Creates the health care rate-setting commission and requires the commission to: (1) Establish and approve rates for certain health care entities;

- (2) Initiate reviews and investigations of rates for health care services;
- (3) Develop methodologies for determining whether or not rates for health care services meet certain criteria and establish new rates as necessary;
- (4) Compile and maintain financial, accounting, and patient discharge data;
- (5) Establish interagency agreements to obtain data from other state agencies;
  - (6) Establish a schedule for updating adopted rates; and
- (7) Commence rate-setting activities applicable to certain hospitals and physician provider organizations involved in the merger, acquisition, or contracting affiliation.

Requires the department of health to provide administrative and research support to the commission.

Expects other agencies to collaborate with the department to provide data for the commission to conduct its work.

Requires medical records and health care information that is submitted to the commission to: (1) Be confidential in compliance with chapter 70.02 RCW and federal health care information privacy requirements; and

(2) Not be subject to public disclosure under the public records act.