SENATE BILL REPORT
E2SHB 1686

As of April 3, 2025

Title: An act relating to creating a health care entity registry.

Brief Description: Creating a health care entity registry.

Sponsors: House Committee on Appropriations (originally sponsored by Representatives Bronoske, Fosse, Reed, Scott, Nance, Hill and Macri).

Brief History: Passed House: 3/10/25, 86-7.
Committee Activity: Health & Long-Term Care: 3/18/25, 3/20/25 [DP-WM, w/oRec]. Ways & Means: 4/03/25.

Brief Summary of Bill

- Requires the Department of Health, in consultation with others, to develop a plan and provide recommendations to the Legislature on how to create a complete and interactive registry of the health care landscape in Washington.

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Majority Report: Do pass and be referred to Committee on Ways & Means.
Signed by Senators Cleveland, Chair; Orwall, Vice Chair; Muzzall, Ranking Member; Bateman, Chapman, Harris, Holy, Riccelli, Robinson and Slatter.

Minority Report: That it be referred without recommendation.
Signed by Senator Christian.

Staff: Greg Attanasio (786-7410)

SENATE COMMITTEE ON WAYS & MEANS

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.

Staff: Monica Fontaine (786-7341)

Background: The Department of Health (DOH) and the health professions boards and commissions regulate over 500,000 health care providers in approximately 85 different health professions. The division of regulatory responsibilities between the DOH and the health professions boards and commissions varies by profession for licensing, examination, discipline, and rulemaking activities.

DOH also licenses a number of health care facilities including acute care hospitals, psychiatric hospitals, ambulatory surgical facilities, childbirth centers, behavioral health agencies, hospice care centers, kidney centers, medical test sites, pharmacies, and residential treatment facilities. The DOH does not license or otherwise credential health care clinics or provider organizations.

Hospitals licensed in Washington must provide DOH with a series of financial and governance related reports. Each hospital must report data elements identifying its revenues, expenses, contractual allowances, charity care, bad debt, other income, total units of inpatient and outpatient services, and other financial and employee compensation information. With respect to compensation information, public and nonprofit hospitals must either provide employee compensation information submitted to the federal Internal Revenue Service or provide the compensation information for the five highest compensated employees of the hospital who do not have direct patient responsibilities.

Hospitals, other than those designated as critical access hospitals and sole community hospitals, must report line items and amounts for any noncategorized expenses or revenues that either have a value of $1 million or more or represent 1 percent or more of the total expenses or revenues. Hospitals designated as critical access hospitals or sole community hospitals must report line items and amounts for any noncategorized expenses or revenues that represent the greater of either $1 million or 1 percent of total expenses or revenues.

Health systems that operate a hospital must annually submit a consolidated income statement and balance sheet to DOH regarding the facilities they operate in Washington, including hospitals, ambulatory surgical facilities, health clinics, urgent care clinics, physician groups, health-related laboratories, long-term care facilities, home health agencies, dialysis facilities, ambulance services, behavioral health settings, and virtual care entities. DOH must make the income statements and balance sheets, as well as the audited financial statements, publicly available.

Summary of Bill: DOH, in consultation with the Health Care Authority, the Office of the Insurance Commissioner, the Office of the Governor, the Office of Financial Management, and with input from stakeholders, must develop a plan and provide recommendations on how to create a complete and interactive registry of the health care landscape in Washington. The plan and recommendations must identify:

- the health care entities, including licensed and unlicensed health care facilities,

providers, provider groups, systems, health carriers, and health care benefit managers;
- the information each entity must report; and
- the fee to be charged by the reporting entities, which may be tiered.

In developing the plan and recommendations, DOH must consider:
- opportunities to streamline reporting and allow for information sharing between state agencies for health care entities and providers licensed or certified by a state agency; and
- strategies to fully understand and monitor the business structure, funding, and contractual relationships of health care entities in Washington, including the current status and future changes in the direct or indirect ownership, control, or affiliation of and between health care entities and other entities and organizations, including private equity investment, that serve Washingtonians.

DOH must provide a progress update to the relevant health and fiscal committees of the Legislature by December 31, 2027, and a final report by November 1, 2028.

Appropriation: The bill contains a null and void clause requiring specific funding be provided in an omnibus appropriation act.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony (Health & Long-Term Care): PRO: It's important to have a better understanding of the health care landscape in the state to make more informed policy decisions in the future. This bill represents an important step toward transparency and having the information necessary to control cost.

Persons Testifying (Health & Long-Term Care): PRO: Representative Dan Bronoske, Prime Sponsor; Jane Beyer, Office of the Insurance Commissioner; Pam MacEwan, Purchasers Business Group on Health; Emily Brice, Northwest Health Law Advocates.

Persons Signed In To Testify But Not Testifying (Health & Long-Term Care): No one.

Staff Summary of Public Testimony (Ways & Means): PRO: Washington has been struggling with health care prices that hurt businesses, consumers, and the state budget. The state is the single largest purchaser and has too little information. The industry is susceptible to equity investors, and the state needs a reliable source to track the ownership and financial arrangements of the large healthcare businesses that drive prices. A complete census of active health care providers and clinical practice locations has been requested for years. This information is foundational to efforts to address anti-competitive practices and would

bring transparency to a complicated and consolidated industry.

Persons Testifying (Ways & Means): PRO: Pam MacEwan, Purchasers Business Group on Health.

Persons Signed In To Testify But Not Testifying (Ways & Means): No one.