
HOUSE BILL 1655

State of Washington

69th Legislature

2025 Regular Session

By Representatives Stonier, Caldier, and Reed

Read first time 01/28/25. Referred to Committee on Health Care & Wellness.

1 AN ACT Relating to provider contract compensation; adding a new
2 section to chapter 48.43 RCW; and creating new sections.

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

4 NEW SECTION. **Sec. 1.** (1) The legislature finds that:

5 (a) The costs to operate and maintain a health care practice by
6 health care providers continue to rise and often may exceed consumer
7 price inflation;

8 (b) Significant vertical and horizontal consolidation in health
9 plan markets has given health carriers ever greater bargaining power
10 over individual health care providers and small clinics who have
11 little or no opportunity to meaningfully negotiate compensation to
12 cover overhead costs;

13 (c) Despite increasing costs, many health care professions have
14 experienced no increase in the contracted rates for the health care
15 services provided to carrier enrollees for several years; and

16 (d) According to a 2020 American medical association survey,
17 nearly 40 percent of patient care physicians were employed directly
18 by a hospital or a practice owned at least partially by a hospital or
19 health system, an increase from just 23.5 percent in 2012.

20 (2) Therefore, the legislature intends to encourage competition
21 and health care market diversity by requiring health carriers to

1 annually adjust the compensation offered to health care providers not
2 employed by hospitals or affiliates of hospitals in an amount that
3 reflects inflationary cost increases, thereby deterring the further
4 consolidation in health care delivery markets arising from the
5 abandonment of private practices to employment by hospital systems.

6 NEW SECTION. **Sec. 2.** A new section is added to chapter 48.43
7 RCW to read as follows:

8 (1) For health benefit plans issued or renewed on or after
9 January 1, 2026, compensation provisions in a provider contract
10 between a health care provider not employed by a hospital or any
11 affiliate of a hospital and a health carrier for health care services
12 to enrollees of such health benefit plans must include an increase in
13 compensation from the prior year for health care services that
14 reflects increases in the consumer price index for all urban
15 consumers over the previous year.

16 (2) Nothing in this section requires a provider to accept or
17 reject, or prohibits a provider from accepting or rejecting, a
18 provider contract or an amendment to an existing contract including
19 any increase in compensation required by this section. No provider
20 contract may directly or indirectly waive the requirements of this
21 section and no health carrier may discriminate against any category
22 of provider by excluding or limiting such provider's services in an
23 effort to avoid the compensation provisions of this section.

24 (3) This section does not apply to a plan that offers dental only
25 coverage when the plan relies solely on employees of the health
26 carrier for provision of the benefits.

27 (4) For purposes of this section:

28 (a) "Affiliate of a hospital" means related to a hospital in any
29 way by virtue of any form or amount of common ownership, control,
30 operation, or management.

31 (b) "Health benefit plan," in addition to the definition in RCW
32 48.43.005, means vision only coverage offered by a health care
33 service contractor, a limited health care service contractor, or a
34 disability insurer.

35 NEW SECTION. **Sec. 3.** The insurance commissioner shall adopt
36 rules necessary to implement this act. Such rules shall reflect
37 standards used to determine inflationary increases in the qualifying

1 payment amount under the federal no surprises act, 42 U.S.C. Sec.
2 300gg-111, and implementing federal regulations.

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