**5241 AMS SHOR S4914.1 - NOT FOR FLOOR USE**

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

By Senator Short

**NOT ADOPTED 02/08/2024**

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

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

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

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

(a) Hospitals;

(b) Hospital systems; or

(c) Provider organizations.

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

(4) To qualify as a material change transaction:

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

(b)(i) The second party to the transaction must have had an average revenue of at least $10,000,000 in the preceding three fiscal years; or

(ii) In the case of a new entity, the new entity is projected to have at least $10,000,000 in revenue in the first full year of operation at normal levels of utilization or operation.

(5) For purposes of subsection (2) of this section, a merger, acquisition, or contracting affiliation between two or more hospitals, hospital systems, or provider organizations only qualifies as a material change transaction if the hospitals, hospital systems, or provider organizations did not previously have common ownership or 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.