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**SENATE BILL 5704**

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**State of Washington**

**69th Legislature**

**2025 Regular Session**

**By** Senators Dhingra, Alvarado, Trudeau, Pedersen, Lovelett, Valdez, Saldaña, Krishnadasan, C. Wilson, Shewmake, Riccelli, Nobles, Ramos, Kauffman, Slatter, Hasegawa, and Stanford

Read first time 02/07/25. Referred to Committee on Law & Justice.

1 AN ACT Relating to material changes to the operations and  
2 governance structure of participants in the health care marketplace;  
3 amending RCW 19.390.010, 19.390.020, 19.390.030, 19.390.040,  
4 19.390.050, 19.390.080, and 19.390.070; adding new sections to  
5 chapter 19.390 RCW; creating a new section; and providing an  
6 effective date.

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

8 NEW SECTION. **Sec. 1.** The legislature finds and declares that:

9 (1) The existence of accessible and affordable health care  
10 services that are responsive to the needs of the community is an  
11 important public policy goal.

12 (2) The COVID-19 pandemic laid bare both the crucial importance  
13 of our health care systems and the inequities that exist and  
14 exacerbate harm to marginalized communities, including in access to  
15 and delivery of affordable, quality care.

16 (3) Health entity mergers, acquisitions, and contracting  
17 affiliations impact cost, quality, and access to health care, and  
18 affect working conditions and employee benefits.

19 (4) Health entity mergers, acquisitions, and contracting  
20 affiliations have been shown to result in anticompetitive  
21 consequences, including higher prices and a lack of any meaningful

1 choice among health care providers within a community or geographic  
2 region. These negative outcomes are exacerbated for those in rural  
3 areas with few health care providers.

4 (5) The legislature is committed to ensuring that Washingtonians  
5 have access to the full range of reproductive, end-of-life, and  
6 gender-affirming health care services. Yet, Washingtonians continue  
7 to experience difficulty accessing gender-affirming care, and health  
8 entity mergers and acquisitions in Washington state have resulted in  
9 material reductions in reproductive and end-of-life health care  
10 services, to the detriment of communities and patients.

11 (6) Health entity mergers, acquisitions, and contracting  
12 affiliations must improve rather than harm access to affordable  
13 quality health care.

14 **Sec. 2.** RCW 19.390.010 and 2019 c 267 s 1 are each amended to  
15 read as follows:

16 (1) It is the intent of the legislature to ensure that  
17 competition beneficial to consumers in health care markets across  
18 Washington remains vigorous and robust and that health care be  
19 affordable and accessible. The legislature supports ~~((that intent))~~  
20 these intents through this chapter, which provides the attorney  
21 general and health care authority with notice of all material health  
22 care transactions in this state so that the attorney general has the  
23 information necessary to determine whether an investigation under the  
24 consumer protection act is warranted for potential anticompetitive  
25 conduct and consumer harm. This chapter is intended to supplement the  
26 federal Hart-Scott-Rodino antitrust improvements act, Title 15 U.S.C.  
27 Sec. 18a, by requiring notice of transactions not reportable under  
28 Hart-Scott-Rodino reporting thresholds and by providing the attorney  
29 general with a copy of any filings made pursuant to the Hart-Scott-  
30 Rodino act. In addition to ensuring vigorous and robust competition  
31 in health care markets, this chapter is also intended to ensure  
32 material change transactions result in the affected communities  
33 having the same or greater access to quality, affordable care  
34 including, but not limited to, emergency care, primary care,  
35 reproductive care, end-of-life care including services provided in  
36 accordance with chapter 70.245 RCW, and gender-affirming care.

37 (2) Notwithstanding the language in this chapter regarding the  
38 health care authority's and the attorney general's authority to  
39 determine the effect of a material change transaction on access to

1 care, nothing in this chapter is intended to derogate from or  
2 otherwise affect in any way the attorney general's authority to  
3 conduct an investigation, or the process of any investigation, under  
4 chapter 19.86 RCW. Nothing in this section is intended to change or  
5 affect in any way any substantive law regarding the antitrust review  
6 of a material change transaction.

7 **Sec. 3.** RCW 19.390.020 and 2019 c 267 s 2 are each amended to  
8 read as follows:

9 The definitions in this section apply throughout this chapter  
10 unless the context clearly requires otherwise.

11 (1) "Access, affordability, quality, and equity review" means the  
12 analysis performed by the health care authority under section 12 of  
13 this act.

14 (2) "Acquisition" means an agreement, arrangement, or activity  
15 the consummation of which results in a person acquiring directly or  
16 indirectly the control of another person, and includes the  
17 acquisition of voting securities and noncorporate interests, such as  
18 assets, capital stock, membership interests, or equity interests.

19 ~~((2))~~ (3) "Antitrust review" means the review conducted by the  
20 attorney general to determine if a transaction may violate state or  
21 federal antitrust laws.

22 (4) "Carrier" means the same as in RCW 48.43.005.

23 ~~((3))~~ (5) "Contracting affiliation" means the formation of a  
24 relationship between two or more entities that permits the entities  
25 to negotiate jointly with carriers or third-party administrators over  
26 rates for professional medical services, or for one entity to  
27 negotiate on behalf of the other entity with carriers or third-party  
28 administrators over rates for professional medical services.  
29 "Contracting affiliation" does not include arrangements among  
30 entities under common ownership or arrangements where at least one  
31 entity in the arrangement is owned or operated by a state entity.

32 ~~((4))~~ (6) "Gender-affirming care" means a service or product  
33 that a health care provider, as defined in RCW 70.02.010, prescribes  
34 to an individual to treat any condition related to the individual's  
35 gender identity and is prescribed in accordance with generally  
36 accepted standards of care. "Gender-affirming care" must be covered  
37 in a manner compliant with state law and the federal mental health  
38 parity and addiction equity act of 2008 and the federal patient  
39 protection and affordable care act of 2010 and implementing

1 regulations in effect as of January 1, 2025. "Gender-affirming care"  
2 can be prescribed to two spirit, transgender, nonbinary, intersex,  
3 and other gender-diverse individuals.

4 (7) "Health care authority" means the Washington state health  
5 care authority.

6 (8) "Health care services" means medical, surgical, chiropractic,  
7 hospital, optometric, podiatric, pharmaceutical, ambulance, mental  
8 health, substance use disorder, therapeutic, preventative,  
9 diagnostic, curative, rehabilitative, palliative, custodial, and any  
10 other services relating to the prevention, cure, or treatment of  
11 illness, injury, or disease in humans. "Health care services" may be  
12 provided virtually, on-demand, or in brick and mortar settings.

13 ~~((5))~~ (9) "Health care services revenue" means ((the total  
14 revenue received for health care services in the previous twelve  
15 months)) combined Washington-derived revenue from health care  
16 services or administration from a party and all of its affiliates  
17 including, but not limited to, patient revenue and premiums paid to  
18 carriers, as applicable.

19 ~~((6))~~ (10) "Health maintenance organization" means an  
20 organization receiving a certificate of registration pursuant to  
21 chapter 48.46 RCW which provides comprehensive health care services  
22 to enrolled participants of such organization on a group practice per  
23 capita prepayment basis or on a prepaid individual practice plan,  
24 except for an enrolled participant's responsibility for copayments  
25 and deductibles, either directly or through contractual or other  
26 arrangements with other institutions, entities, or persons, and which  
27 qualifies as a health maintenance organization pursuant to RCW  
28 48.46.030 and 48.46.040.

29 ~~((7))~~ (11) "Hospital" means a facility licensed under chapter  
30 70.41 or 71.12 RCW.

31 ~~((8))~~ (12) "Hospital system" means:

32 (a) A parent corporation of one or more hospitals and any entity  
33 affiliated with such parent corporation through ownership or control;  
34 or

35 (b) A hospital and any entity affiliated with such hospital  
36 through ownership.

37 ~~((9))~~ (13) "Merger" means a consolidation of two or more  
38 organizations, including two or more organizations joining through a  
39 common parent organization or two or more organizations forming a new  
40 organization, but does not include a corporate reorganization.

1       (~~(10)~~) (14) "Person" means, where applicable, natural persons,  
2 corporations, trusts, and partnerships.

3       (~~(11)~~) (15) "Provider" means a natural person who practices a  
4 profession identified in RCW 18.130.040.

5       (~~(12)~~) (16) "Provider organization" means a corporation,  
6 partnership, business trust, association, or organized group of  
7 persons, whether incorporated or not, which is in the business of  
8 health care delivery or management and that represents seven or more  
9 health care providers in contracting with carriers or third-party  
10 administrators for the payments of health care services. A "provider  
11 organization" includes physician organizations, physician-hospital  
12 organizations, independent practice associations, provider networks,  
13 and accountable care organizations.

14       (~~(13)~~) (17) "Reproductive health care" means any medical  
15 services or treatments, including but not limited to pharmaceutical  
16 and preventive care services or treatments, directly involved in the  
17 reproductive system and its processes, functions, and organs involved  
18 in reproduction, in all stages of life.

19       (18) "Successor persons" means persons formed by, resulting from,  
20 or surviving any material change transaction under this chapter.

21       (19) "Third-party administrator" means an entity that administers  
22 payments for health care services on behalf of a client in exchange  
23 for an administrative fee.

24       **Sec. 4.** RCW 19.390.030 and 2019 c 267 s 3 are each amended to  
25 read as follows:

26       (1) Not less than (~~(sixty)~~) 90 days prior to the effective date  
27 of any transaction that results in a material change transaction, the  
28 parties to the transaction shall submit written notice to the health  
29 care authority and the attorney general of such material change  
30 transaction.

31       (2) For the purposes of this (~~(section)~~) chapter, a material  
32 change transaction includes a merger, acquisition, or contracting  
33 affiliation between two or more entities of the following types:

34       (a) Hospitals;

35       (b) Hospital systems; (~~(or)~~)

36       (c) Provider organizations; or

37       (d) Between the following entities:

1 (i) An entity described in (a) of this subsection and a carrier  
2 or an insurance holding company system, as defined in RCW 48.31B.005;  
3 or

4 (ii) An entity described in (a) of this subsection and any other  
5 person or entity that has as its primary function the provision of  
6 health care services or that is a pending or actual parent  
7 organization of, has control over, or governance of, an entity that  
8 has as its primary function the provision of health care services.

9 (3) A material change transaction includes proposed changes  
10 identified in subsection (2) of this section between ~~((a Washington~~  
11 ~~entity and an out-of-state entity where the out-of-state entity~~  
12 ~~generates ten million dollars or more in health care services revenue~~  
13 ~~from patients residing in Washington state, and the entities are of~~  
14 ~~the types identified in subsection (2) of this section)) Washington~~  
15 entities, as well as between Washington entities described in  
16 subsection (2) of this section and out-of-state entities. Any party  
17 to a material change transaction that is licensed or operating in  
18 Washington state shall submit a notice as required under this  
19 section.

20 (4) For purposes of subsection (2) of this section, a merger,  
21 acquisition, or contracting affiliation between two or more  
22 hospitals, hospital systems, or provider organizations only qualifies  
23 as a material change transaction if the hospitals, hospital systems,  
24 or provider organizations did not previously have common ownership or  
25 a contracting affiliation.

26 (5) The attorney general shall determine whether a specific  
27 transaction qualifies as a material change transaction.

28 (6) (a) In a case of an extraordinary emergency situation that  
29 threatens access to health care services and has the potential to  
30 immediately harm consumers, the attorney general may allow parties to  
31 a transaction to submit notice less than 90 days before the effective  
32 date of any transaction.

33 (b) If the parties to a material change transaction seek to  
34 submit notice less than 90 days before the effective date of a  
35 transaction, the parties shall provide documentation to the attorney  
36 general and health care authority demonstrating the existence of an  
37 extraordinary emergency situation, including a complete statement of  
38 facts, circumstances, and conditions which demonstrate the  
39 extraordinary emergency situation.

1 (c) No later than 45 days after receiving notice under (b) of  
2 this subsection, the attorney general must notify the parties and the  
3 health care authority whether the material change transaction is  
4 subject to emergency review or is subject to preliminary review  
5 requiring parties to provide documentation pursuant to RCW  
6 19.390.040. If the material change transaction is accepted for  
7 emergency review, the attorney general's office must approve, approve  
8 with conditions or modifications, or deny the transaction within 90  
9 days. If the attorney general denies emergency review, the  
10 transaction shall be subject to preliminary review by the health care  
11 authority.

12 **Sec. 5.** RCW 19.390.040 and 2019 c 267 s 4 are each amended to  
13 read as follows:

14 (1) ((The)) For material change transactions where no parties are  
15 hospitals or hospital systems and no parties have generated  
16 \$10,000,000 or more in health care services revenue in any of their  
17 preceding three fiscal years or if any of the parties is a federally  
18 qualified health center or rural health clinic as those terms are  
19 defined by 42 U.S.C. Sec. 1395x(aa) or safety net nonprofit family  
20 planning providers specializing in the provision of the full range of  
21 reproductive health options, the written notice provided by the  
22 parties to the health care authority and attorney general, as  
23 required by RCW 19.390.030, must include:

24 (a) The names of the parties and their current business  
25 addresses;

26 (b) Identification of all locations where health care services  
27 are currently provided by each party;

28 (c) A brief description of the nature and purpose of the proposed  
29 material change transaction; and

30 (d) The anticipated effective date of the proposed material  
31 change transaction.

32 (2) For material change transactions where no parties are  
33 hospitals or hospital systems, all of the parties serve predominantly  
34 low-income medically underserved individuals, all of the parties had  
35 for each of their preceding three fiscal years at least 50 percent of  
36 their total patient revenue come from medicaid or local, state, or  
37 federal funding to provide care to uninsured or underinsured  
38 individuals, and the material change transaction would not result in  
39 materially lowering the overall level of care the successor persons

1 provide to individuals on medicaid or who are uninsured or  
2 underinsured, or cause, for the successor persons, the percentage of  
3 total patient revenue that comes from medicaid or local, state, or  
4 federal funding to provide care to uninsured or underinsured  
5 individuals to drop below 50 percent, the written notice provided by  
6 the parties to the health care authority and attorney general, as  
7 required by RCW 19.390.030, must include:

8 (a) The information and documentation required under subsection  
9 (1) of this section; and

10 (b) Documentation demonstrating that all the parties to the  
11 material change transaction had for each of their preceding three  
12 fiscal years at least 50 percent of their total patient revenue come  
13 from medicaid or local, state, or federal funding to provide care to  
14 uninsured or underinsured individuals, and a statement from the  
15 parties describing how the material change transaction will result in  
16 the successor persons complying with the requirements under this  
17 subsection.

18 (3) (a) For all material change transactions other than those  
19 specified under subsections (1) and (2) of this section, and except  
20 for transactions that fall under subsection (4) of this section, the  
21 written notice provided by the parties to the health care authority  
22 and attorney general, as required by RCW 19.390.030, must include the  
23 following information, unless the attorney general agrees to narrow  
24 the scope of information needed relevant to the material change  
25 transaction:

26 (i) The information and documentation required under subsection  
27 (1) of this section; and

28 (ii) Additional documentation established by rule making by the  
29 health care authority including, but not limited to, information  
30 about the parties' organizational structure, finances, and the  
31 potential impact of the transaction on health care services, patient  
32 access and affordability, policies and procedures, community benefit,  
33 and staffing.

34 (b) When documents are readily available from a publicly  
35 available source for state or federal agencies, the parties may  
36 indicate the public availability to the health care authority and  
37 attorney general with information on how to access the documents  
38 rather than providing the documents directly.

39 (4) (a) In cases of an extraordinary emergency situation that  
40 threatens access to health care services and has the potential to



1 immediately harm consumers, the attorney general may limit the  
2 information otherwise required by subsection (3) of this section for  
3 the sole purpose of expediting the review process.

4 (b) If the parties to a material change transaction seek  
5 expedited review under (a) of this subsection, the parties shall  
6 provide documentation to the attorney general and health care  
7 authority demonstrating the existence of an extraordinary emergency  
8 situation including a complete statement of facts, circumstances, and  
9 conditions which demonstrate the extraordinary emergency situation.

10 (c) The attorney general shall respond within 10 days to advise  
11 the parties and the health care authority as to whether any  
12 information otherwise required by subsection (3) of this section may  
13 be waived.

14 (d) Nothing in this subsection alters the preliminary or  
15 comprehensive review and oversight required under RCW 19.390.050,  
16 19.390.070, and 19.390.080 and sections 7 and 9 through 16 of this  
17 act.

18 (e) Nothing in this subsection alters the information collection  
19 requirements in other sections of this chapter including the  
20 requirement of a public hearing under section 11 of this act.

21 (5) The attorney general and health care authority shall charge  
22 an applicant fees to assist in covering the costs of implementing  
23 this chapter. The attorney general and health care authority may  
24 adopt rules to set the applicable fees.

25 (6) The attorney general and the health care authority may  
26 request additional information that is necessary to implement the  
27 goals of this chapter.

28 (7) Nothing in this section prohibits the parties to a material  
29 change transaction from voluntarily providing additional information  
30 to the attorney general or the health care authority.

31 **Sec. 6.** RCW 19.390.050 and 2019 c 267 s 5 are each amended to  
32 read as follows:

33 ((The)) For the purpose of conducting an antitrust investigation  
34 under chapter 19.86 RCW or federal antitrust laws, the attorney  
35 general shall make any requests for additional information from the  
36 parties under RCW 19.86.110 within ((thirty)) 30 days of the date  
37 notice is received under RCW 19.390.030 and 19.390.040. ((Nothing))  
38 Regardless of whether the attorney general requests additional  
39 information from the parties, nothing in this section precludes the

1 attorney general from conducting an investigation or enforcing any  
2 state or federal (~~(antitrust)~~) laws at a later date.

3 NEW SECTION. **Sec. 7.** (1) The attorney general shall determine  
4 if the notice required under RCW 19.390.030 and 19.390.040 is  
5 complete for the purpose of transaction review. If the attorney  
6 general determines that a notice is incomplete, it shall notify the  
7 parties within 30 days after the date the notice was received stating  
8 the reasons for its determination of incompleteness.

9 (2) A completed notice shall be deemed received on the date when  
10 all the information required by RCW 19.390.040 has been submitted to  
11 the attorney general's office.

12 (3) For all material change transactions included under RCW  
13 19.390.040(3), the attorney general shall, within seven days after  
14 receipt of a completed notice, include information about the notice  
15 on the attorney general's website. The information must state that a  
16 notice has been received, state the names of the parties to the  
17 material change transaction, describe the contents of the written  
18 notice in clear and simple terms, and state the date and process by  
19 which a person may submit written comments about the notice to the  
20 attorney general's office.

21 (4) The attorney general is not required to make public any  
22 information submitted pursuant to its investigative authority under  
23 chapter 19.86 RCW, or any information or analysis associated with an  
24 investigation under chapter 19.86 RCW.

25 **Sec. 8.** RCW 19.390.080 and 2019 c 267 s 8 are each amended to  
26 read as follows:

27 Any person who fails to comply with (~~(any provision of this~~  
28 ~~chapter)) RCW 19.390.030 or 19.390.040 is liable to the state for a  
29 civil penalty of (~~(not more than two hundred dollars per day for each~~  
30 ~~day during which such person is in violation of this chapter)) up to  
31 10 percent of the value of the material change transaction, in the  
32 discretion of the attorney general.~~~~

33 NEW SECTION. **Sec. 9.** (1) No material change transaction under  
34 this chapter may take place if it would detrimentally affect the  
35 continued existence of accessible, affordable health care in  
36 Washington state for at least five years after the transaction  
37 occurs. To this end the material change transaction must result in

1 the affected communities having the same or greater access to  
2 quality, affordable care, including but not limited to emergency  
3 care, primary care, specialty care, behavioral health care,  
4 reproductive health care, gender-affirming care, and end-of-life care  
5 including services provided in accordance with chapter 70.245 RCW,  
6 and essential health benefit categories as defined in RCW 48.43.005.

7 (2) The material change transaction must also result in at least  
8 one of the following:

9 (a) Maintaining or reducing the rate of growth in patient and  
10 health plan sponsor costs;

11 (b) Maintaining or increasing access to services in medically  
12 underserved areas;

13 (c) Rectifying historical and contemporary factors contributing  
14 to a lack of health equities or access to services; or

15 (d) Maintaining or improving health outcomes for residents of  
16 this state.

17 (3) The material change transaction must not result in the  
18 revocation of hospital privileges and must establish sufficient  
19 safeguards to maintain appropriate capacity for health provider  
20 education.

21 (4) The material change transaction must not result in a  
22 reduction in staffing capacity for the provision of medically  
23 necessary services to the extent such reductions would diminish  
24 patients' access to quality care.

25 (5) Nothing in this chapter is intended to derogate from or  
26 otherwise affect in any way the attorney general's authority to  
27 conduct an investigation, or the process of any investigation, under  
28 chapter 19.86 RCW. Nothing in this section is intended to change or  
29 affect in any way any substantive law regarding the antitrust  
30 analysis of a material change transaction.

31 NEW SECTION. **Sec. 10.** (1) For all material change transactions  
32 included under RCW 19.390.040(3), the health care authority shall  
33 conduct a preliminary review of the completed notice to determine if  
34 the material change transaction will fulfill the requirements under  
35 section 9 of this act. The review must include, but is not limited  
36 to, an analysis of the information and documentation provided under  
37 RCW 19.390.040 and one public hearing.

38 (2) After conducting the preliminary review, if the health care  
39 authority determines that the material change transaction is likely

1 to fulfill the requirements under section 9 of this act, the health  
2 care authority may not conduct a comprehensive review of the material  
3 change transaction as provided under this section and section 12 of  
4 this act.

5 (3) The health care authority shall, within 60 days of receiving  
6 a completed notice, inform parties to a material change transaction  
7 as to whether a comprehensive review of the material change  
8 transaction is required. If the health care authority determines a  
9 comprehensive review of the material change transaction is not  
10 required, the health care authority shall prepare a report and  
11 recommendation for the attorney general and provide it to the  
12 attorney general within 10 days of making its determination. The  
13 report and recommendation must include a recommendation as to whether  
14 the material change transaction should be approved, approved with  
15 conditions or modifications, or rejected, and provide the basis for  
16 the recommendation.

17 (4) For all material change transactions included under RCW  
18 19.390.040(3) that are not limited to the preliminary review, the  
19 health care authority shall review the completed notice; conduct a  
20 comprehensive review in collaboration with the Washington office of  
21 the insurance commissioner, Washington health benefit exchange, and  
22 Washington department of health; and prepare a report and  
23 recommendation for the attorney general and provide it to the  
24 attorney general within 30 days of making its determination. The  
25 report and recommendation must include a recommendation as to whether  
26 the material change transaction should be approved, approved with  
27 conditions or modifications, or rejected, and provide the basis for  
28 the recommendation.

29 (5) After reviewing the health care authority's report and  
30 recommendation, the attorney general shall within 30 days of  
31 receiving the health care authority's report and recommendation:

32 (a) Approve the material change transaction in writing if the  
33 attorney general determines that the transaction does not violate the  
34 requirements of section 9 of this act. The approval of a material  
35 change transaction pursuant to this chapter does not constitute  
36 approval for the purpose of RCW 19.86.170, or any other provision of  
37 state or federal consumer protection or antitrust law. Such approval  
38 pursuant to this chapter does not preclude the attorney general from  
39 taking any action to enforce state or federal consumer protection or  
40 antitrust laws;

1 (b) Impose conditions or modifications on the material change  
2 transaction to ensure the requirements of section 9 of this act are  
3 met and that sufficient safeguards are in place to ensure communities  
4 have continued or improved access to affordable quality care. The  
5 imposition of such conditions or modifications shall be in writing  
6 and constitute a final decision subject to all appellate rights  
7 contained within this chapter; or

8 (c) Disapprove the material change transaction in writing with  
9 written justification, which shall constitute a final decision  
10 subject to all appellate rights contained within this act.

11 (6) Whenever the attorney general approves, approves with  
12 conditions or modifications, or disapproves a material change  
13 transaction, it shall promptly inform the parties and the health care  
14 authority of its decision.

15 (7) Within 30 days after a final decision of the attorney general  
16 either denying or approving with modifications a material change  
17 transaction, any party to the material change transaction may appeal  
18 the decision to the superior court. An appeal to the superior court  
19 shall be to the superior court of a county in which the material  
20 change transaction is to have occurred or to the superior court for  
21 Thurston county. Such appeal shall be perfected by filing with the  
22 clerk of the court a notice of appeal and by serving a copy thereof  
23 by mail, or personally, on the attorney general or their appointed  
24 designee. The attorney general shall, in all cases within 15 days  
25 after the receipt of such notice of appeal, serve and file its notice  
26 of appearance and such appeal shall thereupon be deemed at issue. The  
27 attorney general shall serve upon the appealing party and file with  
28 the clerk of the court within 30 days of the filing of the appeal, a  
29 certified copy of the attorney general's official record which shall  
30 include the final decision, and all accompanying documents, subject  
31 to the same confidentiality protections provided to such documents in  
32 the underlying act. These shall become the record in the case subject  
33 to leave of the court. The superior court shall review the final  
34 decision of the attorney general, subject to the statutory  
35 requirements of the underlying act and chapter 34.05 RCW.

36 (8) The attorney general may not make its decision to disapprove  
37 the material change transaction subject to any condition not directly  
38 and rationally related to the requirements under section 9 of this  
39 act and any condition or modification must bear a direct and rational

1 relationship to the notice under review and the requirements under  
2 section 9 of this act.

3 (9) Nothing in this chapter is intended to derogate from or  
4 otherwise affect in any way the attorney general's authority to  
5 conduct an investigation, or the process of any investigation, under  
6 chapter 19.86 RCW. Nothing in this section is intended to change or  
7 affect in any way any substantive law regarding the antitrust review  
8 of a material change transaction.

9 NEW SECTION. **Sec. 11.** (1) During the course of review of  
10 notices of material change transactions under RCW 19.390.040(3), the  
11 health care authority shall conduct at least one public hearing,  
12 which may occur remotely. At each hearing, anyone may file written  
13 comments and exhibits or appear and make a statement. The attorney  
14 general may subpoena additional information or witnesses, require and  
15 administer oaths, require sworn statements, take depositions, and use  
16 related discovery procedures for purposes of the hearing and at any  
17 time prior to making a decision on the material change transaction.

18 (2) If a public hearing is scheduled, at least 15 days prior to  
19 the hearing, the health care authority shall provide notice of the  
20 time and place of the hearing on its website and to any person who  
21 has requested notice of the hearing in writing, and the parties to  
22 the material change transaction shall provide notice of the time and  
23 place of the hearing on their websites, and to all employees and  
24 patients of affected health care providers. Notice under this  
25 subsection shall be provided in English, Spanish, and the three most  
26 common other languages spoken in the affected community.

27 (3) Within 15 business days of the last hearing, the health care  
28 authority shall compile a summary report of each public hearing  
29 proceeding and post the summary report on its website.

30 (4) If after the initial public hearing there is any change in  
31 the terms of the material change transaction that materially alters  
32 any of the information that the parties to the material change  
33 transaction provided under RCW 19.390.040(3), the health care  
34 authority shall conduct an additional public hearing to ensure  
35 adequate public comment regarding the proposed change.

36 (5) Nothing in this chapter is intended to derogate from or  
37 otherwise affect in any way the attorney general's authority to  
38 conduct an investigation, or the process of any investigation, under  
39 chapter 19.86 RCW. Nothing in this section is intended to change or

1 affect in any way any substantive law regarding the antitrust review  
2 of a material change transaction.

3 NEW SECTION. **Sec. 12.** (1) For any material change transaction  
4 included under RCW 19.390.040(3), the health care authority shall  
5 conduct an access, affordability, quality, and equity review and  
6 prepare a written assessment, which it must include as part of its  
7 report and recommendation to the attorney general regarding a  
8 specific material change transaction. In creating this written  
9 assessment, the health care authority must engage with and provide  
10 input in the assessment from public health experts, organizations  
11 representing employees of the applicant, health care advocates, and  
12 community members who reside in the service areas of the parties to  
13 the material change transaction.

14 (2) The health care authority's written assessment must contain  
15 information to better inform the health care authority and attorney  
16 general as to whether the parties meet the requirements for a  
17 material change transaction under section 9 of this act.

18 (3) The health care authority's written assessment must include,  
19 but is not limited to, the following information:

20 (a) An assessment of whether the material change transaction will  
21 improve or reduce access to health services in the communities  
22 impacted by the material change transaction including, but not  
23 limited to, emergency care services, primary care services, specialty  
24 care services, behavioral health care services, reproductive health  
25 care services, gender-affirming health care, and end-of-life services  
26 including services provided in accordance with chapter 70.245 RCW;

27 (b) An assessment of whether the material change transaction will  
28 reduce health disparities with particular reference to members of  
29 medically underserved groups in the parties' service areas;

30 (c) An assessment of the effect of the material change  
31 transaction on the affordability and provision of health care  
32 services to individuals eligible for medical assistance under chapter  
33 74.09 RCW or medicare, indigent individuals, individuals with  
34 disabilities, women, racial and ethnic minorities, lesbian, gay,  
35 bisexual, transgender, gender diverse, or queer individuals,  
36 terminally ill individuals, and other underserved or marginalized  
37 populations;

1 (d) An assessment of the effect of the material change  
2 transaction on the level and type of charity care the parties to the  
3 material change transaction will provide;

4 (e) An assessment of the effect of the material change  
5 transaction on any community benefit program that the parties to the  
6 material change transaction have historically funded or operated;

7 (f) An assessment of the effect of the material change  
8 transaction on staffing for patient care and areas of patient care  
9 within facilities as it may affect availability of care, on the  
10 likely retention of employees as it may affect continuity of care,  
11 and on the rights of employees to provide input on health quality and  
12 staffing issues;

13 (g) An assessment of the effect of the material change  
14 transaction on the cost of patient care;

15 (h) An assessment of the prior performance of the parties to the  
16 material change transaction in meeting state and federal requirements  
17 to provide uncompensated care, community services, and access by  
18 minorities and people with disabilities to programs receiving federal  
19 financial assistance, including the existence of any civil rights  
20 access complaints against any of the parties, and how the material  
21 change transaction will impact the fulfillment of these requirements;

22 (i) An assessment of whether the material change transaction will  
23 have a positive or negative impact on effective communication between  
24 the hospitals, hospital systems, or provider organizations and people  
25 with limited English-speaking ability and those with speech, hearing,  
26 or visual impairments;

27 (j) An assessment of whether the material change transaction will  
28 reduce architectural barriers for people with mobility impairments;

29 (k) A review of how the parties to the material change  
30 transaction will maintain or improve the quality of health services  
31 including a review of:

32 (i) Demographics of the parties' service areas;

33 (ii) Economic status of the population of the parties' services  
34 area;

35 (iii) Physician and professional staffing issues related to the  
36 material change transaction;

37 (iv) Availability of similar services at other institutions in or  
38 near the parties' services area;

39 (v) Existing referral patterns and projected changes to referral  
40 patterns; and



1 (vi) Historical and projected market shares of hospitals,  
2 hospital systems, and provider organizations in the parties' service  
3 area;

4 (l) A financial and economic assessment that includes a  
5 description of current costs and competition in the relevant  
6 geographic and product market and any anticipated changes in such  
7 costs and competition as a result of the material change transaction;

8 (m) A discussion of alternatives to the material change  
9 transaction, including: (i) Closure of any of the health facilities  
10 that are the subject of the material change transaction; and (ii)  
11 recommendations for additional feasible mitigation measures that  
12 would reduce or eliminate any significant adverse effect on health  
13 care services and affordability identified in the access,  
14 affordability, quality, and equity review;

15 (n) An assessment of the effect the material change transaction  
16 will have on workforce patterns, including the number of provider and  
17 full-time equivalent employees, and patient to staff ratios, by  
18 provider type as relevant to the transaction; and

19 (o) An assessment of the effect the material change transaction  
20 will have on quality of care, including patient safety, changes in  
21 the occurrence of complications, changes in the occurrence of  
22 unnecessary procedures, population health, disease prevalence, and  
23 quality of care performance in the parties' services area.

24 (4) The information contained in the access, affordability,  
25 quality, and equity review must be used by the attorney general's  
26 office in determining under section 9 of this act whether to approve,  
27 approve with conditions or modifications, or disapprove the material  
28 change transaction.

29 (5) The health care authority's written assessment prepared as  
30 part of its access, affordability, quality, and equity review must be  
31 posted on the health care authority's website.

32 NEW SECTION. **Sec. 13.** (1) The secretary of state may not accept  
33 any forms or documents in connection with any material change  
34 transaction if the attorney general, in accordance with section 10 of  
35 this act, disapproved the material change transaction or the parties  
36 to the material change transaction have not agreed to any conditions  
37 or modifications imposed by the attorney general in accordance with  
38 section 10 of this act.

1 (2) The attorney general may seek an injunction to prevent any  
2 material change transaction that has been disapproved by the attorney  
3 general in accordance with section 10 of this act or that does not  
4 incorporate any conditions or modifications imposed by the attorney  
5 general in accordance with section 10 of this act.

6 NEW SECTION. **Sec. 14.** For any material change transaction  
7 included under RCW 19.390.040(3), the following apply:

8 (1) Once a material change transaction is finalized the parties  
9 shall inform the attorney general in the form and manner prescribed  
10 by the attorney general.

11 (2) For at least five years, the attorney general shall monitor  
12 the parties' and any successor persons' ongoing compliance with this  
13 chapter, and may request information and documents, and conduct on-  
14 site compliance audits at the parties' or successor persons' expense.  
15 The attorney general is authorized to continue monitoring the parties  
16 and any successor person's ongoing compliance for a period of time  
17 beyond five years for good cause.

18 (3) The attorney general shall, for five years, require annual  
19 reports from the parties to the material change transaction or any  
20 successor persons to ensure compliance with section 9 of this act and  
21 any conditions or modifications the attorney general imposed on the  
22 material change transaction.

23 (4) To effectively monitor ongoing compliance, the attorney  
24 general shall regularly provide the opportunity for the public to  
25 submit written comments, and may, in its discretion, engage with the  
26 health care authority, and contract with experts and consultants.  
27 Contract costs should not exceed an amount that is reasonable and  
28 necessary to conduct the review and evaluation.

29 (5) The attorney general is entitled to reimbursement from the  
30 parties or any successor persons for all actual and direct costs  
31 incurred in monitoring ongoing compliance for five years, including  
32 contract and administrative costs.

33 (6) The attorney general may bill the parties or successor  
34 persons, and the parties or successor billed by the attorney general  
35 shall promptly pay. If the parties or successor fail to pay within 30  
36 days, the attorney general may assess a civil fine of five percent of  
37 the billed amount for each day the party does not pay.

38 (7) If the attorney general has reason to believe that the  
39 parties or successor persons of a material change transaction no

1 longer satisfy the requirements of section 9 of this act, or are not  
2 complying with any conditions or modifications imposed by the  
3 attorney general under section 10 of this act, the attorney general  
4 shall notify the health care authority and conduct an investigation.  
5 As part of the investigation the attorney general will provide public  
6 notice of the investigation and obtain input from community members  
7 impacted by the material change transaction. Following the  
8 investigation, the attorney general shall publish a report of its  
9 findings.

10 (8) If after the investigation, the attorney general determines  
11 that the parties or successor persons no longer satisfy the  
12 requirements of section 9 of this act, or are not complying with  
13 conditions or modifications imposed under section 10 of this act, the  
14 attorney general shall notify the health care authority and issue an  
15 order directing the parties or successor persons to come into  
16 compliance with this chapter and provide a timeline by which the  
17 parties must enter into compliance.

18 (9) If the parties or successor persons do not enter into  
19 compliance with the attorney general's order, the attorney general  
20 shall notify the health care authority and may assess a civil fine of  
21 up to one percent of the total value of the material change  
22 transaction for each day the parties or successor persons fail to  
23 enter into compliance, and may take legal action under section 16 of  
24 this act.

25 (10) The cost of the investigation and any on-site reviews  
26 related to determining the validity of the information will be borne  
27 by the parties to the material change transaction or successor  
28 persons.

29 NEW SECTION. **Sec. 15.** The attorney general, in consultation  
30 with provider organizations, will develop a simple form that parties  
31 or successor persons subject to RCW 19.390.040(2) will submit yearly  
32 for five years to demonstrate that the successor persons' overall  
33 level of care to individuals on medicaid or who are uninsured or  
34 underinsured has not materially lowered and that the successor  
35 persons' percentage of total patient revenue that comes from medicaid  
36 or local, state, or federal funding to provide care to uninsured or  
37 underinsured individuals has not dropped below 50 percent.

1        NEW SECTION.    **Sec. 16.**    The attorney general has the authority to  
2 ensure compliance with commitments that inure to the public interest.  
3 The attorney general may take legal action to enforce this chapter,  
4 any conditions or modifications the attorney general imposes on a  
5 material change transaction, or any order the attorney general issues  
6 under section 15 of this act. The attorney general may obtain  
7 restitution, injunctive relief, civil penalties, disgorgement of  
8 profits, attorneys' fees, and such other relief as the court deems  
9 necessary to ensure compliance. The remedies provided under this  
10 chapter are in addition to any other remedy that may be available  
11 under any other provision of law.

12        **Sec. 17.**    RCW 19.390.070 and 2019 c 267 s 7 are each amended to  
13 read as follows:

14        (1) Information submitted to the attorney general (~~pursuant to~~  
15 ~~this chapter~~) under RCW 19.390.050 shall be maintained and used by  
16 the attorney general in the same manner and under the same  
17 protections as provided in RCW 19.86.110. The information, including  
18 documentary material, answers to written interrogatories, or  
19 transcripts of oral testimony produced pursuant to a demand or  
20 copies, must not, unless otherwise ordered by a superior court for  
21 good cause shown, be produced for inspection or copying pursuant to  
22 chapter 42.56 RCW by the person who produced the material, answered  
23 written interrogatories or gave oral testimony.

24        (2) All materials provided in response to RCW 19.390.040(3) (a)  
25 and (b) and all materials provided during public hearings are  
26 considered public records for purposes of chapter 42.56 RCW.

27        (3) Nothing in this chapter limits the attorney general's  
28 authority under RCW 19.86.110 or 19.86.115. Nothing in this chapter  
29 expands the attorney general's authority under chapter 19.86 RCW,  
30 federal or state antitrust law, or any other law. Failure to comply  
31 with this chapter does not provide a private cause of action.

32        (4) (a) The parties to a material change transaction may designate  
33 portions of documents submitted pursuant RCW 19.390.040(3) and any  
34 documents thereafter submitted by the parties as confidential if the  
35 information is sensitive financial, commercial, or proprietary  
36 information or is protected from disclosure by state or federal law.  
37 The applicant shall provide two versions of any document designated  
38 as confidential. The first version shall be marked as "CONFIDENTIAL"  
39 and contain the full unredacted version of the document, shall be

1 provided to the health care authority and the attorney general, and  
2 shall be maintained as confidential by the health care authority and  
3 the attorney general. The second version shall be marked as "PUBLIC"  
4 and contain a redacted version of the materials from which the  
5 confidential portions have been removed or obscured, shall be  
6 provided to the health care authority and the attorney general, and  
7 shall be made available to the public by the attorney general. An  
8 applicant claiming confidentiality in respect to documents shall  
9 provide the health care authority and the attorney general with a  
10 redaction log that provides a reasonably detailed statement of the  
11 grounds on which confidentiality is claimed, citing the applicable  
12 basis for confidentiality of each portion.

13 (b) Confidential materials provided by a party to a material  
14 change transaction that is subject to review by the attorney general  
15 or health care authority shall be maintained as confidential  
16 materials and not subject to disclosure under chapter 42.56 RCW.

17 NEW SECTION. Sec. 18. No provision of this chapter derogates  
18 from the common law or statutory authority of the attorney general.

19 NEW SECTION. Sec. 19. The attorney general and health care  
20 authority may adopt rules necessary to implement this chapter,  
21 including creation of an applicant fee structure, and may contract  
22 with and provide reasonable reimbursement to qualified persons to  
23 assist in determining whether parties or successor persons are in  
24 compliance with the requirements under this chapter.

25 NEW SECTION. Sec. 20. If a material change transaction is also  
26 subject to review under chapter 70.38 or 70.45 RCW, the review under  
27 those chapters shall be concurrent with the review under this  
28 chapter, to the extent practicable.

29 NEW SECTION. Sec. 21. This act may be known and cited as the  
30 keep our care act.

31 NEW SECTION. Sec. 22. This act does not apply to any pending  
32 material change transaction with a letter of intent signed before the  
33 effective date of this section.

1        NEW SECTION.    **Sec. 23.**    Sections 7, 9 through 16, and 18 through  
2    22 of this act are each added to chapter 19.390 RCW.

3        NEW SECTION.    **Sec. 24.**    This act takes effect January 1, 2026.

4        NEW SECTION.    **Sec. 25.**    If any provision of this act or its  
5    application to any person or circumstance is held invalid, the  
6    remainder of the act or the application of the provision to other  
7    persons or circumstances is not affected.

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