HOUSE BILL REPORT
ESB 5241

As Reported by House Committee On:
Civil Rights & Judiciary

Title: An act relating to material changes to the operations and governance structure of participants in the health care marketplace.

Brief Description: Concerning material changes to the operations and governance structure of participants in the health care marketplace.

Sponsors: Senators Randall, Rolfes, Kuderer, Trudeau, Pedersen, Shewmake, Hunt, Saldaña, Kauffman, Valdez, Lovick, Robinson, Lovelett, Liias, Frame, Nguyen, Stanford and Wilson, C..

Brief History:

Committee Activity:

Civil Rights & Judiciary: 2/14/24, 2/20/24 [DPA].

Brief Summary of Engrossed Bill
(As Amended by Committee)

- Requires filing of notice with the Attorney General at least 120 days before a qualifying material change transaction among health care market participants, extends material change transactions to cover additional parties, and requires notices to include additional information.
- Requires the Attorney General to publish notice information; review transactions; hold public hearings; obtain assessments; approve, place conditions on, or disapprove of transactions; and monitor compliance.
- Prohibits material change transactions that would detrimentally affect accessible affordable health care, result in the revocation of hospital privileges, or result in a reduction in staffing capacity for the provision of medically necessary services that would diminish access to quality care.
- Requires material change transactions to result in affected communities

---

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

having the same or greater access to quality affordable care, including emergency care, primary care, reproductive health care, gender affirming care, and end-of-life care.

- Establishes a civil penalty of up to 15 percent of the value of a transaction for violations of notice requirements and authorizes the Attorney General to bring enforcement actions.

HOUSE COMMITTEE ON CIVIL RIGHTS & JUDICIARY

Majority Report: Do pass as amended. Signed by 6 members: Representatives Taylor, Chair; Farivar, Vice Chair; Entenman, Goodman, Peterson and Walen.

Minority Report: Do not pass. Signed by 4 members: Representatives Walsh, Ranking Minority Member; Graham, Assistant Ranking Minority Member; Abbarno and Cheney.

Minority Report: Without recommendation. Signed by 1 member: Representative Thai.

Staff: John Burzynski (786-7133).

Background:

The Hart-Scott-Rodino Antitrust Improvements Act.
The federal Hart-Scott-Rodino Antitrust Improvements Act of 1976 requires companies intending to engage in certain mergers or acquisitions to provide premerger notification to the United States Federal Trade Commission and the Department of Justice before consummating these transactions. The reporting requirement applies to proposed transactions that satisfy certain size and other criteria, and each party to a transaction that meets the criteria must file notifications and wait a specified period of time, typically 30 days, before consummating the transaction. The waiting period enables the enforcement agencies to review whether the effect of the transaction will substantially lessen competition and, if necessary, to negotiate changes to the transaction or seek an injunction to stop the transaction.

Washington's Consumer Protection Act.
The Consumer Protection Act (CPA) prohibits various anticompetitive business practices, including unfair or deceptive acts or practices in trade or commerce; the formation of contracts, combinations, or conspiracies in restraint of trade or commerce; monopolization of any part of trade or commerce; and acquisition of a corporation's stock or assets where the effect of such acquisition may be to substantially lessen competition or tend to create a monopoly in any line of commerce.

The Antitrust Division of the Office of the Attorney General investigates and prosecutes

violations of the CPA's antitrust provisions and also has authority to investigate and prosecute federal antitrust law violations. The Attorney General may bring an action in the name of the state on behalf of persons injured by CPA violations. In addition, a private party may bring an action to enforce the CPA.

Washington's Health Care Material Change Notice Requirements.
Washington requires health care market participants to provide notice of certain transactions to the Attorney General. In connection with this requirement, the Legislature has stated its intent to ensure competition in health care markets, and noted the required notice provides the Attorney General with the information necessary to determine whether an investigation under the CPA is warranted for potential anticompetitive conduct and consumer harm.

Notice of Material Change Requirements. At least 60 days prior to the effective date of any material change among health care marketplace participants, the parties to the transaction must provide written notice of the change to the Attorney General. Qualifying material changes include any merger, acquisition, or contracting affiliation between two or more hospitals, hospital systems, or provider organizations.

Qualifying transactions with out-of-state entities are covered by the 60-day notice requirement when the out-of-state entity generates $10 million or more in health care services revenue from patients residing in Washington, and the entity is otherwise subject to the notice requirement.

A merger, acquisition, or contracting affiliation between two or more covered entities only qualifies as a material change if the covered entities did not previously have common ownership or a contracting affiliation.

The notice required by this provision must include: (1) the names of the parties and their current business addresses; (2) identification of all locations where health care services are currently provided by each party; (3) a brief description of the nature and purpose of the proposed material change; and (4) the anticipated effective date of the proposed material change. A party may voluntarily supply the Attorney General with additional information.

Requests for Additional Information. The Attorney General must make any requests for additional information from the reporting parties within 30 days of the date the notice of material change is provided.

Federal Notice Requirements. Health care providers and provider organizations conducting business in Washington that file a premerger notification with the Federal Trade Commission or the United Sates Department of Justice pursuant to the Hart-Scott-Rodino Antitrust Improvements Act must provide a copy of the filing to the Attorney General. Providing a copy of the federal filing to the Attorney General satisfies the notice requirement for material changes.

Use of Information. Information provided to the Attorney General must be maintained in the same manner and under the same protections as required by the provisions of the CPA that restrict the use of information produced under civil investigative demands. The information must not be produced for inspection or copying pursuant to the Public Records Act by the person who produced the information unless otherwise ordered by a court for good cause.

Penalty for Noncompliance. A person who fails to comply with these requirements is subject to a civil penalty of up to $200 for each day of noncompliance.

Definitions. "Contracting affiliation" is defined as the formation of a relationship between two or more entities that permits the entities to negotiate jointly with carriers or third-party administrators over rates for professional medical services, or for one entity to negotiate on behalf of the other entity with carriers or third-party administrators over rates for professional medical services. "Contracting affiliation" does not include arrangements among entities under common ownership.

"Health care services" is defined as medical, surgical, chiropractic, hospital, optometric, podiatric, pharmaceutical, ambulance, mental health, substance use disorder, therapeutic, preventative, diagnostic, curative, rehabilitative, palliative, custodial, and any other services relating to the prevention, cure, or treatment of illness, injury, or disease.

Summary of Amended Bill:

Intent.
The chapter of state law governing material changes in health care markets is intended to ensure vigorous and robust competition in health care markets, and to ensure material change transactions result in affected communities having the same or greater access to quality, affordable care, including emergency care, primary care, reproductive care, end-of-life care, and gender affirming care.

Notice Filing Requirements.
Notice of a material change transaction among covered health care market participants must be filed with the Attorney General at least 120 days prior to the effective date of the transaction.

Material change transactions are extended to include any merger, acquisition, or contracting affiliation between any hospital, hospital system, or provider organization, and either: (1) a carrier or insurance holding company system; or (2) any other person or entity that has as its primary function the provision of health care services or that is a parent organization of, has control over, or governance of, an entity that has as its primary function the provision of health care services.

Material change transactions are extended to include all qualifying transactions between Washington entities and between Washington entities and out-of-state entities, regardless of the share of revenue the out-of-state entity derives from patients residing in Washington, as long as the transaction will impact health care in Washington.

Notice Content Requirements.
Parties to a qualifying material change transaction must include the following information in their notice: (1) the names of the parties and their current business addresses; (2) identification of all locations where health care services are currently provided by each party and its affiliates; (3) a brief description of the nature and purpose of the proposed material change transactions; and (4) the anticipated effective date of the proposed material change transaction. For certain parties, additional information is required.

Entities Below $25 Million Revenue Threshold. This category applies when no parties have generated $25 million or more in health care revenue in any of their preceding three fiscal years. Parties in this category are not required to provide any additional information in their notice.

Nonhospital Entities Primarily Serving Low-Income Individuals. This category applies when: (1) no parties are hospitals, hospital systems, or affiliates of either; (2) all parties serve predominantly low-income, medically underserved individuals; (3) for each of their preceding three fiscal years, all parties had at least half of their total patient revenue come from Medicaid or local, state, or federal funding to provide care to uninsured or underinsured individuals; and (4) the transaction would not materially lower the level of care the successors provide to individuals on Medicaid or who are uninsured or underinsured, or cause, for the successors, the percentage of total patient revenue that comes from Medicaid or local, state, or federal funding to provide care to uninsured or underinsured individuals to drop below 50 percent.

Parties in this category must include in their notice documentation demonstrating all parties to the transaction, for each of their preceding three fiscal years, had at least half of their total patient revenue come from Medicaid or local, state, or federal funding to provide care to uninsured or underinsured individuals. Parties in this category must also include a statement describing how the transaction will result in the successors complying with the requirements for this category.

All Other Parties. This category applies to all material change transactions involving parties that do not fall within the previous categories.

Parties in this category must include up to 29 additional types of information detailed in the bill, including transaction agreements; organizational charts; financial statements; community health needs assessments; descriptions of charity care; various policies and procedures; descriptions of reproductive health care services, end-of-life health care services, and gender affirming health care services; descriptions of qualifying community

benefit programs; descriptions of various kinds of staffing, employment, and collective bargaining information; and other types of information.

In cases of extraordinary emergencies that threaten access to health care services and have the potential to immediately harm consumers, the Attorney General may limit the information otherwise required in a material change notice for the sole purpose of expediting the review process.

Notice Completion and Requests for Additional Information.
The Attorney General must determine if a required material change transaction notice is complete for the purposes of review. If incomplete, the Attorney General must notify the parties within 15 working days of receiving the notice and state the reasons the notice was determined to be incomplete.

The Attorney General is authorized to request additional information. For the purpose of conducting an investigation under the Consumer Protection Act (CPA) or federal antitrust laws, the Attorney General must make any requests for additional information from the reporting parties within 30 days of the date the notice of material change is provided.

Notice Disclosure.
For specified material change transaction notices, the Attorney General must, within five working days of receiving a completed notice, include information about the notice on the Attorney General's website and in a newspaper of general circulation in the county or counties where communities impacted by the transaction are located. The Attorney General must also notify any person who has requested notice of the filing of material change transaction notices.

The information provided must state that a notice has been received, state the names of the parties to the material change transaction, describe the contents of the written notice in clear and simple terms, and state the date and process by which a person may submit written comments about the notice to the Attorney General's office.

Application Fee.
The Attorney General must charge an applicant fee sufficient to cover the costs of implementing the chapter of state law governing material changes in health care markets. Fees for a specific material change transaction review must be set relative to whether the review is preliminary or comprehensive.

Penalty.
Any person who fails to comply with material change transaction notice requirements is liable to the state for a civil penalty of up to 15 percent of the value of the material change transaction, in the discretion of the Attorney General.

Material Change Transaction Restrictions and Requirements.

No material change transaction may take place if it would detrimentally affect the continued existence of accessible, affordable health care in Washington for at least 10 years after the transaction occurs.

A material change transaction must not result in the revocation of hospital privileges and must establish sufficient safeguards to maintain appropriate capacity for health provider education.

A material change transaction must not result 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.

A material change 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 the Washington Death with Dignity Act.

Material change transactions must also result in reducing the growth in patient and health plan sponsor costs, increasing access to services in medically underserved areas, rectifying historical and contemporary factors contributing to a lack of health equities or access to services, or improving health outcomes for residents of the state.

In determining whether a material change transaction fulfills these requirements, the Attorney General must consider whether the material change transaction is necessary to maintain the solvency of an entity involved in the transaction. Before making such a determination, the Attorney General must first have an independent contractor prepare a financial assessment of the entity, which must include possible alternatives to the material change transaction and the likely impact of those alternatives on the entity's solvency if implemented.

Preliminary and Comprehensive Reviews.
For specified material change transaction notices, the Attorney General must conduct a preliminary review of the completed notice to determine if the material change transaction will fulfill all requirements. The review must include, but is not limited to, an analysis of the information and documentation provided and one public hearing.

After conducting a preliminary review, if the Attorney General determines that the material change transaction is likely to fulfill all requirements, the Attorney General may not conduct a comprehensive review of the material change transaction.

For specified material change transaction notices that are not limited to a preliminary review, the Attorney General must review the completed notice and conduct a comprehensive review. After conducting a comprehensive review, the Attorney General must, within 120 days of receiving the completed notice, take one of the following actions

in writing: (1) approve the material change transaction; (2) impose conditions or modifications on the material change transaction; or (3) disapprove the material change transaction with written justification.

Within 30 days after a final decision of the Attorney General either denying or approving with modifications a material change transaction, any party to the material change transaction may appeal the decision to the superior court for review in accordance with the Administrative Procedure Act standards codified in RCW 34.05.570(4). The appeal must be filed in the superior court of a county in which the transaction is to have occurred or the Superior Court for Thurston County.

The Attorney General may not disapprove the material change transaction subject to any condition not directly and rationally related to the requirements of the act, and any condition or modification must bear a direct and rational relationship to the notice under review and the requirements of the act.

Public Hearings.
During the preliminary review of a material change transaction notice, the Attorney General must conduct one or more public hearings, at least one of which must be in a county where one of the communities impacted by the material change transaction is located. The hearing must allow for remote participation. If a notice is subject to a comprehensive review, the Attorney General may conduct additional public hearings.

At a public hearing, anyone may file written comments and exhibits or appear and make a statement. The Attorney General may subpoena additional information or witnesses, require and administer oaths, require sworn statements, take depositions, and use related discovery procedures for purposes of the hearing and at any time prior to making a decision on the material change transaction.

At least 15 days prior to a public hearing, the Attorney General must provide notice of the time and place of the hearing on the Attorney General's website and to any person who has requested notice of the hearing in writing. Additionally, the parties to the transaction must also provide notice of the time and place of the hearing through publication in various forums and locations specified in the act. The notice of the time and place of the meeting must be provided in English and in the languages spoken in the county or counties in which the hospitals, hospital systems, provider organizations, or other health care facilities that are the subject of the material change transaction are located.

Within 15 business days of the last public hearing, the Attorney General must compile a summary report of each public hearing proceeding and post the summary report on the Attorney General's website.

Health Equity Assessment.
For specified material change transactions that are not limited to preliminary review, the

Attorney General must hire an independent contractor to prepare a health equity assessment, subject to certain requirements. In creating the assessment, the contractor must engage with and provide input in the assessment from various specified entities, experts, organizations, advocates, community members, transaction parties, and others.

The assessment must include specified information and data to inform the Attorney General as to whether the parties meet the requirements for a material change transaction. The information contained in the assessment must be used by the Attorney General's Office in determining whether to impose conditions or modifications on the transaction, or to disapprove the transaction. The assessment must be posted on the Attorney General's website.

Stakeholder Review.
The Attorney General may appoint a review board of stakeholders to conduct a comprehensive review and make recommendations as to whether a specified material change transaction not limited to preliminary review meets all requirements. A review board convened by the Attorney General must consist of members of the communities affected by the transaction, consumer advocates, and health care experts. No more than one-third of the members of the review board may be representatives of institutional health care providers. The Attorney General may not appoint to a review board an individual who is employed by or has a contract with a party to the material change transaction or is employed by a competitor that is of a similar size to a party to the material change transaction.

Disapproved, Conditional, or Modified Transactions.
The Secretary of State may not accept any forms or documents in connection with any material change transaction if the Attorney General has disapproved the transaction or the parties to the transaction have not agreed to conditions or modifications imposed by the Attorney General.

The Attorney General may seek an injunction to prevent any material change transaction that has been disapproved by the Attorney General or that does not incorporate any conditions or modifications imposed by the Attorney General.

Finalization and Monitoring.
Once a material change transaction is finalized the parties must inform the Attorney General. For at least 10 years, the Attorney General must monitor the parties' and any successor's ongoing compliance and must require annual reports from the parties or any successors to ensure compliance with state law and any conditions or modifications imposed on the transaction. The Attorney General may request information and documents and may conduct on-site compliance audits.

The Attorney General must regularly provide the opportunity for the public to submit written comments and may, in its discretion, contract with experts and consultants.

If the Attorney General has any reason to believe the parties or successors no longer meet the requirements of state law or conditions or modifications imposed on the transaction, the Attorney General must conduct an investigation, subject to public notice and community input. The Attorney General must publish a report of its findings.

If the Attorney General determines the parties or successors no longer meet the requirements of state law or conditions or modifications imposed on the transaction, the Attorney General must issue an order directing the parties or successors to come into compliance and a timeline for doing so. If the parties or successors fail to do so, the Attorney General may impose civil fines of no less than $10,000 per day until the parties or successors comply with the order and may take legal action.

Enforcement.
The Attorney General may take legal action to enforce the chapter of state law governing material changes in health care markets, any conditions or modifications the Attorney General imposes on a material change transaction, or any order the Attorney General issues to enforce these requirements. The Attorney General may obtain restitution, injunctive relief, civil penalties, disgorgement of profits, attorneys' fees, and such other relief as the court deems necessary to ensure compliance.

Use of Information.
Additional information requested by the Attorney General must be maintained in the same manner and under the same protections as required by the provisions of the CPA that restrict the use of information produced under civil investigative demands. The information must not be produced for inspection or copying pursuant to the Public Records Act by the person who produced the information unless otherwise ordered by a court for good cause.

The parties to specified material change transactions may designate portions of documents confidential if the information is sensitive financial, commercial, or proprietary information or is protected from disclosure by state or federal law. Confidential materials provided by a party to a material change transaction that is subject to review by the Attorney General must be maintained as confidential materials and are not subject to disclosure under the Public Records Act. However, all materials provided during public hearings are considered public records.

Authorization to Adopt Rules and Contract.
The Attorney General is authorized to adopt rules necessary to implement the chapter of state law governing material changes in health care markets, and to contract with and provide reasonable reimbursement to qualified persons to assist in determining whether parties or successors are in compliance with all requirements.

Required Studies.
By January 2026 the Attorney General must complete a study on the impact of health care

mergers and acquisitions in Washington between health carriers and hospitals, hospital systems, or provider organizations. The study must include effects on health care costs and quality of care.

Every four years, the Attorney General must commission a study of the impact of material change transactions in Washington. The study must review material change transactions occurring during the previous four-year period and include an analysis of effects on health care costs and quality of care. The first study must be commissioned no later than January 1, 2028.

Definitions.
The definition of "contracting affiliation" is modified to exclude arrangements where at least one entity in the arrangement is owned or operated by a state entity.

The definition of "health care services" is modified to note health care services may be provided virtually, on-demand, or in brick-and-mortar settings.

"Affiliate" is defined as a person that directly, or indirectly through one or more intermediaries, controls or has ownership of, is controlled or owned by, or is under common control or ownership of a person. A provider organization that is not otherwise affiliated with a hospital or hospital system is not considered an affiliate of a hospital or hospital system solely on the basis that it contracts with the hospital or hospital system to provide facility-based services including, but not limited to, emergency, anesthesiology, pathology, radiology, or hospital services.

"Gender affirming care" is defined as a service or product that a health care provider prescribes to an individual to treat any condition related to the individual's gender identity and is prescribed in accordance with generally accepted standards of care. Gender affirming care must be covered in a manner compliant with the federal Mental Health Parity and Addiction Equity Act of 2008 and the federal Patient Protection and Affordable Care Act of 2010. Gender affirming care can be prescribed to two spirit, transgender, nonbinary, intersex, and other gender diverse individuals.

"Health care revenue" is defined as combined Washington-derived revenue from health care services or administration from a party and all of its affiliates including, but not limited to, patient revenue and premiums paid to carriers, as applicable.

"Reproductive health care" is defined as any medical services or treatments, including pharmaceutical and preventive care services or treatments, directly involved in the reproductive system and its processes, functions, and organs involved in reproduction, in all stages of life.

"Successor persons" is defined as persons formed by, resulting from, or surviving any material change transaction under this chapter.

Amended Bill Compared to Engrossed Bill:

The amended bill:

- strikes the existing term and definition of "health care services revenue" and replaces it with the term "health care revenue," which is defined as combined Washington-derived revenue from health care services or administration from a party and all of its affiliates including, but not limited to, patient revenue and premiums paid to carriers, as applicable;
- modifies the scope of covered material change transactions to only include a transaction between a qualifying Washington entity and out-of-state entity if the transaction will impact health care in Washington;
- modifies the basic notice requirement for parties with revenue below a minimum threshold by increasing the threshold from $10 million to $25 million and by removing the requirement that the parties be hospitals, hospital systems, or affiliates of such entities;
- provides that Attorney General decisions that deny or approve with modifications a material change transaction are subject to appeal to superior court and review in accordance with the Administrative Procedure Act standards codified in RCW 34.05.570(4); and
- removes a provision requiring specified parties and successors to submit forms for 10 years to demonstrate their overall level of care to individuals on Medicaid or who are uninsured or underinsured has not materially lowered and that their percentage of total patient revenue that comes from Medicaid or local, state, or federal funding to provide care to uninsured or underinsured individuals has not dropped below 50 percent.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended Bill: The bill takes effect on January 1, 2025.

Staff Summary of Public Testimony:

(In support) Washington has one of the most consolidated health care systems in the country. Mergers and acquisitions are changing the health care landscape. Unchecked and unregulated consolidation is a problem, with consequences for patients, providers, and payers. Following mergers, doctors are having their contracts and practices restricted, gender affirming care is being restricted, and options for patients are decreasing. Nearly half of all hospital beds in Washington are in hospitals that do not offer abortion services. Patients are losing access to end-of-life care. Recent mergers are making Washington unsafe for transgender individuals. Some faith-based providers do not treat gender diverse people well.

As health care systems get bigger, costs go up and quality of care goes down. Consolidated systems are hurting families and workers, and increasing costs without increasing quality. When hospitals consolidate, decisions go from health care experts to far removed executives who prioritize profits over care. Washington is facing an affordable health care crisis and many are going without care because of costs. On Vashon Island, consolidation without oversight led to a loss of care, reduced coverage and quality, and reduced emergency services. New barriers are going up making it more difficult to access care and harming people in Washington. Despite the promise of increased efficiencies following a merger, patients are seeing increased prices instead of decreased prices.

Hospital mergers in some regions have resulted in over-capacity hospitals and over-worked staff. In some hospitals, patients need to be treated in hallways and ambulance crews are left waiting. Patient transfers that previously occurred in 15 minutes can now take up to four hours, preventing ambulance crews from returning to their stations and providing emergency services.

The current system is not working and does not provide enough time to evaluate business decisions by large entities with impacts on access to health care. Eight health care systems now control 90 percent of the hospital beds in Washington.

This bill establishes a regulatory framework for the Attorney General to review health care transactions, and centers attention on the effect of health care consolidation on regular people: people who need reproductive health care, gender affirming care, and affordable care. This bill provides oversight to ensure mergers do not harm communities and do preserve care. These requirements will force all parties to think through the effect of consolidation. The bill does not prevent consolidations that are good for communities. This bill will help ensure continuing access to reproductive health care.

The Attorney General's Office currently reviews mergers and acquisitions for antitrust violations, but understands additional review may be needed to protect access to health care. The Attorney General's Office welcomes the responsibility to ensure mergers and acquisitions are not negatively affecting health care access.

This bill contains a number of negotiated provisions, including a 60-day preliminary review process, provisions to assist insolvent or failing entities, faster review timelines, and protections for sensitive financial data. The bill is the result of efforts to work with and listen to health care providers.

Public polling of likely voters finds support for legislation like this bill.

(Opposed) Sometimes partnerships among health care market participants are necessary to maintain access or stabilize costs, but such partnerships may no longer be approved under this bill. The MultiCare and Yakima Memorial partnership has been a lifeline, without

which the institution could not have survived. The merger with MultiCare enhanced access and affordability, and stabilized the workforce. This bill will not produce affordable access to health care. It will stop providers from engaging in transactions to provide critical care in their communities. Consolidation is sometimes the only way independent practices can remain independent. The bill will chill such transactions and drive more practices into hospital models.

This bill imposes harmfully restrictive structure and burdensome requirements. It does not allow for necessary discretion and flexibility. One size does not fit all transactions. The costs of oversight under the bill are not feasible for some hospitals. The process in the bill is both vague and complex, and will place pressures on health care costs. The Attorney General's power to block transactions or impose conditions will make hospital failures more likely. This bill will have unintended consequences, add significant costs to health care systems, limit avenues to care across the state, place unnecessary and expensive burdens on medical practices, and limit transactions that will allow practices to continue to provide care. The costs of reporting under the bill could exceed the costs of the transactions at issue. The bill will create significant barriers for surgery centers to enter and remain in the health care market, and will reduce access and increase costs. Small surgery centers will be driven out of the market, reducing consumer choice.

The bill's scope far exceeds its stated focus and will threaten access to health care in rural communities. Rural health clinics are already financially fragile, and under this bill future affiliations may become too costly or difficult, forcing clinics to close their doors.

This bill is focused on the past. There are about 40 nonprofit adult hospitals in Washington and all but two have already merged with large health systems. Adding more expenses, time, and process to the merger and acquisition process at a time when most of the state has already consolidated will only serve to limit options in the future.

The bill is unnecessary. There is already a rigorous review process in place that involves the Attorney General, Federal Trade Commission, and Department of Justice. Existing antitrust laws already provide oversight. If new regulation is required in this market, it should be done by an expert like the Department of Health, not the Attorney General. The Attorney General is the state's chief legal officer, not a regulator.

The bill has not received adequate stakeholder review and input. There has been a lack of stakeholder engagement and some report they have been excluded from negotiations and given no opportunity to provide input and feedback on how the bill will affect them. The bill requires 10 years of reporting, evaluations, and studies but the advocates have not sought information or input from providers in drafting the bill.

This bill is overbroad and will affect not only hospitals, but also independent practices and physician groups. Some practices do not have the attorneys on staff they would need to comply with the bill. The bill will affect entities with singular lines of business like

dialysis, which will not lose services when purchasing other companies.

The bill burdens religious institutions. Catholic and Christian medicine has been helping people for over 1,700 years. It is one thing to make certain forms of health care legal and another to pressure hospitals into providing such health care.

Persons Testifying: (In support) Senator Emily Randall, prime sponsor; Danni Askini, Gender Justice League; Kati Perez, WashingtonCAN; Rory Paine-Donovan, Attorney General's Office; Lannette Sargent; Nicole Kern, Planned Parenthood Alliance Advocates; John Traynor, Washington State Labor Council; Justin Gill, Washington State Nursing Association; Kirk Normand, Washington State Council of Firefighters; Emily Brice, Northwest Health Law Advocates; Kjersten Gmeiner; Cassandra Sutherland, End of Life Washington; Leah Rutman, American Civil Liberties Union of Washington; Kathy Sakahara, Northwest Progressive Institute; Denise Diskin, QLaw Foundation of Washington; and Matthew Lang, National Organization of Women—Washington.

(Opposed) Steven Kaptik, Washington Gastroenterology and Washington Independent Physician Practice Association; Gabriel Jacobs; Rose Feliciano, Washington Independent Physician Practices Association; David Hargreaves, MultiCare Yakima Memorial ; Diane Blake, Cascade Medical Center; Michael Marsh, Overlake Medical Center & Clinics; Douglas Ross, University of Washington School of Law; Zosia Stanley, Washington State Hospital Association; Sean Graham, Washington State Medical Association; Roman Daniels-Brown, DaVita; Vicki Christophersen, Pediatrix Medical Group of Washington; Patricia Seib, Rural Health Clinic Association of Washington; and Emily Studebaker, Washington Ambulatory Surgery Center Association.

Persons Signed In To Testify But Not Testifying: Keren Rosenblum; and Cynthia Radtke.