

**WAC 246-25-045 "Most favored nations clauses"—Policy statement.**

"Most favored nations clauses" may discourage discounting by the affected seller, may facilitate oligopolistic pricing and deter entry by more efficient competitors. "Most favored nations clauses" are often used as a replacement for innovation or efficiency by large competitors and act as a disincentive for creativity by small competitors. The commission finds that the use of "most favored nations clauses" in contracts between a health care provider or facility and a certified health plan create the potential to thwart the cost containment goals of health care reform. For these reasons, the use of "most favored nations clauses" in contracts between a health care provider or facility and a certified health plan is prohibited.

[Statutory Authority: RCW 43.72.310. WSR 99-04-049, recodified as § 246-25-045, filed 1/28/99, effective 1/28/99; WSR 95-04-115, § 245-02-045, filed 2/1/95, effective 10/1/95.]