**5241 AMS BRAU S4918.1 - NOT FOR FLOOR USE**

**SB 5241** - S AMD TO S AMD (S-4880.1/24) **614**

By Senator Braun

**NOT ADOPTED 02/08/2024**

On page 13, beginning on line 32, after "(1)" strike all material through "solvency." on page 14, line 28 and insert "No material change transaction under this chapter may take place if it would detrimentally affect the continued existence of accessible, affordable health care in Washington state or the affected community for at least six years after the transaction occurs. To this end, the material change transaction or steps taken to mitigate the impacts of the transaction must result in the affected communities having the same or greater access to quality, affordable care including, but not limited to, emergency care, primary care, reproductive health care, gender affirming care, and end-of-life care including services provided in accordance with chapter 70.245 RCW.

(2) The material change transaction must also result in:

(a) Reducing, stabilizing, or holding the growth in patient and health plan sponsor costs to regular rates of medical inflation;

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

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

(d) Maintaining or improving health outcomes for residents of this state or the community served.

(3) The attorney general shall also consider whether the material change transaction:

(a) Results in the revocation of privileges to the extent such reductions would diminish patients' access to quality care. The health provider may revoke privileges due to quality of care and patient safety concerns even if doing so limits access to care. The health care provider must establish sufficient safeguards to maintain appropriate capacity for health provider education;

(b) Results in a reduction in staffing capacity for the provision of medically necessary services to the extent such reductions would diminish patients' access to quality care;

(c) Is substantially likely to negatively impact the labor market by lowering wages, slowing wage growth, or worsening benefits or other working conditions;

(d) Is substantially likely to result in or further entrench a dominant market position in the relevant market of one or more entity to the material change transaction; or

(e) Is part of a series of similar transactions involving one or more entity to the material change transaction that is substantially likely to result in consolidation in the relevant market.

(4) In determining whether a material change transaction fulfills the requirements of subsections (1) through (3) of this section, the attorney general shall take into consideration whether the material change transaction is necessary to maintain the solvency of an entity involved in the transaction. In making the determination, the attorney general must consider possible alternatives to the material change transaction, and the likely impact of those alternatives, if implemented, on the entity's solvency.

(5) Unless the attorney general concludes after conducting a comprehensive review that there is a substantial likelihood that the material change transaction will not meet the requirements of subsections (1) through (3) of this section, the material change transaction must be approved with no conditions."

EFFECT: (1) Refines elements to be considered by the office of the attorney general in making a determination whether a material change transaction would detrimentally affect the continued existence of accessible, affordable health care.

(2) Clarifies that the AGO should assess whether a transaction maintains access to services, rather than only assessing whether a transaction increases services.

(3) Ensures that health care providers may make decisions about privileges to preserve patient safety and access to care.

(4) Provides that the AGO must consider the market impacts of a transaction.

(5) Specifies that the AGO must approve a transaction that meets the requirements for review (rather than only specifying the AGO disapprove or condition transactions).