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**SENATE BILL 5387**

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**State of Washington**

**69th Legislature**

**2025 Regular Session**

**By** Senators Robinson, Hasegawa, Liias, Nobles, Riccelli, Stanford, and Valdez

Read first time 01/21/25. Referred to Committee on Health & Long-Term Care.

1 AN ACT Relating to the corporate practice of medicine; amending  
2 RCW 18.130.180 and 19.100.120; adding a new section to chapter 18.100  
3 RCW; adding a new section to chapter 70.41 RCW; adding a new section  
4 to chapter 71.12 RCW; adding a new section to chapter 70.230 RCW;  
5 adding a new section to chapter 18.51 RCW; adding a new section to  
6 chapter 18.46 RCW; adding a new section to chapter 70.127 RCW; adding  
7 a new section to chapter 18.71 RCW; adding a new section to chapter  
8 18.57 RCW; adding a new section to chapter 18.79 RCW; adding a new  
9 section to chapter 18.06 RCW; adding a new section to chapter 18.225  
10 RCW; adding a new section to chapter 18.22 RCW; adding a new section  
11 to chapter 18.25 RCW; adding a new section to chapter 18.32 RCW;  
12 adding a new section to chapter 18.29 RCW; adding a new section to  
13 chapter 18.36A RCW; adding a new section to chapter 18.47 RCW; adding  
14 a new section to chapter 18.50 RCW; adding a new section to chapter  
15 18.53 RCW; adding a new section to chapter 18.55 RCW; adding a new  
16 section to chapter 18.59 RCW; adding a new section to chapter 18.64  
17 RCW; adding a new section to chapter 18.71A RCW; adding a new section  
18 to chapter 18.74 RCW; adding a new section to chapter 18.83 RCW;  
19 adding a new section to chapter 18.108 RCW; adding a new section to  
20 chapter 18.138 RCW; adding a new section to chapter 18.205 RCW; and  
21 adding a new section to chapter 18.290 RCW.

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

1        NEW SECTION.    **Sec. 1.**    A new section is added to chapter 18.100  
2    RCW to read as follows:

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

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

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

13        (b) Be a majority of the directors; and

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

16        (3) Majority shareholders must exhibit meaningful ownership of a  
17   medical practice organized under this chapter by being present in the  
18   state and substantially engaged in delivering care and managing the  
19   practice.

20        (4) A shareholder, director, or officer of a medical practice  
21   organized under this chapter may not:

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

26        (b) Receive substantial compensation or remuneration from a  
27   management services organization in return for ownership or  
28   management of the medical practice;

29        (c) Transfer or relinquish control over the sale, the restriction  
30   of the sale, or the encumbrance of the sale of the medical practice's  
31   shares or assets;

32        (d) Transfer or relinquish control over the issuing of shares of  
33   stock in the medical practice, a subsidiary of the medical practice,  
34   or an entity affiliated with the medical practice, or the paying of  
35   dividends; or

36        (e) Enter into any financial arrangement in violation of chapter  
37   19.68 RCW.

38        (5) (a) A shareholder, director, or officer of a medical practice  
39   organized under this chapter may not relinquish control over or  
40   otherwise transfer de facto control over any of the medical

1 practice's administrative, business, or clinical operations that may  
2 affect clinical decision making or the nature or quality of medical  
3 care that the medical practice delivers by means of a contract or  
4 other agreement or arrangement; by providing in the medical  
5 practice's articles of incorporation or bylaws; by forming a  
6 subsidiary or affiliated entity; or by other means.

7 (b) Conduct prohibited under (a) of this subsection includes, but  
8 is not limited to, relinquishing decision making authority over:

9 (i) Hiring or terminating, setting work schedules and  
10 compensation, or otherwise specifying terms of employment of  
11 employees who are licensed to practice medicine in this state;

12 (ii) The disbursement of revenue generated from provider fees and  
13 other revenue generated by provider services;

14 (iii) Collaboration and negotiation with hospitals and other  
15 institutions with which a licensed health care provider employed by  
16 the medical practice may deliver clinical care, particularly with  
17 regard to controlling a provider's schedules as a means of  
18 discipline;

19 (iv) Setting staffing levels, or specifying the period of time a  
20 provider may see a patient, for any location that serves patients;

21 (v) Making diagnostic coding decisions;

22 (vi) Setting clinical standards or policies;

23 (vii) Setting policies for patient, client, or customer billing  
24 and collection;

25 (viii) Setting the prices, rates, or amounts the medical practice  
26 charges for a provider's services; or

27 (ix) Negotiating, executing, performing, enforcing, or  
28 terminating contracts with third-party payors or persons that are not  
29 employees of the medical practice.

30 (6) This section does not apply to hospitals licensed under  
31 chapter 70.41 RCW, private establishments licensed under chapter  
32 71.12 RCW, nursing homes licensed under chapter 18.51 RCW, ambulatory  
33 surgical facilities licensed under chapter 70.230 RCW, birthing  
34 centers licensed under chapter 18.46 RCW, hospice care centers  
35 licensed under chapter 70.127 RCW, or federally qualified health  
36 centers as defined in 42 U.S.C. Sec. 1396d.

37 (7) For the purposes of this section, "management services  
38 organization" means any organization or entity that contracts with a  
39 professional service corporation to perform management or

1 administrative services relating to, supporting, or facilitating the  
2 provision of health care services.

3 NEW SECTION. **Sec. 2.** A new section is added to chapter 70.41  
4 RCW to read as follows:

5 (1) No person without a license to practice medicine in this  
6 state, who is employed by, contracted with, or affiliated with a  
7 hospital licensed under this chapter, may interfere with, control, or  
8 otherwise direct the professional judgment or clinical decisions of a  
9 licensed health care provider employed by, affiliated with, or  
10 contracted with the hospital, who is providing care to a patient at  
11 the hospital.

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

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

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

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

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

29 (e) The range of clinical orders available to a health care  
30 provider, including by configuring the medical record to prohibit or  
31 significantly limit the options available to the provider; or

32 (f) Any other action specified by rule to constitute  
33 impermissible interference or control over the clinical judgment and  
34 decision making of a health care provider related to the diagnosis  
35 and treatment of a patient.

36 NEW SECTION. **Sec. 3.** A new section is added to chapter 71.12  
37 RCW to read as follows:

1 (1) No person without a license to practice medicine in this  
2 state, who is employed by, contracted with, or affiliated with a  
3 private establishment licensed under this chapter, may interfere  
4 with, control, or otherwise direct the professional judgment or  
5 clinical decision making of a licensed health care provider employed  
6 by, affiliated with, or contracted with the private establishment,  
7 who is providing care to a patient at the private establishment.

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

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

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

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

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

25 (e) The range of clinical orders available to a health care  
26 provider, including by configuring the medical record to prohibit or  
27 significantly limit the options available to the provider; or

28 (f) Any other action specified by rule to constitute  
29 impermissible interference or control over the clinical judgment and  
30 decision making of a health care provider related to the diagnosis  
31 and treatment of a patient.

32 NEW SECTION. **Sec. 4.** A new section is added to chapter 70.230  
33 RCW to read as follows:

34 (1) No person without a license to practice medicine in this  
35 state, who is employed by, contracted with, or affiliated with an  
36 ambulatory surgical facility licensed under this chapter, may  
37 interfere with, control, or otherwise direct the professional  
38 judgment or clinical decision making of a licensed health care  
39 provider employed by, affiliated with, or contracted with the

1 ambulatory surgical facility, who is providing care to a patient at  
2 the ambulatory surgical facility.

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

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

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

11 (c) The clinical status of the patient;

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

14 (e) The range of clinical orders available to a health care  
15 provider, including by configuring the medical record to prohibit or  
16 significantly limit the options available to the provider; or

17 (f) Any other action specified by rule to constitute  
18 impermissible interference or control over the clinical judgment and  
19 decision making of a health care provider related to the diagnosis  
20 and treatment of a patient.

21 NEW SECTION. **Sec. 5.** A new section is added to chapter 18.51  
22 RCW to read as follows:

23 (1) No person without a license to practice medicine in this  
24 state, who is employed by, contracted with, or affiliated with a  
25 nursing home licensed under this chapter, may interfere with,  
26 control, or otherwise direct the professional judgment or clinical  
27 decisions of a licensed health care provider employed by, affiliated  
28 with, or contracted with the nursing home, who is providing care to  
29 residents of the nursing home.

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

36 NEW SECTION. **Sec. 6.** A new section is added to chapter 18.46  
37 RCW to read as follows:

1 (1) No person without a license to practice medicine in this  
2 state, who is employed by, contracted with, or affiliated with a  
3 birthing center licensed under this chapter, may interfere with,  
4 control, or otherwise direct the professional judgment or clinical  
5 decisions of a licensed health care provider employed by, affiliated  
6 with, or contracted with the birthing center, who is providing care  
7 to a patient in the birthing center.

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

14 NEW SECTION. **Sec. 7.** A new section is added to chapter 70.127  
15 RCW to read as follows:

16 (1) No person without a license to practice medicine in this  
17 state, who is employed by, contracted with, or affiliated with a  
18 hospice agency licensed under this chapter, may interfere with,  
19 control, or otherwise direct the professional judgment or clinical  
20 decisions of a licensed health care provider employed by, affiliated  
21 with, or contracted with the hospice care agency, who is providing  
22 care to an individual in a hospice care center operated by the  
23 hospice agency.

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

30 **Sec. 8.** RCW 18.130.180 and 2024 c 220 s 2 are each amended to  
31 read as follows:

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

35 (1) The commission of any act involving moral turpitude,  
36 dishonesty, or corruption relating to the practice of the person's  
37 profession, whether the act constitutes a crime or not. If the act  
38 constitutes a crime, conviction in a criminal proceeding is not a

1 condition precedent to disciplinary action. Upon such a conviction,  
2 however, the judgment and sentence is conclusive evidence at the  
3 ensuing disciplinary hearing of the guilt of the license holder of  
4 the crime described in the indictment or information, and of the  
5 person's violation of the statute on which it is based. For the  
6 purposes of this section, conviction includes all instances in which  
7 a plea of guilty or nolo contendere is the basis for the conviction  
8 and all proceedings in which the sentence has been deferred or  
9 suspended. Nothing in this section abrogates rights guaranteed under  
10 chapter 9.96A RCW;

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

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

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

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

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

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

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

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

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

1 (c) Not responding to subpoenas issued by the disciplining  
2 authority, whether or not the recipient of the subpoena is the  
3 accused in the proceeding; or  
4 (d) Not providing reasonable and timely access for authorized  
5 representatives of the disciplining authority seeking to perform  
6 practice reviews at facilities utilized by the license holder;  
7 (9) Failure to comply with an order issued by the disciplining  
8 authority or a stipulation for informal disposition entered into with  
9 the disciplining authority;  
10 (10) Aiding or abetting an unlicensed person to practice when a  
11 license is required;  
12 (11) Violations of rules established by any health agency;  
13 (12) Practice beyond the scope of practice as defined by law or  
14 rule;  
15 (13) Misrepresentation or fraud in any aspect of the conduct of  
16 the business or profession;  
17 (14) Failure to adequately supervise auxiliary staff to the  
18 extent that the consumer's health or safety is at risk;  
19 (15) Engaging in a profession involving contact with the public  
20 while suffering from a contagious or infectious disease involving  
21 serious risk to public health;  
22 (16) Promotion for personal gain of any unnecessary or  
23 inefficacious drug, device, treatment, procedure, or service;  
24 (17) Conviction of any gross misdemeanor or felony relating to  
25 the practice of the person's profession. For the purposes of this  
26 subsection, conviction includes all instances in which a plea of  
27 guilty or nolo contendere is the basis for conviction and all  
28 proceedings in which the sentence has been deferred or suspended.  
29 Nothing in this section abrogates rights guaranteed under chapter  
30 9.96A RCW;  
31 (18) The offering, undertaking, or agreeing to cure or treat  
32 disease by a secret method, procedure, treatment, or medicine, or the  
33 treating, operating, or prescribing for any health condition by a  
34 method, means, or procedure which the licensee refuses to divulge  
35 upon demand of the disciplining authority;  
36 (19) The willful betrayal of a practitioner-patient privilege as  
37 recognized by law;  
38 (20) Violation of chapter 19.68 RCW or a pattern of violations of  
39 RCW 41.05.700(8), 48.43.735(8), 48.49.020, 48.49.030, 71.24.335(8),  
40 or 74.09.325(8);

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

9 (22) Current misuse of:

10 (a) Alcohol;

11 (b) Controlled substances; or

12 (c) Legend drugs;

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

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

22 (25) Violation of RCW 18.130.420;

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

25 (27) Violation of any provision of sections 1 through 7 of this  
26 act;

27 (28) Violation of RCW 18.130.430;

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

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

31 NEW SECTION. Sec. 9. A new section is added to chapter 18.71  
32 RCW to read as follows:

33 Upon application for a license or license renewal, an applicant  
34 must attest, in a form and manner determined by the commission, that  
35 they are aware of regulations related to the corporate practice of  
36 medicine included in sections 1 through 7 of this act.

37 NEW SECTION. Sec. 10. A new section is added to chapter 18.57  
38 RCW to read as follows:

1       Upon application for a license or license renewal, an applicant  
2 must attest, in a form and manner determined by the board, that they  
3 are aware of regulations related to the corporate practice of  
4 medicine included in sections 1 through 7 of this act.

5       NEW SECTION.   **Sec. 11.**   A new section is added to chapter 18.79  
6 RCW to read as follows:

7       Upon application for a license or license renewal, an applicant  
8 for a registered nurse, advanced practice registered nurse, or  
9 licensed practical nurse license must attest, in a form and manner  
10 determined by the board, that they are aware of regulations related  
11 to the corporate practice of medicine included in sections 1 through  
12 7 of this act.

13       NEW SECTION.   **Sec. 12.**   A new section is added to chapter 18.06  
14 RCW to read as follows:

15       Upon application for a license or license renewal, an applicant  
16 must attest, in a form and manner determined by the secretary, that  
17 they are aware of regulations related to the corporate practice of  
18 medicine included in sections 1 through 7 of this act.

19       NEW SECTION.   **Sec. 13.**   A new section is added to chapter 18.225  
20 RCW to read as follows:

21       Upon application for a license or license renewal, an applicant  
22 must attest, in a form and manner determined by the secretary, that  
23 they are aware of regulations related to the corporate practice of  
24 medicine included in sections 1 through 7 of this act.

25       NEW SECTION.   **Sec. 14.**   A new section is added to chapter 18.22  
26 RCW to read as follows:

27       Upon application for a license or license renewal, an applicant  
28 must attest, in a form and manner determined by the board, that they  
29 are aware of regulations related to the corporate practice of  
30 medicine included in sections 1 through 7 of this act.

31       NEW SECTION.   **Sec. 15.**   A new section is added to chapter 18.25  
32 RCW to read as follows:

33       Upon application for a license or license renewal, an applicant  
34 must attest, in a form and manner determined by the commission, that

1 they are aware of regulations related to the corporate practice of  
2 medicine included in sections 1 through 7 of this act.

3 NEW SECTION. **Sec. 16.** A new section is added to chapter 18.32  
4 RCW to read as follows:

5 Upon application for a license or license renewal, an applicant  
6 must attest, in a form and manner determined by the commission, that  
7 they are aware of regulations related to the corporate practice of  
8 medicine included in sections 1 through 7 of this act.

9 NEW SECTION. **Sec. 17.** A new section is added to chapter 18.29  
10 RCW to read as follows:

11 Upon application for a license or license renewal, an applicant  
12 must attest, in a form and manner determined by the secretary, that  
13 they are aware of regulations related to the corporate practice of  
14 medicine included in sections 1 through 7 of this act.

15 NEW SECTION. **Sec. 18.** A new section is added to chapter 18.36A  
16 RCW to read as follows:

17 Upon application for a license or license renewal, an applicant  
18 must attest, in a form and manner determined by the board, that they  
19 are aware of regulations related to the corporate practice of  
20 medicine included in sections 1 through 7 of this act.

21 NEW SECTION. **Sec. 19.** A new section is added to chapter 18.47  
22 RCW to read as follows:

23 Upon application for certification or certification renewal, an  
24 applicant must attest, in a form and manner determined by the  
25 secretary, that they are aware of regulations related to the  
26 corporate practice of medicine included in sections 1 through 7 of  
27 this act.

28 NEW SECTION. **Sec. 20.** A new section is added to chapter 18.50  
29 RCW to read as follows:

30 Upon application for a license or license renewal, an applicant  
31 must attest, in a form and manner determined by the secretary, that  
32 they are aware of regulations related to the corporate practice of  
33 medicine included in sections 1 through 7 of this act.

1        NEW SECTION.    **Sec. 21.**    A new section is added to chapter 18.53  
2    RCW to read as follows:

3        Upon application for a license or license renewal, an applicant  
4    must attest, in a form and manner determined by the board, that they  
5    are aware of regulations related to the corporate practice of  
6    medicine included in sections 1 through 7 of this act.

7        NEW SECTION.    **Sec. 22.**    A new section is added to chapter 18.55  
8    RCW to read as follows:

9        Upon application for a license or license renewal, an applicant  
10   must attest, in a form and manner determined by the secretary, that  
11   they are aware of regulations related to the corporate practice of  
12   medicine included in sections 1 through 7 of this act.

13       NEW SECTION.    **Sec. 23.**    A new section is added to chapter 18.59  
14   RCW to read as follows:

15       Upon application for a license or license renewal, an applicant  
16   must attest, in a form and manner determined by the board, that they  
17   are aware of regulations related to the corporate practice of  
18   medicine included in sections 1 through 7 of this act.

19       NEW SECTION.    **Sec. 24.**    A new section is added to chapter 18.64  
20   RCW to read as follows:

21       Upon application for a license or license renewal, an applicant  
22   must attest, in a form and manner determined by the commission, that  
23   they are aware of regulations related to the corporate practice of  
24   medicine included in sections 1 through 7 of this act.

25       NEW SECTION.    **Sec. 25.**    A new section is added to chapter 18.71A  
26   RCW to read as follows:

27       Upon application for a license or license renewal, an applicant  
28   must attest, in a form and manner determined by the commission, that  
29   they are aware of regulations related to the corporate practice of  
30   medicine included in sections 1 through 7 of this act.

31       NEW SECTION.    **Sec. 26.**    A new section is added to chapter 18.74  
32   RCW to read as follows:

33       Upon application for a license or license renewal, an applicant  
34   must attest, in a form and manner determined by the board, that they

1 are aware of regulations related to the corporate practice of  
2 medicine included in sections 1 through 7 of this act.

3 NEW SECTION. **Sec. 27.** A new section is added to chapter 18.83  
4 RCW to read as follows:

5 Upon application for a license or license renewal, an applicant  
6 must attest, in a form and manner determined by the board, that they  
7 are aware of regulations related to the corporate practice of  
8 medicine included in sections 1 through 7 of this act.

9 NEW SECTION. **Sec. 28.** A new section is added to chapter 18.108  
10 RCW to read as follows:

11 Upon application for a license or license renewal, an applicant  
12 must attest, in a form and manner determined by the board, that they  
13 are aware of regulations related to the corporate practice of  
14 medicine included in sections 1 through 7 of this act.

15 NEW SECTION. **Sec. 29.** A new section is added to chapter 18.138  
16 RCW to read as follows:

17 Upon application for certification or certification renewal, an  
18 applicant must attest, in a form and manner determined by the  
19 secretary, that they are aware of regulations related to the  
20 corporate practice of medicine included in sections 1 through 7 of  
21 this act.

22 NEW SECTION. **Sec. 30.** A new section is added to chapter 18.205  
23 RCW to read as follows:

24 Upon application for certification or certification renewal, an  
25 applicant must attest, in a form and manner determined by the  
26 secretary, that they are aware of regulations related to the  
27 corporate practice of medicine included in sections 1 through 7 of  
28 this act.

29 NEW SECTION. **Sec. 31.** A new section is added to chapter 18.290  
30 RCW to read as follows:

31 Upon application for a license or license renewal, an applicant  
32 must attest, in a form and manner determined by the secretary, that  
33 they are aware of regulations related to the corporate practice of  
34 medicine included in sections 1 through 7 of this act.

1       **Sec. 32.** RCW 19.100.120 and 2011 c 336 s 559 are each amended to  
2 read as follows:

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

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

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

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

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

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

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

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

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

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

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

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

--- **END** ---