
SUBSTITUTE SENATE BILL 5387

State of Washington

69th Legislature

2025 Regular Session

By Senate Health & Long-Term Care (originally sponsored by Senators Robinson, Hasegawa, Liiias, Nobles, Riccelli, Stanford, and Valdez)

READ FIRST TIME 02/21/25.

1 AN ACT Relating to the corporate practice of health care;
2 amending RCW 18.130.180, 18.130.190, and 19.100.120; adding a new
3 section to chapter 18.100 RCW; adding a new section to chapter 70.41
4 RCW; adding a new section to chapter 71.12 RCW; adding a new section
5 to chapter 70.230 RCW; adding a new section to chapter 18.51 RCW;
6 adding a new section to chapter 18.46 RCW; adding a new section to
7 chapter 70.127 RCW; adding a new section to chapter 18.134 RCW;
8 adding a new section to chapter 18.71 RCW; adding a new section to
9 chapter 18.57 RCW; adding a new section to chapter 18.79 RCW; adding
10 a new section to chapter 18.06 RCW; adding a new section to chapter
11 18.225 RCW; adding a new section to chapter 18.22 RCW; adding a new
12 section to chapter 18.25 RCW; adding a new section to chapter 18.32
13 RCW; adding a new section to chapter 18.29 RCW; adding a new section
14 to chapter 18.36A RCW; adding a new section to chapter 18.50 RCW;
15 adding a new section to chapter 18.53 RCW; adding a new section to
16 chapter 18.55 RCW; adding a new section to chapter 18.59 RCW; adding
17 a new section to chapter 18.64 RCW; adding a new section to chapter
18 18.71A RCW; adding a new section to chapter 18.74 RCW; adding a new
19 section to chapter 18.83 RCW; adding a new section to chapter 18.108
20 RCW; adding a new section to chapter 18.138 RCW; adding a new section
21 to chapter 18.205 RCW; adding a new section to chapter 18.290 RCW;
22 and providing an effective date.

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

2 NEW SECTION. **Sec. 1.** A new section is added to chapter 18.100
3 RCW to read as follows:

4 (1) Except as permitted under this chapter and chapter 25.15 RCW,
5 it is unlawful for an individual, corporation, partnership, or any
6 other entity without a license to practice a health care profession,
7 own a health care practice, employ licensed health care providers, or
8 otherwise engage in a licensed health care profession.

9 (2) In a professional service corporation organized under this
10 chapter for the purpose of establishing a health care practice,
11 health care providers licensed in this state must:

12 (a) Hold the majority of each class of shares that are entitled
13 to vote;

14 (b) Be a majority of the directors; and

15 (c) Hold all officer positions in the corporation except for
16 secretary and treasurer.

17 (3) Shareholders who are health care providers licensed in this
18 state must exhibit meaningful ownership of a health care practice
19 organized under this chapter by being substantially engaged in
20 delivering care or managing the practice.

21 (4) A shareholder, director, or officer of a health care practice
22 organized under this chapter may not:

23 (a) Own or control shares in, serve as a director or officer of,
24 be an employee of or an independent contractor with, or otherwise
25 participate in managing both the health care practice and a
26 management services organization with which the health care practice
27 has a contract;

28 (b) Receive substantial compensation or remuneration from a
29 management services organization in return for ownership or
30 management of the health care practice;

31 (c) Transfer or relinquish control over the sale, the restriction
32 of the sale, or the encumbrance of the sale of the health care
33 practice's shares or assets;

34 (d) Transfer or relinquish control over the issuing of shares of
35 stock in the health care practice, a subsidiary of the health care
36 practice, or an entity affiliated with the health care practice, or
37 the paying of dividends; or

1 (e) Enter into any financial arrangement in violation of chapter
2 19.68 RCW.

3 (5) (a) A shareholder who is a licensed health care provider of a
4 health care practice organized under this chapter may not relinquish
5 control over or otherwise transfer control over any of the health
6 care practice's administrative, business, or clinical operations that
7 affect clinical decision making or the nature or quality of health
8 care that the practice delivers by means of a contract or other
9 agreement or arrangement; by providing in the health care practice's
10 articles of incorporation or bylaws; by forming a subsidiary or
11 affiliated entity; or by other means.

12 (b) Nothing in this subsection shall be construed to limit the
13 ability of a shareholder who is a licensed health care provider from
14 consulting or collaborating with any person when developing policies
15 or making decisions that affect clinical decision making or the
16 nature or quality of health care provided by the practice, provided
17 that the ultimate decision is made by the shareholder, who is a
18 licensed health care provider.

19 (6) This section does not apply to hospitals in this state
20 licensed under chapter 70.41 RCW or licensed by any other state; any
21 entity that directly or indirectly controls, is controlled by, or is
22 under common control with a hospital licensed in this state under
23 chapter 70.41 or 71.12 RCW or licensed by any other state; private
24 establishments licensed under chapter 71.12 RCW; nursing homes
25 licensed under chapter 18.51 RCW; ambulatory surgical facilities
26 licensed under chapter 70.230 RCW; birthing centers licensed under
27 chapter 18.46 RCW; in-home service agencies licensed under chapter
28 70.127 RCW; federally qualified health centers as defined in 42
29 U.S.C. Sec. 1396d; or a telemedicine-exclusive medical group as
30 defined in section 8 of this act.

31 (7) For the purposes of this section, "management services
32 organization" means any organization or entity that contracts with a
33 professional service corporation to perform management or
34 administrative services relating to, supporting, or facilitating the
35 provision of health care services.

36 NEW SECTION. **Sec. 2.** A new section is added to chapter 70.41
37 RCW to read as follows:

38 (1) No person without a license to practice a health care
39 profession in this state, who is employed by, contracted with, or

1 affiliated with a hospital licensed under this chapter, may interfere
2 with, control, or otherwise direct the professional judgment or
3 clinical decisions of a licensed health care provider employed by,
4 affiliated with, or contracted with the hospital, who is providing
5 care to a patient at the hospital, and who is acting within their
6 scope of practice.

7 (2) Conduct prohibited under this section includes, as
8 applicable, but is not limited to, controlling through policy,
9 discipline, punishment, threats, adverse employment actions,
10 coercion, retaliation, or excessive pressure, any of the following:

11 (a) The period of time a provider may spend with a patient,
12 including the time permitted for a health care provider to triage
13 patients in the emergency department or evaluate admitted patients;

14 (b) The period of time within which a health care provider must
15 discharge a patient;

16 (c) The clinical status of the patient, including whether the
17 patient should be admitted to inpatient status, whether the patient
18 should be kept in observation status, whether the patient should
19 receive palliative care, and whether and where the patient should be
20 referred upon discharge, such as a skilled nursing facility;

21 (d) The diagnoses, diagnostic terminology, or codes that are
22 entered into the medical record by the health care provider; or

23 (e) The range of clinical orders available to a health care
24 provider, including by configuring the medical record to prohibit or
25 significantly limit the options available to the provider.

26 (3) Nothing in this section shall be construed to prohibit any
27 policy or requirement that:

28 (a) Requires a health care provider to comply with applicable
29 laws, coding guidelines, or third-party payor requirements;

30 (b) A health care provider must comply with for purposes of
31 credentialing, privileging, quality improvement, peer review, action
32 taken by the Washington medical commission, or the physician health
33 program under chapter 18.71 RCW; or

34 (c) Is part of a quality incentive program, a comanagement
35 arrangement, or a value-based care initiative.

36 NEW SECTION. **Sec. 3.** A new section is added to chapter 71.12
37 RCW to read as follows:

38 (1) No person without a license to practice a health care
39 profession in this state, who is employed by, contracted with, or

1 affiliated with a private establishment licensed under this chapter,
2 may interfere with, control, or otherwise direct the professional
3 judgment or clinical decision making of a licensed health care
4 provider employed by, affiliated with, or contracted with the private
5 establishment, who is providing care to a patient at the private
6 establishment, and who is acting within their scope of practice.

7 (2) Conduct prohibited under this section includes, as
8 applicable, but is not limited to, controlling through policy,
9 discipline, punishment, threats, adverse employment actions,
10 coercion, retaliation, or excessive pressure, any of the following:

11 (a) The period of time a provider may spend with a patient,
12 including the time permitted for a health care provider to triage
13 patients in the emergency department or evaluate admitted patients;

14 (b) The period of time within which a health care provider must
15 discharge a patient;

16 (c) The clinical status of the patient, including whether the
17 patient should be admitted to inpatient status, whether the patient
18 should be kept in observation status, whether the patient should
19 receive palliative care, and whether and where the patient should be
20 referred upon discharge;

21 (d) The diagnoses, diagnostic terminology, or codes that are
22 entered into the medical record by the health care provider; or

23 (e) The range of clinical orders available to a health care
24 provider, including by configuring the medical record to prohibit or
25 significantly limit the options available to the provider.

26 (3) Nothing in this section shall be construed to prohibit any
27 policy or requirement that:

28 (a) Requires a health care provider to comply with applicable
29 laws, coding guidelines, or third-party payor requirements;

30 (b) A health care provider must comply with for purposes of
31 credentialing, privileging, quality improvement, peer review, action
32 taken by the Washington medical commission, or the physician health
33 program under chapter 18.71 RCW; or

34 (c) Is part of a quality incentive program, a comanagement
35 arrangement, or a value-based care initiative.

36 NEW SECTION. **Sec. 4.** A new section is added to chapter 70.230
37 RCW to read as follows:

38 (1) No person without a license to practice a health care
39 profession in this state, who is employed by, contracted with, or

1 affiliated with an ambulatory surgical facility licensed under this
2 chapter, may interfere with, control, or otherwise direct the
3 professional judgment or clinical decision making of a licensed
4 health care provider employed by, affiliated with, or contracted with
5 the ambulatory surgical facility, who is providing care to a patient
6 at the ambulatory surgical facility, and who is acting within their
7 scope of practice.

8 (2) Conduct prohibited under this section includes, as
9 applicable, but is not limited to, controlling through policy,
10 discipline, punishment, threats, adverse employment actions,
11 coercion, retaliation, or excessive pressure, any of the following:

12 (a) The period of time a provider may spend with a patient;

13 (b) The period of time within which a health care provider must
14 discharge a patient;

15 (c) The clinical status of the patient;

16 (d) The diagnoses, diagnostic terminology, or codes that are
17 entered into the medical record by the health care provider; or

18 (e) The range of clinical orders available to a health care
19 provider, including by configuring the medical record to prohibit or
20 significantly limit the options available to the provider.

21 (3) Nothing in this section shall be construed to prohibit any
22 policy or requirement that:

23 (a) Requires a health care provider to comply with applicable
24 laws, coding guidelines, or third-party payor requirements;

25 (b) A health care provider must comply with for purposes of
26 credentialing, privileging, quality improvement, peer review, action
27 taken by the Washington medical commission, or the physician health
28 program under chapter 18.71 RCW; or

29 (c) Is part of a quality incentive program, a comanagement
30 arrangement, or a value-based care initiative.

31 NEW SECTION. **Sec. 5.** A new section is added to chapter 18.51
32 RCW to read as follows:

33 (1) No person without a license to practice a health care
34 profession in this state, who is employed by, contracted with, or
35 affiliated with a nursing home licensed under this chapter, may
36 interfere with, control, or otherwise direct the professional
37 judgment or clinical decisions of a licensed health care provider
38 employed by, affiliated with, or contracted with the nursing home,

1 who is providing care to residents of the nursing home, and who is
2 acting within their scope of practice.

3 (2) Conduct prohibited under this section includes, but is not
4 limited to, controlling or attempting to control decision making
5 concerning the practice of medicine or the diagnosis and treatment of
6 any patient through policy, discipline, punishment, threats, adverse
7 employment actions, coercion, retaliation, or excessive pressure of
8 any kind.

9 (3) Nothing in this section shall be construed to prohibit any
10 policy or requirement that:

11 (a) Requires a health care provider to comply with applicable
12 laws, coding guidelines, or third-party payor requirements;

13 (b) A health care provider must comply with for purposes of
14 credentialing, privileging, quality improvement, peer review, action
15 taken by the Washington medical commission, or the physician health
16 program under chapter 18.71 RCW; or

17 (c) Is part of a quality incentive program, a comanagement
18 arrangement, or a value-based care initiative.

19 NEW SECTION. **Sec. 6.** A new section is added to chapter 18.46
20 RCW to read as follows:

21 (1) No person without a license to practice a health care
22 profession in this state, who is employed by, contracted with, or
23 affiliated with a birthing center licensed under this chapter, may
24 interfere with, control, or otherwise direct the professional
25 judgment or clinical decisions of a licensed health care provider
26 employed by, affiliated with, or contracted with the birthing center,
27 who is providing care to a patient in the birthing center, and who is
28 acting within their scope of practice.

29 (2) Conduct prohibited under this section includes, but is not
30 limited to, controlling or attempting to control decision making
31 concerning the practice of medicine or the diagnosis and treatment of
32 any patient through policy, discipline, punishment, threats, adverse
33 employment actions, coercion, retaliation, or excessive pressure of
34 any kind.

35 (3) Nothing in this section shall be construed to prohibit any
36 policy or requirement that:

37 (a) Requires a health care provider to comply with applicable
38 laws, coding guidelines, or third-party payor requirements;

1 (b) A health care provider must comply with for purposes of
2 credentialing, privileging, quality improvement, peer review, action
3 taken by the Washington medical commission, or the physician health
4 program under chapter 18.71 RCW; or

5 (c) Is part of a quality incentive program, a comanagement
6 arrangement, or a value-based care initiative.

7 NEW SECTION. **Sec. 7.** A new section is added to chapter 70.127
8 RCW to read as follows:

9 (1) No person without a license to practice a health care
10 profession in this state, who is employed by, contracted with, or
11 affiliated with an in-home care agency licensed under this chapter,
12 may interfere with, control, or otherwise direct the professional
13 judgment or clinical decisions of a licensed health care provider
14 employed by, affiliated with, or contracted with the in-home services
15 agency, who is providing care to an individual in a in-home services
16 agency operated by the in-home services agency, and who is acting
17 within their scope of practice.

18 (2) Conduct prohibited under this section includes, but is not
19 limited to, controlling or attempting to control decision making
20 concerning the practice of medicine or the diagnosis and treatment of
21 any patient through policy, discipline, punishment, threats, adverse
22 employment actions, coercion, retaliation, or excessive pressure of
23 any kind.

24 (3) Nothing in this section shall be construed to prohibit any
25 policy or requirement that:

26 (a) Requires a health care provider to comply with applicable
27 laws, coding guidelines, or third-party payor requirements;

28 (b) A health care provider must comply with for purposes of
29 credentialing, privileging, quality improvement, peer review, action
30 taken by the Washington medical commission, or the physician health
31 program under chapter 18.71 RCW; or

32 (c) Is part of a quality incentive program, a comanagement
33 arrangement, or a value-based care initiative.

34 NEW SECTION. **Sec. 8.** A new section is added to chapter 18.134
35 RCW to read as follows:

36 (1) No person without a license to practice a health care
37 profession in this state, who is employed by, contracted with, or
38 affiliated with a telemedicine-exclusive medical practice, may

1 interfere with, control, or otherwise direct the professional
2 judgment or clinical decisions of a licensed health care provider
3 employed by, affiliated with, or contracted with a telemedicine-
4 exclusive medical practice, and who is acting within their scope of
5 practice.

6 (2) Conduct prohibited under this section includes, as
7 applicable, but is not limited to, controlling through policy,
8 discipline, punishment, threats, adverse employment actions,
9 coercion, retaliation, or excessive pressure, any of the following:

10 (a) The period of time a provider may spend with a patient;

11 (b) The provider's ability to recommend and refer the patient to
12 in-person treatment;

13 (c) The clinical status of the patient, including whether the
14 patient should be referred to another provider;

15 (d) The diagnoses, diagnostic terminology, or codes that are
16 entered into the medical record by the health care provider; or

17 (e) The range of clinical orders available to a health care
18 provider, including by configuring the medical record to prohibit or
19 significantly limit the options available to the provider.

20 (3) Nothing in this section shall be construed to prohibit any
21 policy or requirement that:

22 (a) Requires a health care provider to comply with applicable
23 laws, coding guidelines, or third-party payor requirements;

24 (b) A health care provider must comply with for purposes of
25 credentialing, privileging, quality improvement, peer review, action
26 taken by the Washington medical commission, or the physician health
27 program under chapter 18.71 RCW; or

28 (c) Is part of a quality incentive program, a comanagement
29 arrangement, or a value-based care initiative.

30 (4) The legislature finds that the practices covered by this
31 section are matters vitally affecting the public interest for the
32 purpose of applying the consumer protection act, chapter 19.86 RCW. A
33 violation of this chapter is not reasonable in relation to the
34 development and preservation of business and is an unfair or
35 deceptive act in trade or commerce and an unfair method of
36 competition for the purpose of applying the consumer protection act,
37 chapter 19.86 RCW.

38 (5) For the purposes of this section, "telemedicine-exclusive
39 medical group" means an entity which engages with patients

1 exclusively through telemedicine as defined in RCW 70.41.020 and does
2 not offer in-person health care services.

3 **Sec. 9.** RCW 18.130.180 and 2024 c 220 s 2 are each amended to
4 read as follows:

5 Except as provided in RCW 18.130.450, the following conduct,
6 acts, or conditions constitute unprofessional conduct for any license
7 holder under the jurisdiction of this chapter:

8 (1) The commission of any act involving moral turpitude,
9 dishonesty, or corruption relating to the practice of the person's
10 profession, whether the act constitutes a crime or not. If the act
11 constitutes a crime, conviction in a criminal proceeding is not a
12 condition precedent to disciplinary action. Upon such a conviction,
13 however, the judgment and sentence is conclusive evidence at the
14 ensuing disciplinary hearing of the guilt of the license holder of
15 the crime described in the indictment or information, and of the
16 person's violation of the statute on which it is based. For the
17 purposes of this section, conviction includes all instances in which
18 a plea of guilty or nolo contendere is the basis for the conviction
19 and all proceedings in which the sentence has been deferred or
20 suspended. Nothing in this section abrogates rights guaranteed under
21 chapter 9.96A RCW;

22 (2) Misrepresentation or concealment of a material fact in
23 obtaining a license or in reinstatement thereof;

24 (3) All advertising which is false, fraudulent, or misleading;

25 (4) Incompetence, negligence, or malpractice which results in
26 injury to a patient or which creates an unreasonable risk that a
27 patient may be harmed. The use of a nontraditional treatment by
28 itself shall not constitute unprofessional conduct, provided that it
29 does not result in injury to a patient or create an unreasonable risk
30 that a patient may be harmed;

31 (5) Suspension, revocation, or restriction of the individual's
32 license to practice any health care profession by competent authority
33 in any state, federal, or foreign jurisdiction, a certified copy of
34 the order, stipulation, or agreement being conclusive evidence of the
35 revocation, suspension, or restriction;

36 (6) The possession, use, prescription for use, or distribution of
37 controlled substances or legend drugs in any way other than for
38 legitimate or therapeutic purposes, diversion of controlled

1 substances or legend drugs, the violation of any drug law, or
2 prescribing controlled substances for oneself;

3 (7) Violation of any state or federal statute or administrative
4 rule regulating the profession in question, including any statute or
5 rule defining or establishing standards of patient care or
6 professional conduct or practice;

7 (8) Failure to cooperate with the disciplining authority by:

8 (a) Not furnishing any papers, documents, records, or other
9 items;

10 (b) Not furnishing in writing a full and complete explanation
11 covering the matter contained in the complaint filed with the
12 disciplining authority;

13 (c) Not responding to subpoenas issued by the disciplining
14 authority, whether or not the recipient of the subpoena is the
15 accused in the proceeding; or

16 (d) Not providing reasonable and timely access for authorized
17 representatives of the disciplining authority seeking to perform
18 practice reviews at facilities utilized by the license holder;

19 (9) Failure to comply with an order issued by the disciplining
20 authority or a stipulation for informal disposition entered into with
21 the disciplining authority;

22 (10) Aiding or abetting an unlicensed person to practice when a
23 license is required;

24 (11) Violations of rules established by any health agency;

25 (12) Practice beyond the scope of practice as defined by law or
26 rule;

27 (13) Misrepresentation or fraud in any aspect of the conduct of
28 the business or profession;

29 (14) Failure to adequately supervise auxiliary staff to the
30 extent that the consumer's health or safety is at risk;

31 (15) Engaging in a profession involving contact with the public
32 while suffering from a contagious or infectious disease involving
33 serious risk to public health;

34 (16) Promotion for personal gain of any unnecessary or
35 inefficacious drug, device, treatment, procedure, or service;

36 (17) Conviction of any gross misdemeanor or felony relating to
37 the practice of the person's profession. For the purposes of this
38 subsection, conviction includes all instances in which a plea of
39 guilty or nolo contendere is the basis for conviction and all
40 proceedings in which the sentence has been deferred or suspended.

1 Nothing in this section abrogates rights guaranteed under chapter
2 9.96A RCW;

3 (18) The offering, undertaking, or agreeing to cure or treat
4 disease by a secret method, procedure, treatment, or medicine, or the
5 treating, operating, or prescribing for any health condition by a
6 method, means, or procedure which the licensee refuses to divulge
7 upon demand of the disciplining authority;

8 (19) The willful betrayal of a practitioner-patient privilege as
9 recognized by law;

10 (20) Violation of chapter 19.68 RCW or a pattern of violations of
11 RCW 41.05.700(8), 48.43.735(8), 48.49.020, 48.49.030, 71.24.335(8),
12 or 74.09.325(8);

13 (21) Interference with an investigation or disciplinary
14 proceeding by willful misrepresentation of facts before the
15 disciplining authority or its authorized representative, or by the
16 use of threats or harassment against any patient or witness to
17 prevent them from providing evidence in a disciplinary proceeding or
18 any other legal action, or by the use of financial inducements to any
19 patient or witness to prevent or attempt to prevent him or her from
20 providing evidence in a disciplinary proceeding;

21 (22) Current misuse of:

22 (a) Alcohol;

23 (b) Controlled substances; or

24 (c) Legend drugs;

25 (23) Abuse of a client or patient or sexual contact with a client
26 or patient;

27 (24) Acceptance of more than a nominal gratuity, hospitality, or
28 subsidy offered by a representative or vendor of medical or health-
29 related products or services intended for patients, in contemplation
30 of a sale or for use in research publishable in professional
31 journals, where a conflict of interest is presented, as defined by
32 rules of the disciplining authority, in consultation with the
33 department, based on recognized professional ethical standards;

34 (25) Violation of RCW 18.130.420;

35 (26) Performing conversion therapy on a patient under age
36 eighteen;

37 (27) Violation of any provision of sections 1 through 8 of this
38 act;

39 (28) Violation of RCW 18.130.430;

40 ~~((28))~~ (29) Violation of RCW 18.130.460; or

1 (~~(29)~~) (30) Implanting the license holder's own gametes or
2 reproductive material into a patient.

3 **Sec. 10.** RCW 18.130.190 and 2003 c 53 s 141 are each amended to
4 read as follows:

5 (1) The secretary shall investigate complaints concerning
6 practice by unlicensed persons of a profession or business for which
7 a license is required by the chapters specified in RCW 18.130.040
8 including, but not limited to, a violation of section 1 of this act.

9 In the investigation of the complaints, the secretary shall have the
10 same authority as provided the secretary under RCW 18.130.050.

11 (2) The secretary may issue a notice of intention to issue a
12 cease and desist order to any person whom the secretary has reason to
13 believe is engaged in the unlicensed practice of a profession or
14 business for which a license is required by the chapters specified in
15 RCW 18.130.040. The person to whom such notice is issued may request
16 an adjudicative proceeding to contest the charges. The request for
17 hearing must be filed within twenty days after service of the notice
18 of intention to issue a cease and desist order. The failure to
19 request a hearing constitutes a default, whereupon the secretary may
20 enter a permanent cease and desist order, which may include a civil
21 fine. All proceedings shall be conducted in accordance with chapter
22 34.05 RCW.

23 (3) If the secretary makes a final determination that a person
24 has engaged or is engaging in unlicensed practice, the secretary may
25 issue a cease and desist order. In addition, the secretary may impose
26 a civil fine in an amount not exceeding one thousand dollars for each
27 day upon which the person engaged in unlicensed practice of a
28 business or profession for which a license is required by one or more
29 of the chapters specified in RCW 18.130.040. The proceeds of such
30 fines shall be deposited to the health professions account.

31 (4) If the secretary makes a written finding of fact that the
32 public interest will be irreparably harmed by delay in issuing an
33 order, the secretary may issue a temporary cease and desist order.
34 The person receiving a temporary cease and desist order shall be
35 provided an opportunity for a prompt hearing. The temporary cease and
36 desist order shall remain in effect until further order of the
37 secretary. The failure to request a prompt or regularly scheduled
38 hearing constitutes a default, whereupon the secretary may enter a
39 permanent cease and desist order, which may include a civil fine.

1 (5) Neither the issuance of a cease and desist order nor payment
2 of a civil fine shall relieve the person so practicing or operating a
3 business without a license from criminal prosecution therefor, but
4 the remedy of a cease and desist order or civil fine shall be in
5 addition to any criminal liability. The cease and desist order is
6 conclusive proof of unlicensed practice and may be enforced under RCW
7 7.21.060. This method of enforcement of the cease and desist order or
8 civil fine may be used in addition to, or as an alternative to, any
9 provisions for enforcement of agency orders set out in chapter 34.05
10 RCW.

11 (6) The attorney general, a county prosecuting attorney, the
12 secretary, a board, or any person may in accordance with the laws of
13 this state governing injunctions, maintain an action in the name of
14 this state to enjoin any person practicing a profession or business
15 for which a license is required by the chapters specified in RCW
16 18.130.040 without a license from engaging in such practice or
17 operating such business until the required license is secured.
18 However, the injunction shall not relieve the person so practicing or
19 operating a business without a license from criminal prosecution
20 therefor, but the remedy by injunction shall be in addition to any
21 criminal liability.

22 (7)(a) Unlicensed practice of a profession or operating a
23 business for which a license is required by the chapters specified in
24 RCW 18.130.040, unless otherwise exempted by law, constitutes a gross
25 misdemeanor for a single violation.

26 (b) Each subsequent violation, whether alleged in the same or in
27 subsequent prosecutions, is a class C felony punishable according to
28 chapter 9A.20 RCW.

29 (8) All fees, fines, forfeitures, and penalties collected or
30 assessed by a court because of a violation of this section shall be
31 remitted to the health professions account.

32 NEW SECTION. **Sec. 11.** A new section is added to chapter 18.71
33 RCW to read as follows:

34 Upon application for a license or license renewal, an applicant
35 must attest, in a form and manner determined by the commission, that
36 they are aware of regulations related to the corporate practice of
37 medicine included in sections 1 through 8 of this act.

1 NEW SECTION. **Sec. 12.** A new section is added to chapter 18.57
2 RCW to read as follows:

3 Upon application for a license or license renewal, an applicant
4 must attest, in a form and manner determined by the board, that they
5 are aware of regulations related to the corporate practice of
6 medicine included in sections 1 through 8 of this act.

7 NEW SECTION. **Sec. 13.** A new section is added to chapter 18.79
8 RCW to read as follows:

9 Upon application for a license or license renewal, an applicant
10 for a registered nurse, advanced practice registered nurse, or
11 licensed practical nurse license must attest, in a form and manner
12 determined by the board, that they are aware of regulations related
13 to the corporate practice of medicine included in sections 1 through
14 8 of this act.

15 NEW SECTION. **Sec. 14.** A new section is added to chapter 18.06
16 RCW to read as follows:

17 Upon application for a license or license renewal, an applicant
18 must attest, in a form and manner determined by the secretary, that
19 they are aware of regulations related to the corporate practice of
20 medicine included in sections 1 through 8 of this act.

21 NEW SECTION. **Sec. 15.** A new section is added to chapter 18.225
22 RCW to read as follows:

23 Upon application for a license or license renewal, an applicant
24 must attest, in a form and manner determined by the secretary, that
25 they are aware of regulations related to the corporate practice of
26 medicine included in sections 1 through 8 of this act.

27 NEW SECTION. **Sec. 16.** A new section is added to chapter 18.22
28 RCW to read as follows:

29 Upon application for a license or license renewal, an applicant
30 must attest, in a form and manner determined by the board, that they
31 are aware of regulations related to the corporate practice of
32 medicine included in sections 1 through 8 of this act.

33 NEW SECTION. **Sec. 17.** A new section is added to chapter 18.25
34 RCW to read as follows:

1 Upon application for a license or license renewal, an applicant
2 must attest, in a form and manner determined by the commission, that
3 they are aware of regulations related to the corporate practice of
4 medicine included in sections 1 through 8 of this act.

5 NEW SECTION. **Sec. 18.** A new section is added to chapter 18.32
6 RCW to read as follows:

7 Upon application for a license or license renewal, an applicant
8 must attest, in a form and manner determined by the commission, that
9 they are aware of regulations related to the corporate practice of
10 medicine included in sections 1 through 8 of this act.

11 NEW SECTION. **Sec. 19.** A new section is added to chapter 18.29
12 RCW to read as follows:

13 Upon application for a license or license renewal, an applicant
14 must attest, in a form and manner determined by the secretary, that
15 they are aware of regulations related to the corporate practice of
16 medicine included in sections 1 through 8 of this act.

17 NEW SECTION. **Sec. 20.** A new section is added to chapter 18.36A
18 RCW to read as follows:

19 Upon application for a license or license renewal, an applicant
20 must attest, in a form and manner determined by the board, that they
21 are aware of regulations related to the corporate practice of
22 medicine included in sections 1 through 8 of this act.

23 NEW SECTION. **Sec. 21.** A new section is added to chapter 18.50
24 RCW to read as follows:

25 Upon application for a license or license renewal, an applicant
26 must attest, in a form and manner determined by the secretary, that
27 they are aware of regulations related to the corporate practice of
28 medicine included in sections 1 through 8 of this act.

29 NEW SECTION. **Sec. 22.** A new section is added to chapter 18.53
30 RCW to read as follows:

31 Upon application for a license or license renewal, an applicant
32 must attest, in a form and manner determined by the board, that they
33 are aware of regulations related to the corporate practice of
34 medicine included in sections 1 through 8 of this act.

1 NEW SECTION. **Sec. 23.** A new section is added to chapter 18.55
2 RCW to read as follows:

3 Upon application for a license or license renewal, an applicant
4 must attest, in a form and manner determined by the secretary, that
5 they are aware of regulations related to the corporate practice of
6 medicine included in sections 1 through 8 of this act.

7 NEW SECTION. **Sec. 24.** A new section is added to chapter 18.59
8 RCW to read as follows:

9 Upon application for a license or license renewal, an applicant
10 must attest, in a form and manner determined by the board, that they
11 are aware of regulations related to the corporate practice of
12 medicine included in sections 1 through 8 of this act.

13 NEW SECTION. **Sec. 25.** A new section is added to chapter 18.64
14 RCW to read as follows:

15 Upon application for a license or license renewal, an applicant
16 must attest, in a form and manner determined by the commission, that
17 they are aware of regulations related to the corporate practice of
18 medicine included in sections 1 through 8 of this act.

19 NEW SECTION. **Sec. 26.** A new section is added to chapter 18.71A
20 RCW to read as follows:

21 Upon application for a license or license renewal, an applicant
22 must attest, in a form and manner determined by the commission, that
23 they are aware of regulations related to the corporate practice of
24 medicine included in sections 1 through 8 of this act.

25 NEW SECTION. **Sec. 27.** A new section is added to chapter 18.74
26 RCW to read as follows:

27 Upon application for a license or license renewal, an applicant
28 must attest, in a form and manner determined by the board, that they
29 are aware of regulations related to the corporate practice of
30 medicine included in sections 1 through 8 of this act.

31 NEW SECTION. **Sec. 28.** A new section is added to chapter 18.83
32 RCW to read as follows:

33 Upon application for a license or license renewal, an applicant
34 must attest, in a form and manner determined by the board, that they

1 are aware of regulations related to the corporate practice of
2 medicine included in sections 1 through 8 of this act.

3 NEW SECTION. **Sec. 29.** A new section is added to chapter 18.108
4 RCW to read as follows:

5 Upon application for a license or license renewal, an applicant
6 must attest, in a form and manner determined by the board, that they
7 are aware of regulations related to the corporate practice of
8 medicine included in sections 1 through 8 of this act.

9 NEW SECTION. **Sec. 30.** A new section is added to chapter 18.138
10 RCW to read as follows:

11 Upon application for certification or certification renewal, an
12 applicant must attest, in a form and manner determined by the
13 secretary, that they are aware of regulations related to the
14 corporate practice of medicine included in sections 1 through 8 of
15 this act.

16 NEW SECTION. **Sec. 31.** A new section is added to chapter 18.205
17 RCW to read as follows:

18 Upon application for certification or certification renewal, an
19 applicant must attest, in a form and manner determined by the
20 secretary, that they are aware of regulations related to the
21 corporate practice of medicine included in sections 1 through 8 of
22 this act.

23 NEW SECTION. **Sec. 32.** A new section is added to chapter 18.290
24 RCW to read as follows:

25 Upon application for a license or license renewal, an applicant
26 must attest, in a form and manner determined by the secretary, that
27 they are aware of regulations related to the corporate practice of
28 medicine included in sections 1 through 8 of this act.

29 **Sec. 33.** RCW 19.100.120 and 2011 c 336 s 559 are each amended to
30 read as follows:

31 The director may issue a stop order denying effectiveness to or
32 suspending or revoking the effectiveness of any registration
33 statement if he or she finds that the order is in the public interest
34 and that:

1 (1) The registration statement as of its effective date, or as of
2 any earlier date in the case of an order denying effectiveness, is
3 incomplete in any material respect or contains any statement which
4 was in the light of the circumstances under which it was made false
5 or misleading with respect to any material fact;

6 (2) Any provision of this chapter or any rule or order or
7 condition lawfully imposed under this chapter has been violated in
8 connection with the offering by:

9 (a) The person filing the registration statement but only if such
10 person is directly or indirectly controlled by or acting for the
11 franchisor; or

12 (b) The franchisor, any partner, officer, or director of a
13 franchisor, or any person occupying a similar status or performing
14 similar functions or any person directly or indirectly controlling or
15 controlled by the franchisor.

16 (3) The franchise offering registered or sought to be registered
17 is the subject of a permanent or temporary injunction of any court of
18 competent jurisdiction entered under any federal or state act
19 applicable to the offering but the director may not:

20 (a) Institute a proceeding against an effective registration
21 statement under this clause more than one year from the date of the
22 injunctive relief thereon unless the injunction is thereafter
23 violated; and

24 (b) Enter an order under this clause on the basis of an
25 injunction entered under any other state act unless that order or
26 injunction is based on facts that currently constitute a ground for
27 stop order under this section;

28 (4) A franchisor's enterprise or method of business includes or
29 would include activities which are illegal where performed, including
30 but not limited to violations of section 1 of this act;

31 (5) The offering has worked or tended to work a fraud upon
32 purchasers or would so operate;

33 (6) The applicant has failed to comply with any rule or order of
34 the director issued pursuant to RCW 19.100.050.

35 (7) The applicant or registrant has failed to pay the proper
36 registration fee but the director may enter only a denial order under
37 this subsection and he or she shall vacate such order when the
38 deficiency has been corrected.

1 NEW SECTION. **Sec. 34.** This act takes effect January 1, 2027.

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