

SB 5241 - S AMD TO S AMD (S-4880.1/24) **611**
By Senator Short

NOT ADOPTED 02/08/2024

1 On page 5, beginning on line 6, strike all of section 4 and
2 insert the following:

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

5 (1) Not less than (~~sixty~~) 120 days prior to the effective date
6 of any transaction that results in a material change, the parties to
7 the transaction shall submit written notice to the attorney general
8 of such material change transaction.

9 (2) For the purposes of this (~~section~~) chapter, a material
10 change transaction includes a merger, acquisition, or contracting
11 affiliation between two or more entities of the following types and
12 which meets the requirements of subsection (4) of this section:

- 13 (a) Hospitals;
14 (b) Hospital systems; or
15 (c) Provider organizations.

16 (3) A material change transaction includes proposed changes
17 identified in subsection (2) of this section between Washington
18 entities, as well as between a Washington entity and an out-of-state
19 entity where the out-of-state entity or any of its affiliates
20 generate(~~s ten million dollars~~) \$10,000,000 or more in health care
21 services revenue from patients residing in Washington state, (~~and~~)
22 the entities are of the types identified in subsection (2) of this
23 section, and the transaction meets the requirements of subsection (4)
24 of this section. Any party to a material change transaction that is
25 licensed or operating in Washington state shall submit a notice as
26 required under this section.

27 (4) To qualify as a material change transaction:

28 (a) At least one party to the material change transaction must
29 have had an average revenue of \$25,000,000 or more in the preceding
30 three fiscal years; and

1 (b)(i) The second party to the transaction must have had an
2 average revenue of at least \$10,000,000 in the preceding three fiscal
3 years; or
4 (ii) In the case of a new entity, the new entity is projected to
5 have at least \$10,000,000 in revenue in the first full year of
6 operation at normal levels of utilization or operation.
7 (5) For purposes of subsection (2) of this section, a merger,
8 acquisition, or contracting affiliation between two or more
9 hospitals, hospital systems, or provider organizations only qualifies
10 as a material change transaction if the hospitals, hospital systems,
11 or provider organizations did not previously have common ownership or
12 a contracting affiliation."

EFFECT: Adds a monetary threshold based on the revenue of the parties involved in the material change transaction. Monetary thresholds are: (1) One party must have an average of \$25M or more in revenue over the last 3 years; and (2) the other party must have an average of \$10M or more in revenue over the last 3 years, or for a new entity, the new entity must have \$10M in projected revenue in the first full year of operations.

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