
SUBSTITUTE HOUSE BILL 1686

State of Washington 69th Legislature 2025 Regular Session

By House Health Care & Wellness (originally sponsored by Representatives Bronoske, Fosse, Reed, Scott, Nance, Hill, and Macri)

READ FIRST TIME 02/21/25.

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

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

4 NEW SECTION. **Sec. 1.** (1) The legislature finds that:

5 (a) Washington's health care landscape is changing rapidly. A
6 2023 report by the office of the insurance commissioner identified
7 that Washington has experienced substantial horizontal consolidation
8 and vertical integration across health care providers, facilities,
9 and insurers;

10 (b) Washington's health care market is also experiencing
11 investment from new for-profit entities such as private equity
12 firms. While there were only four private equity acquisitions in
13 Washington in 2014, this number had grown to 97 by 2023;

14 (c) These changes to Washington's health care landscape have not
15 resolved access and affordability challenges. A 2024 survey of over
16 1,000 Washingtonians found that over half skipped needed care due to
17 cost. Department of health data indicates substantial health
18 disparities based on geographic location. Many rural Washingtonians
19 experience health care deserts for essential care; and

20 (d) Washington is currently unable to evaluate how changes in the
21 health care landscape are impacting access and affordability because

1 the state lacks a complete and transparent registry of health care
2 systems and entities. While the state collects some information about
3 health insurers through annual financial statement filing
4 requirements, there is no similar information available for other
5 kinds of health care systems and entities. The office of financial
6 management identified this critical data infrastructure gap in 2010,
7 but it has not yet been resolved. Recent reports in 2023 and 2024 by
8 the office of financial management, the office of the insurance
9 commissioner, and the health care cost transparency board have
10 indicated this data gap continues to prevent effective stewardship of
11 health care resources and state health planning.

12 (2) Therefore, the legislature intends to monitor and measure
13 changes in the health care landscape to better understand trends in
14 health care market consolidation, with the goal of improving access
15 and affordability. The legislature aims to accelerate transparency
16 about large health care systems and entities first, prioritizing data
17 collection at the holding company or parent entity level to inform
18 the development of a more complete, interactive registry that
19 includes all health care entities and providers over time.

20 NEW SECTION. **Sec. 2.** The definitions in this section apply
21 throughout this chapter unless the context clearly requires
22 otherwise.

23 (1) "Affiliate" means:

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

28 (b) A person, entity, or organization that operates all or a
29 substantial part of the health care services or property of a health
30 care entity under a lease, management, or operating agreement; or

31 (c) Any in-state or out-of-state operations or corporate
32 affiliates of an affiliate as defined in this subsection, including
33 private equity funds, health care real estate investment trusts, or
34 management services organizations.

35 (2) "Control," including the terms "controlling," "controlled
36 by," and "under common control with," means the direct or indirect
37 power through ownership, contractual agreement, or otherwise to vote
38 10 percent or more of any class of voting shares of a health care
39 entity or to direct the actions or policies of the specified entity.

- 1 (3) "Department" means the department of health.
- 2 (4) "Health care entity" means any:
- 3 (a) Health care facility licensed by the department, licensed by
4 the department of social and health services, a pharmacy licensed
5 under chapter 18.64 RCW, or any other site where services are
6 provided;
- 7 (b) Provider organization;
- 8 (c) Health care benefit manager as defined in RCW 48.200.020; or
- 9 (d) Health carrier as defined in RCW 48.43.005.
- 10 (5) "Management services organization" means any organization or
11 entity that contracts with a health care provider, health care
12 facility, or provider organization to perform management or
13 administrative services relating to, supporting, or facilitating the
14 provision of health care services.
- 15 (6) "Private equity fund" means a publicly traded or nonpublicly
16 traded company that collects capital investments from individuals or
17 entities and purchases a direct or indirect ownership share or
18 controlling interest of a health care entity.
- 19 (7) "Provider organization" means any corporation, partnership,
20 business trust, association, limited liability corporation, or
21 organized group of persons that is in the business of health care
22 delivery or management, whether incorporated or not, that represents
23 one or more health care providers in contracting with carriers for
24 the payments of health care services. "Provider organization"
25 includes, but is not limited to, physician organizations, physician-
26 hospital organizations, independent practice associations, provider
27 networks, accountable care organizations, management services
28 organizations, and any other organization that contracts with
29 carriers or health care benefit managers for payment for health care
30 services.
- 31 (8) "Registering entity" means any parent company, holding
32 company, or other organization or entity that owns or controls more
33 than one health care entity or any affiliates or subsidiaries.
- 34 (9) "Site where services are provided" means any location where
35 health care services are provided to humans in Washington or a county
36 in Oregon or Idaho that borders Washington, including licensed and
37 unlicensed facilities and provider group practice locations.
- 38 (10) "Subsidiary" means an entity in which the registering entity
39 has, directly or indirectly, a controlling interest.

1 NEW SECTION. **Sec. 3.** (1) Beginning July 1, 2026, and annually
2 thereafter, registering entities shall report to the department on an
3 annual basis, in a form and manner determined by the department, the
4 following information on behalf of the registering entity and all
5 affiliates and subsidiaries of the registering entity:

6 (a) The legal name;

7 (b) The business address;

8 (c) The addresses of all locations of operations and sites where
9 services are provided;

10 (d) Applicable business identification numbers including taxpayer
11 identification number, health care entity national provider
12 identifier, centers for medicare and medicaid services certification
13 number, national association of insurance commissioners
14 identification number, and health care benefit manager registration
15 number;

16 (e) A name and contact information of a representative of the
17 registering entity;

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

20 (i) Has an ownership or investment interest in the registering
21 entity or its affiliates or subsidiaries including, but not limited
22 to, participation from a private equity fund;

23 (ii) Has a controlling interest in the registering entity or its
24 affiliates or subsidiaries; or

25 (iii) Is contracted as a management services organization with
26 the registering entity or its affiliates or subsidiaries;

27 (g) A current organizational chart showing the business structure
28 of the registering entity, including any person or entity listed in
29 (f) of this subsection, affiliates, and subsidiaries of the
30 registering entity and the corporate form and purpose thereof;

31 (h) The names, compensation for board participation, and
32 affiliation with any other health care entity of the members of the
33 governing board, board of directors, or similar governance body for
34 the health care entity, any entity that is owned or controlled by,
35 affiliated with, or under common control with the registering entity
36 and its affiliates or subsidiaries, and any entity listed in (f) of
37 this subsection;

38 (i) The previous three years of financial statements upon initial
39 registration as a registering entity and then annual financial
40 statements thereafter; financial statements must be provided for all

1 of the registering entity's affiliates or subsidiaries. The
2 department may consider information already collected through
3 existing reporting requirements of federal or state agencies; and

4 (j) For a registering entity that is or includes a provider
5 organization, a health care facility, or other sites where services
6 are provided:

7 (i) The number of licensed health care providers, by license
8 type, and the number of licensed health care providers that are
9 employed or contracted with the registering entity or its health care
10 entity affiliates or subsidiaries. Reporting must be completed by
11 each site where services are provided; and

12 (ii) The name, address, and any applicable business
13 identification number of all sites where services are provided, and a
14 description of the services provided at each site, by site.

15 (2) Registering entities shall report the information required
16 under this section at no cost to the department. The department shall
17 establish the registration fee in rule, which may be tiered. The fee
18 must cover the department's administrative, oversight, and
19 enforcement costs and must include all initial administrative costs.

20 (3) Information provided under this section shall be considered
21 public information and may not be considered confidential,
22 proprietary, or a trade secret, except that an individual's taxpayer
23 identification number that is also their social security number shall
24 be confidential.

25 (4) The department may share and receive information relevant to
26 this section with the office of the attorney general, the office of
27 the insurance commissioner, the health care authority, other state
28 agencies, and other state officials to reduce or avoid duplication in
29 reporting requirements or to facilitate oversight or enforcement
30 pursuant to the laws of the state, provided that any tax
31 identification numbers that are individual social security numbers
32 are not shared and an alternative identifier is provided in its place
33 when possible. The department may, in consultation with the relevant
34 state agencies, merge similar reporting requirements where
35 appropriate.

36 NEW SECTION. **Sec. 4.** (1) By October 1, 2026, the department
37 shall make the data submitted pursuant to section 3 of this act
38 publicly available through a public use file, except for confidential
39 information as provided in section 3(3) of this act. The department

1 must include a link on its website to where the public use data is
2 available. The department must provide an annual list of the
3 registering entities that have not filed a report or filed an
4 incomplete report as required under this chapter.

5 (2) The department shall update the data available publicly at
6 least annually.

7 NEW SECTION. **Sec. 5.** (1) The department may audit and inspect
8 the records of any registering entity and the registering entity's
9 affiliates and subsidiaries that have failed to submit complete
10 information pursuant to section 3 of this act or if the department
11 has reason to question the accuracy or completeness of the
12 information submitted pursuant to section 3 of this act, at no cost
13 to the department.

14 (2) On or after June 30, 2027, a registering entity that fails to
15 provide a complete report under section 3 of this act, provides an
16 incomplete report, or submits a report containing false information
17 shall be subject to a civil penalty not to exceed \$250,000 for each
18 report not provided, incomplete, or containing false information.

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

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

23 NEW SECTION. **Sec. 6.** The department, in consultation with the
24 health care authority and the office of the insurance commissioner,
25 shall develop a plan and provide recommendations on how the reporting
26 requirements in this chapter may apply to individual and independent
27 health care providers, health care facilities, health carriers,
28 health care benefit managers, and provider organizations. The
29 recommendations must identify opportunities to streamline reporting
30 required with existing health care provider and facility licensure
31 processes under Title 18 RCW, with the goal of developing a complete,
32 interactive, and publicly available registry of all registering
33 entities, health care entities, and health care providers in
34 Washington state. The department may contract with an outside entity
35 to complete this work or a portion of this work. The department shall
36 report to the relevant health and fiscal committees of the
37 legislature by October 1, 2026. The report must identify any

1 remaining data gaps and recommend an implementation plan for the
2 registry.

3 NEW SECTION. **Sec. 7.** The department, in consultation with the
4 health care authority and the office of the insurance commissioner,
5 may adopt any rules necessary to implement this act, including
6 necessary fees. The department must adopt rules before levying any
7 civil penalties.

8 NEW SECTION. **Sec. 8.** Sections 1 through 7 of this act
9 constitute a new chapter in Title 70 RCW.

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