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**HOUSE BILL 1072**

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**State of Washington**

**69th Legislature**

**2025 Regular Session**

**By** Representatives Walen, Leavitt, Reeves, and Berg

Prefiled 12/16/24.

1 AN ACT Relating to preserving access to protected health care  
2 services by requiring department of health review of certain health  
3 care business transactions which could affect access to protected  
4 health care services while balancing access to community health  
5 services; giving authority to the department of health to approve,  
6 approve with conditions or modifications, or deny health care  
7 business transactions, and establishing the process and requirements  
8 for such determination; giving authority to the attorney general to  
9 enjoin qualifying health care business transactions not approved or  
10 approved with conditions or modifications by the department of  
11 health; and directing the collection of data and provision of  
12 information, analysis, and reporting regarding access to protected  
13 health care services; amending RCW 43.370.030; adding a new chapter  
14 to Title 70 RCW; and providing effective dates.

15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

16 **PART I**  
17 **FINDINGS, INTENT, AND DEFINITIONS**

18 NEW SECTION. **Sec. 1.** The legislature finds that protecting the  
19 accessibility of reproductive health care, end-of-life care, and  
20 gender-affirming care in communities across the state requires

1 additional analysis and scrutiny. It is the intent of the legislature  
2 to ensure that residents have access to these services in the  
3 communities in which they live. In order to provide communities,  
4 health care providers, and state regulators the information they need  
5 to ensure adequate access to these protected services, the  
6 legislature intends to update the statewide health resource strategy  
7 to specifically include ongoing analysis of the availability of these  
8 services. Additionally, the legislature intends to empower the  
9 department of health to scrutinize health care transactions that  
10 would directly affect access to care that is the subject of the  
11 reproductive privacy act, care that is the subject of the death with  
12 dignity act, and gender affirming health care. In considering the  
13 effect of health care transactions, the legislature is also aware  
14 that denial or delay of such transactions may lead to health care  
15 service disruption or loss of critically important community health  
16 care services including hospital care, emergency care, specialty  
17 care, primary care, obstetric care, or other services. The  
18 legislature intends that regulation of such transactions by the  
19 department in order to protect access to these sensitive health care  
20 services is additive and complementary to the existing powers given  
21 to the attorney general to review transactions for anticompetitive  
22 conduct and consumer harm.

23 NEW SECTION. **Sec. 2.** The definitions in this section apply  
24 throughout this chapter unless the context clearly requires  
25 otherwise.

26 (1) "Community health care services" means hospital care,  
27 emergency care, specialty care, primary care, obstetric care, or  
28 other health services important to the community.

29 (2) "Department" means the Washington state department of health.

30 (3) "Gender affirming health care" means care for an individual  
31 to support and affirm the individual's gender identity. Gender  
32 affirming treatment includes, but is not limited to, treatment for  
33 gender dysphoria. Gender affirming health care can be prescribed to  
34 two spirit, transgender, nonbinary, and other gender diverse  
35 individuals.

36 (4) "Health care entity" means:

37 (a) Provider organizations;

38 (b) Hospitals;

39 (c) Health systems; or

1 (d) Carriers or insurance holding company systems as defined in  
2 RCW 48.31B.005.

3 (5) "Health care transaction" or "transaction" means a business  
4 transaction by purchase, merger, or joint venture where one party is  
5 a health care entity.

6 (6) "Health district" has the same meaning as in RCW 70.05.010.

7 (7) "Health system" means:

8 (a) A parent corporation of one or more hospitals and any entity  
9 affiliated with such parent corporation through ownership or control;  
10 or

11 (b) A hospital and any entity affiliated with such hospital  
12 through ownership.

13 (8) "Hospital" means any entity that is licensed under chapter  
14 70.41 or 71.12 RCW.

15 (9) "Person" means an individual, a trust or estate, a  
16 partnership, a corporation including associations, limited liability  
17 companies, joint stock companies, and insurance companies.

18 (10)(a) "Protected health care services" means:

19 (i) Reproductive services that are the subject of the  
20 reproductive privacy act established pursuant to Initiative Measure  
21 No. 120, approved November 5, 1991;

22 (ii) Death with dignity services that are the subject of the  
23 Washington death with dignity act established pursuant to Initiative  
24 Measure No. 1000, approved November 4, 2008; and

25 (iii) Gender affirming health care.

26 (b) Protected health care services may be provided virtually, on  
27 demand, or in brick-and-mortar settings.

28 (11) "Provider" means a natural person who (a) has primary  
29 responsibility for the care of a patient receiving protected health  
30 care services within the person's scope of practice and (b) practices  
31 a profession identified in RCW 18.130.040.

32 (12) "Provider organization" means a corporation, partnership,  
33 business trust, association, or organized group of persons, whether  
34 incorporated or not, which is in the business of health care delivery  
35 or management and that represents seven or more health care providers  
36 in contracting with carriers or third-party administrators for the  
37 payments of health care services. A "provider organization" includes  
38 physician organizations, physician-hospital organizations,  
39 independent practice associations, provider networks, and accountable  
40 care organizations.

1 **PART II**

2 **TRANSACTION APPLICATION AND REVIEW**

3 NEW SECTION. **Sec. 3.** (1) A health care entity that provides  
4 protected health care services may not engage in a health care  
5 transaction which may as of the time of the transaction affect access  
6 to protected health care services in one or more health districts  
7 without the transaction first having received the approval of the  
8 department under this chapter.

9 (2) Not less than 60 days prior to the effective date of a  
10 transaction subject to this section, a party to the transaction must  
11 submit an application to the department on forms provided by the  
12 department. The forms provided by the department must require the  
13 following:

14 (a) The name of the health care entities;

15 (b) A brief description of the transaction;

16 (c) A brief description of how protected health care services  
17 will be unchanged, increased, limited, or reduced as a result of the  
18 health care transaction, including the geographic areas affected;

19 (d) If applicable, a description of how the transaction will  
20 promote access to community health care services; and

21 (e) The health entity's or entities' proposed plan to address any  
22 reduction or limitation to access to protected health care services.

23 (3) The applications and all supporting documents submitted to  
24 the department are considered public records for purposes of chapter  
25 42.56 RCW.

26 (4) The department shall charge an application fee sufficient to  
27 cover the costs of implementing this chapter.

28 NEW SECTION. **Sec. 4.** (1) The department shall determine if the  
29 application required under section 3 of this act is complete for the  
30 purposes of review. The department may find that an application is  
31 incomplete if a question on the application form has not been  
32 answered in whole or in part or has been answered in a manner that  
33 does not fairly meet the question addressed. If the department  
34 determines that an application is incomplete, the department shall  
35 notify the applicant within 15 working days after the date the  
36 application was received stating the reasons for its determination of  
37 incompleteness, with reference to the particular questions for which  
38 a deficiency is noted.

1 (2) Within five working days of receipt of a completed  
2 application, the department shall publish notice of the application  
3 on the department's publicly accessible website and in a newspaper of  
4 general circulation in the county or counties where the health care  
5 entity is located and shall notify by first-class United States mail,  
6 email, or fax any person who has requested notice of the filing of  
7 such applications. The notice must state that an application has been  
8 received, state the names of the intended parties, describe the  
9 contents of the application, state the date and location of any  
10 public hearings, and state the date by which a person may submit  
11 written comments about the application to the department.

12 (3) Within five working days of receipt of a completed  
13 application, the department must provide the completed application to  
14 the attorney general.

15 NEW SECTION. **Sec. 5.** (1) Upon receipt of a completed  
16 application under this chapter, the department must conduct a review  
17 and issue a final determination within 60 days. If the department  
18 fails to issue a final determination within 60 days, the health care  
19 transaction is deemed approved.

20 (2)(a) The department may conduct up to two public hearings  
21 during the course of review, at least one of which must be in the  
22 health district most affected by the proposed health care  
23 transaction.

24 (b) The department must allow individuals to participate remotely  
25 in public hearings.

26 (c) At a public hearing, anyone may file written comments and  
27 exhibits or appear and make a statement.

28 (d) A public hearing must be held not later than 30 days after  
29 receipt of a completed application. All public hearings must be  
30 completed not later than 45 days after receipt of a completed  
31 application. At least 10 days' public notice must be given before the  
32 holding of a public hearing.

33 (3) The department shall consult with the attorney general to  
34 ensure that the applicants are also in compliance with chapter 19.390  
35 RCW.

36 (4) The department shall consult with the health district or  
37 districts affected by the proposed transaction to evaluate the  
38 application and its foreseeable effects to protected health care

1 services and community health care services under the standards  
2 established in section 6 of this act.

3 **PART III**

4 **TRANSACTION APPROVAL STANDARDS AND FINAL DETERMINATION**

5 NEW SECTION. **Sec. 6.** (1) The department shall only approve or  
6 approve with conditions or modifications an application under this  
7 chapter if the department determines that:

8 (a) The health care transaction subject to review under this  
9 chapter will not, at the time of transaction, foreseeably and  
10 meaningfully reduce access to protected health care services in one  
11 or more health districts;

12 (b) The health care entity engaging in the health care  
13 transaction subject to review under this chapter has or plans to take  
14 sufficient safeguards to address any reduction in access to protected  
15 health care services such that the health care transaction will not  
16 meaningfully reduce the continued existence of protected health  
17 services within one or more health districts, or that sufficient  
18 alternative sources of care are available in the health district; or

19 (c) The health care transaction is necessary to preserve access  
20 to community health care services because, without the transaction,  
21 the residents of one or more health districts are more likely than  
22 not to lose community health care services that would meaningfully  
23 reduce access to care for these residents, including hospital care,  
24 emergency care, specialty care, primary care, obstetric services, or  
25 other services important to the community.

26 (2) In determining whether to approve, approve with conditions or  
27 modifications, or deny an application under this section, the  
28 department shall consider the following information alongside the  
29 application received from the parties of the health care transaction:

30 (a) Information and analysis provided in the report required  
31 under section 11 of this act regarding existing access to protected  
32 health care services in the health district or districts that would  
33 be affected by the transaction, and the effect of the health care  
34 transaction on existing access;

35 (b) If applicable, information provided in the most recent  
36 community health needs assessment under Title 26 U.S.C. Sec. 501  
37 relevant to protected health care services;

1 (c) Comments, information, and statements provided at public  
2 hearings pursuant to section 5 of this act;

3 (d) The share of residents within the health district or  
4 districts who would have their current site of care for protected  
5 health care services or community health care services relocated, and  
6 whether such relocation would add barriers to accessing protected  
7 health care services or community health care services to those  
8 residents; and

9 (e) The share of residents within the health district or  
10 districts who would have the modality of accessing protected health  
11 care services or community health care services changed from only  
12 brick-and-mortar to only virtual or on demand, and whether such  
13 residents would have adequate access to necessary resources to access  
14 virtual or on demand services.

15 NEW SECTION. **Sec. 7.** (1) The department shall make a final  
16 determination regarding an application subject to review under this  
17 chapter, with or without any specific modifications or conditions  
18 based on the standards established in section 6 of this act.

19 (2) (a) Within 60 days of receipt of a completed application under  
20 this chapter, the department shall make a final determination to:

21 (i) Approve the application in writing, which constitutes a final  
22 decision;

23 (ii) Approve the application with conditions or modifications on  
24 the transaction to ensure the requirements in section 6 of this act  
25 are met. The imposition of such modifications or conditions must be  
26 in writing and constitutes a final decision; or

27 (iii) Disapprove the application in writing, which constitutes a  
28 final decision.

29 (b) The department shall make its final determination in writing  
30 provided to all parties in the transaction, including findings and  
31 justification of its determination related to the standards  
32 established in section 6 of this act.

33 (c) The final determination must adhere to the notice  
34 requirements in the same manner as under section 4(2) of this act.

35 (3) (a) The department may not make its decision subject to any  
36 condition not directly related to the requirements of this chapter,  
37 and any condition or modification, including the cost associated with  
38 such condition or modification, must be reasonable and bear a direct  
39 and rational relationship to the application under review.

1 (b) Any modifications or conditions imposed by the department  
2 must:

3 (i) Align with the relevant applicable standards of care for the  
4 specific service or services affected by the modifications or  
5 conditions;

6 (ii) Relate to the specific application and consider preservation  
7 of access to health care services; and

8 (iii) Not impose undue financial burden to the parties such that  
9 provision of health care services provided by the health care entity  
10 cannot be done in a financially feasible manner.

11 (c) The decision to approve, approve with conditions or  
12 modifications, or disapprove an application must take into account  
13 whether disapproval of a plan, or specific conditions or  
14 modifications, may lead to health care service disruption or loss of  
15 community health care services to the community.

16 (4) A health care entity engaged in a health care transaction  
17 subject to this chapter and affected by a final decision of the  
18 department to approve, approve with conditions or modifications, or  
19 disapprove an application has the right to an adjudicative proceeding  
20 under chapter 34.05 RCW.

21 **PART IV**

22 **ENFORCEMENT, RULE MAKING, AND CONTRACTING AUTHORITY**

23 NEW SECTION. **Sec. 8.** The attorney general may seek an  
24 injunction to prevent any health care transaction required to seek  
25 and receive approval pursuant to section 3 of this act that is not  
26 approved or approved with conditions or modifications by the  
27 department under this chapter.

28 NEW SECTION. **Sec. 9.** (1) The department shall require annual  
29 reports from the parties to a health care transaction that was  
30 subject to review and approved or approved with conditions or  
31 modifications under this chapter for the purpose of ensuring  
32 compliance with the parties' application, the department's approval,  
33 and this chapter.

34 (2) The department shall require annual reports under this  
35 section for a period of not more than three years after the  
36 completion of a transaction approved or approved with conditions or  
37 modifications.





1 (a) That excess capacity of health services and facilities place  
2 considerable economic burden on the public who pay for the  
3 construction and operation of these facilities as patients, health  
4 insurance purchasers, carriers, and taxpayers; and

5 (b) That the development and ongoing maintenance of current and  
6 accurate health care information and statistics related to cost and  
7 quality of health care, as well as projections of need for health  
8 facilities and services, are essential to effective strategic health  
9 planning.

10 (3) The strategy, with public input by health service areas,  
11 shall include:

12 (a) A health system assessment and objectives component that:

13 (i) Describes state and regional population demographics, health  
14 status indicators, and trends in health status and health care needs;  
15 and

16 (ii) Identifies key policy objectives for the state health system  
17 related to access to care, health outcomes, quality, and cost-  
18 effectiveness;

19 (b) A health care facilities and services plan that shall assess  
20 the demand for health care facilities and services to inform state  
21 health planning efforts ~~((and))~~, direct certificate of need  
22 determinations((~~r~~)) for those facilities and services subject to  
23 certificate of need as provided in chapter 70.38 RCW, and provide  
24 information and analysis of protected health care services and  
25 community health care services required under section 6 of this act.

26 The plan shall include:

27 (i) An inventory of each geographic region's existing health care  
28 facilities and services, with specific analysis of the availability  
29 of protected health care services and community health care services  
30 as defined in section 2 of this act;

31 (ii) Projections of need for each category of health care  
32 facility and service, including those subject to certificate of need;

33 (iii) Policies to guide the addition of new or expanded health  
34 care facilities and services to promote the use of quality, evidence-  
35 based, cost-effective health care delivery options, including any  
36 recommendations for criteria, standards, and methods relevant to the  
37 certificate of need review process; and

38 (iv) An assessment of the availability of health care providers,  
39 public health resources, transportation infrastructure, and other

1 considerations necessary to support the needed health care facilities  
2 and services in each region;

3 (c) A health care data resource plan that identifies data  
4 elements necessary to properly conduct planning activities and to  
5 review certificate of need applications, including data related to  
6 inpatient and outpatient utilization and outcomes information, and  
7 financial and utilization information related to charity care,  
8 quality, and cost. The plan shall inventory existing data resources,  
9 both public and private, that store and disclose information relevant  
10 to the health planning process, including information necessary to  
11 conduct certificate of need activities pursuant to chapter 70.38 RCW.  
12 The plan shall identify any deficiencies in the inventory of existing  
13 data resources and the data necessary to conduct comprehensive health  
14 planning activities. The plan may recommend that the office be  
15 authorized to access existing data sources and conduct appropriate  
16 analyses of such data or that other agencies expand their data  
17 collection activities as statutory authority permits. The plan may  
18 identify any computing infrastructure deficiencies that impede the  
19 proper storage, transmission, and analysis of health planning data.  
20 The plan shall provide recommendations for increasing the  
21 availability of data related to health planning to provide greater  
22 community involvement in the health planning process and consistency  
23 in data used for certificate of need applications and determinations;

24 (d) An assessment of emerging trends in health care delivery and  
25 technology as they relate to access to health care facilities and  
26 services, quality of care, and costs of care. The assessment shall  
27 recommend any changes to the scope of health care facilities and  
28 services covered by the certificate of need program that may be  
29 warranted by these emerging trends. In addition, the assessment may  
30 recommend any changes to criteria used by the department to review  
31 certificate of need applications, as necessary;

32 (e) A rural health resource plan to assess the availability of  
33 health resources in rural areas of the state, assess the unmet needs  
34 of these communities, and evaluate how federal and state  
35 reimbursement policies can be modified, if necessary, to more  
36 efficiently and effectively meet the health care needs of rural  
37 communities. The plan shall consider the unique health care needs of  
38 rural communities, the adequacy of the rural health workforce, and  
39 transportation needs for accessing appropriate care.

1 (4) The office shall submit the initial strategy to the governor  
2 and the appropriate committees of the senate and house of  
3 representatives by January 1, 2010. Every two years the office shall  
4 submit an updated strategy. The health care facilities and services  
5 plan as it pertains to a distinct geographic planning region may be  
6 updated by individual categories on a rotating, biannual schedule.

7 (5) The office shall hold at least one public hearing and allow  
8 opportunity to submit written comments prior to the issuance of the  
9 initial strategy or an updated strategy. A public hearing shall be  
10 held prior to issuing a draft of an updated health care facilities  
11 and services plan, and another public hearing shall be held before  
12 final adoption of an updated health care facilities and services  
13 plan. Any hearing related to updating a health care facilities and  
14 services plan for a specific planning region shall be held in that  
15 region with sufficient notice to the public and an opportunity to  
16 comment.

17 **PART VII**

18 **MISCELLANEOUS PROVISIONS**

19 NEW SECTION. **Sec. 13.** Sections 2 through 11 of this act  
20 constitute a new chapter in Title 70 RCW.

21 NEW SECTION. **Sec. 14.** If any provision of this act or its  
22 application to any person or circumstance is held invalid, the  
23 remainder of the act or the application of the provision to other  
24 persons or circumstances is not affected.

25 NEW SECTION. **Sec. 15.** This act takes effect December 1, 2026,  
26 and applies to health care transactions with an effective date on or  
27 after the effective date of this act, except for section 9 which  
28 takes effect July 1, 2026.

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