health care provider organizations that are owned or controlled by a reporting health care entity, if the health care provider organization is shown in the organizational chart submitted under subsection (1)(g) of this section and the controlling health care entity reports all the information required under subsection (1) of this section on behalf of the health care provider organization.

(4) Information provided under this section shall be considered public information and may not be considered confidential, proprietary, or a trade secret, except that an individual health care provider's taxpayer identification number that is also their social security number shall be confidential.

(5) The department may share information reported under this section with the office of the attorney general, other state agencies, and other state officials to reduce or avoid duplication in reporting requirements or to facilitate oversight or enforcement pursuant to the laws of the state, provided that any tax identification numbers that are individual social security numbers may only be shared with other agencies if they agree to maintain the confidentiality of such information. The department may, in consultation with the relevant state agencies, merge similar reporting requirements where appropriate.

NEW SECTION. **Sec.**  (1) By January 1, 2028, the department shall develop an interactive tool to allow the public to search and view the following information submitted by health care entities based on the previous year's data submitted pursuant to section 2 of this act:

(a) The number of health care entities reporting that year, disaggregated by the business structure of each specified entity;

(b) The name, address, and business structure of each reporting health care entity;

(c) The name, address, and business structure of any entity with an ownership or controlling interest in a reporting health care entity;

(d) The name, address, and business structure of any:

(i) Affiliates or subsidiaries of the reporting health care entity; and

(ii) Management services organizations contracted or affiliated with the reporting health care entity;

(e) Any change in ownership or control for each reporting health care entity; and

(f) An analysis of trends in horizontal and vertical consolidation, disaggregated by business structure and provider type.

(2) The department shall update the data available through this tool at least once annually.

NEW SECTION. **Sec.**  (1) The department may audit and inspect the records of any health care entity that has failed to submit complete information pursuant to section 2 of this act or if the department has reason to question the accuracy or completeness of the information submitted pursuant to section 2 of this act.

(2) If a health care entity fails to provide a complete report under section 2 of this act, or submits a report containing false information, such entity shall be subject to a civil penalty as follows:

(a) Health care entities consisting of independent health care providers or provider organizations without any third-party ownership or control entities, with 10 or fewer physicians or less than $10,000,000 in annual revenue, the penalty shall not exceed $50,000 for each report not provided or containing false information.

(b) For all other health care entities, the penalty shall not exceed $500,000 for each report not provided or containing false information.

(3) The department may consult with and refer instances of noncompliance to the office of the attorney general.

(4) Any civil penalty recovered under this section shall go toward costs associated with implementing this act.

NEW SECTION. **Sec.**  The department may adopt any rules necessary to implement this act, including necessary fees.

NEW SECTION. **Sec.**  Sections 1 through 5 of this act constitute a new chapter in Title 70 RCW.

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