

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

**NOT ADOPTED 02/08/2024**

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

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

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

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

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

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

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

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

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

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

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

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

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

18 (5) Unless the attorney general concludes after conducting a  
19 comprehensive review that there is a substantial likelihood that the  
20 material change transaction will not meet the requirements of  
21 subsections (1) through (3) of this section, the material change  
22 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).

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