
ENGROSSED SUBSTITUTE HOUSE BILL 2548

State of Washington

69th Legislature

2026 Regular Session

By House Civil Rights & Judiciary (originally sponsored by Representatives Taylor, Macri, Ormsby, Pollet, Fosse, and Scott)

READ FIRST TIME 02/04/26.

1 AN ACT Relating to strengthening health care market standards;
2 amending RCW 19.390.020, 19.390.030, 19.390.040, 19.390.050, and
3 19.390.070; and adding new sections to chapter 19.390 RCW.

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

5 **Sec. 1.** RCW 19.390.020 and 2019 c 267 s 2 are each amended to
6 read as follows:

7 The definitions in this section apply throughout this chapter
8 unless the context clearly requires otherwise.

9 (1) "Acquisition" means an agreement, arrangement, or activity
10 the consummation of which results in a person acquiring directly or
11 indirectly the control of another person, and includes the
12 acquisition of voting securities and noncorporate interests, such as
13 assets, capital stock, membership interests, or equity interests.

14 (2) "Affiliated with" means a person that directly, or indirectly
15 through one or more intermediaries, controls or has ownership of, is
16 controlled or owned by, or is under common control or ownership of a
17 person.

18 (3) "Carrier" means the same as in RCW 48.43.005.

19 ((+3)) (4) "Contracting affiliation" means the formation of a
20 relationship between two or more entities that permits the entities
21 to negotiate jointly with carriers or third-party administrators over

1 rates for professional (~~medical~~) health care services, or for one
2 entity to negotiate on behalf of the other entity with carriers or
3 third-party administrators over rates for professional (~~medical~~)
4 health care services. "Contracting affiliation" does not include
5 arrangements among entities under common ownership.

6 (~~(4)~~) (5) "Control" or "controlling interest" of a person means
7 the direct or indirect:

8 (a) Ownership of, or power to vote on, a class of voting
9 securities or voting interests;

10 (b) Ownership of capital, profits, or beneficial interests; or

11 (c) Power to elect executive officers, managers, directors,
12 trustees, or other persons exercising managerial authority.

13 (6) "Domestic for-profit corporation" has the same meaning as in
14 RCW 24.03A.010.

15 (7) "Domestic unincorporated entity" has the same meaning as in
16 RCW 24.03A.010.

17 (8) "Entity" has the same meaning as in RCW 24.03A.010.

18 (9) "Foreign for-profit corporation" has the same meaning as in
19 RCW 24.03A.010.

20 (10) "Foreign nonprofit corporation" has the same meaning as in
21 RCW 24.03A.010.

22 (11) "Foreign unincorporated entity" has the same meaning as in
23 RCW 24.03A.010.

24 (12) "Health care services" means medical, surgical,
25 chiropractic, hospital, optometric, podiatric, pharmaceutical,
26 ambulance, mental health, substance use disorder, therapeutic,
27 preventative, diagnostic, curative, rehabilitative, palliative,
28 custodial, and any other services relating to the prevention, cure,
29 or treatment of illness, injury, or disease.

30 (~~(5)~~) (13) "Health care services revenue" means the total
31 revenue received for health care services in the previous twelve
32 months.

33 (~~(6)~~) (14) "Health maintenance organization" means an
34 organization receiving a certificate of registration pursuant to
35 chapter 48.46 RCW which provides comprehensive health care services
36 to enrolled participants of such organization on a group practice per
37 capita prepayment basis or on a prepaid individual practice plan,
38 except for an enrolled participant's responsibility for copayments
39 and deductibles, either directly or through contractual or other
40 arrangements with other institutions, entities, or persons, and which

1 qualifies as a health maintenance organization pursuant to RCW
2 48.46.030 and 48.46.040.

3 ~~((7))~~ (15) "Hospital" means a facility licensed under chapter
4 70.41 or 71.12 RCW.

5 ~~((8))~~ (16) "Hospital system" means:

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

9 (b) A hospital and any entity affiliated with such hospital
10 through ownership.

11 ~~((9))~~ (17) "Merger" means a consolidation of two or more
12 organizations, including two or more organizations joining through a
13 common parent organization or two or more organizations forming a new
14 organization, but does not include a corporate reorganization.

15 ~~((10))~~ (18) "Nonprofit corporation" has the same meaning as in
16 RCW 24.03A.010.

17 (19) "Person" means, where applicable, natural persons,
18 corporations, trusts, and partnerships.

19 ~~((11))~~ (20) "Provider" means a natural person who practices a
20 profession identified in RCW 18.130.040.

21 ~~((12))~~ (21) "Provider organization" means a corporation,
22 partnership, business trust, association, or organized group of
23 persons, whether incorporated or not, which is in the business of
24 health care services delivery or management and that represents seven
25 or more health care providers in contracting with carriers or third-
26 party administrators for the payments of health care services. A
27 "provider organization" includes, but is not limited to, physician
28 organizations, physician-hospital organizations, independent practice
29 associations, provider networks, and accountable care organizations.

30 ~~((13))~~ (22) "Third-party administrator" means an entity that
31 administers payments for health care services on behalf of a client
32 in exchange for an administrative fee.

33 **Sec. 2.** RCW 19.390.030 and 2019 c 267 s 3 are each amended to
34 read as follows:

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

1 (2) For the purposes of this section, a material change includes
2 ((a)):

3 (a) A merger, acquisition, or contracting affiliation between two
4 or more entities of the following types:

5 ~~((a))~~ (i) Hospitals;

6 ~~((b))~~ (ii) Hospital systems; or

7 ~~((c))~~ (iii) Provider organizations;

8 (b) Transactions involving any entity or person that result in a
9 change of majority ownership or control of a hospital, hospital
10 system, or provider organization including, but not limited to, a
11 merger, acquisition, or contracting affiliation;

12 (c) Acquisitions, sales, or transfers of the majority of the
13 assets of a hospital, hospital system, or provider organization
14 including, but not limited to, real property sale and leaseback
15 transactions; or

16 (d) A conversion of a hospital, hospital system, or provider
17 organization from a nonprofit corporation or a foreign nonprofit
18 corporation to:

19 (i) A domestic or foreign for-profit corporation; or

20 (ii) A domestic or foreign unincorporated entity.

21 (3) A material change includes proposed changes identified in
22 subsection (2)(a) of this section between a Washington entity and an
23 out-of-state entity where the out-of-state entity generates ~~((ten~~
24 ~~million dollars))~~ \$10,000,000 or more in health care services revenue
25 from patients residing in Washington state, and the entities are of
26 the types identified in subsection (2)(a) of this section. Any party
27 to a material change that is licensed or operating in Washington
28 state shall submit a notice as required under this section.

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

35 (5) For purposes of this section, a notice shall be considered
36 filed upon filing of the written notice pursuant to RCW 19.390.040
37 with payment of the filing fee required by section 3 of this act.

38 NEW SECTION. Sec. 3. A new section is added to chapter 19.390
39 RCW to read as follows:

1 (1) The attorney general shall assess and collect a filing fee
2 from parties required to file a written notice under RCW 19.390.030.
3 Only one filing fee is required in connection with a transaction,
4 payable by any party to the transaction.

5 (a) The filing fee must be assessed on the basis of the
6 anticipated value of the transaction in Washington, under the
7 following schedule:

8 (i) For transactions up to \$1,000,000, a fee of \$2,500;

9 (ii) For transactions over \$1,000,000 and up to \$4,000,000, a fee
10 of \$7,500;

11 (iii) For transactions over \$4,000,000 and up to \$10,000,000, a
12 fee of \$15,000;

13 (iv) For transactions over \$10,000,000 and up to \$20,000,000, a
14 fee of \$20,000; and

15 (v) For transactions over \$20,000,000, a fee of \$25,000.

16 (b) For contracting affiliations involving no transfer of assets,
17 the filing fee is \$2,500.

18 (2) The attorney general may index the filing fee amounts
19 provided in this section through rule making, in accordance with the
20 United States bureau of labor statistics consumer price index for
21 medical care.

22 (3) All receipts from filing fees collected under this section
23 must be deposited in the antitrust revolving fund created in RCW
24 43.10.215.

25 **Sec. 4.** RCW 19.390.040 and 2019 c 267 s 4 are each amended to
26 read as follows:

27 (1) The written notice provided by the parties, as required by
28 RCW 19.390.030, must include:

29 (a) The names of the parties and their current business
30 addresses;

31 (b) The name of any person or entity with a majority ownership,
32 investment, or controlling interest of any party;

33 (c) Identification of all locations where health care services
34 are currently provided by each party;

35 ~~((e))~~ (d) A brief description of the nature and purpose of the
36 proposed material change; and

37 ~~((d))~~ (e) The anticipated effective date of the proposed
38 material change.

1 (2) The parties that filed a written notice under subsection (1)
2 of this section shall, within 30 days of the completion of the
3 transaction, submit written notice to the attorney general that the
4 transaction has been completed, whether consummated, enjoined, or
5 abandoned.

6 (3) Nothing in this section prohibits the parties to a material
7 change from voluntarily providing additional information to the
8 attorney general.

9 **Sec. 5.** RCW 19.390.050 and 2019 c 267 s 5 are each amended to
10 read as follows:

11 (1) The attorney general shall make any requests for additional
12 information from the parties under RCW 19.86.110 within thirty days
13 of the date notice is received under RCW 19.390.030 and 19.390.040.

14 (2) If the attorney general requests additional information
15 pursuant to subsection (1) of this section, the transaction between
16 the parties subject to the request may not proceed until 30 days
17 after the parties have certified they are in substantial compliance
18 with the attorney general's request. Any subsequent requests for
19 additional information from the attorney general shall not extend the
20 30-day waiting period for the parties to close the transaction.

21 (3) Nothing in this section precludes the attorney general from
22 conducting an investigation or enforcing state or federal antitrust
23 laws at a later date.

24 **Sec. 6.** RCW 19.390.070 and 2019 c 267 s 7 are each amended to
25 read as follows:

26 (1) Information submitted to the attorney general pursuant to
27 this chapter shall be maintained and used by the attorney general in
28 the same manner and under the same protections as provided in RCW
29 19.86.110, except as otherwise specified in subsection (2) of this
30 section. The information, including documentary material, answers to
31 written interrogatories, or transcripts of oral testimony produced
32 pursuant to a demand or copies, must not, unless otherwise ordered by
33 a superior court for good cause shown, be produced for inspection or
34 copying pursuant to chapter 42.56 RCW by the person who produced the
35 material, answered written interrogatories or gave oral testimony.
36 Nothing in this chapter limits the attorney general's authority under
37 RCW 19.86.110 or 19.86.115. Nothing in this chapter expands the
38 attorney general's authority under chapter 19.86 RCW, federal or

1 state antitrust law, or any other law. Failure to comply with this
2 chapter does not provide a private cause of action.

3 (2) The attorney general shall make public on its website a
4 quarterly notice of pending and completed transactions that lists the
5 information submitted by parties pursuant to RCW 19.390.040 (1) and
6 (2).

7 NEW SECTION. **Sec. 7.** A new section is added to chapter 19.390
8 RCW to read as follows:

9 The attorney general shall provide notice to the secretary of
10 state when any entity involved in a transaction involving a material
11 change under RCW 19.390.030(2) (a), (b), or (d) is a nonprofit
12 corporation.

13 NEW SECTION. **Sec. 8.** If any provision of this act or its
14 application to any person or circumstance is held invalid, the
15 remainder of the act or the application of the provision to other
16 persons or circumstances is not affected.

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