
SECOND SUBSTITUTE SENATE BILL 5387

State of Washington

69th Legislature

2025 Regular Session

By Senate Ways & Means (originally sponsored by Senators Robinson, Hasegawa, Liiias, Nobles, Riccelli, Stanford, and Valdez)

READ FIRST TIME 02/28/25.

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 48.44 RCW; adding a new section to
9 chapter 48.46 RCW; adding a new section to chapter 18.71 RCW; adding
10 a new section to chapter 18.57 RCW; adding a new section to chapter
11 18.79 RCW; adding a new section to chapter 18.06 RCW; adding a new
12 section to chapter 18.225 RCW; adding a new section to chapter 18.22
13 RCW; adding a new section to chapter 18.25 RCW; adding a new section
14 to chapter 18.32 RCW; adding a new section to chapter 18.29 RCW;
15 adding a new section to chapter 18.36A RCW; adding a new section to
16 chapter 18.50 RCW; adding a new section to chapter 18.53 RCW; adding
17 a new section to chapter 18.55 RCW; adding a new section to chapter
18 18.59 RCW; adding a new section to chapter 18.64 RCW; adding a new
19 section to chapter 18.71A RCW; adding a new section to chapter 18.74
20 RCW; adding a new section to chapter 18.83 RCW; adding a new section
21 to chapter 18.108 RCW; adding a new section to chapter 18.138 RCW;
22 adding a new section to chapter 18.205 RCW; adding a new section to
23 chapter 18.290 RCW; 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:

20 (a) Hospitals in this state licensed under chapter 70.41 RCW or
21 licensed by any other state;

22 (b) Any entity that directly or indirectly controls, is
23 controlled by, or is under common control with a hospital licensed in
24 this state under chapter 70.41 or 71.12 RCW or licensed by any other
25 state;

26 (c) Private establishments licensed under chapter 71.12 RCW;

27 (d) Nursing homes licensed under chapter 18.51 RCW;

28 (e) Ambulatory surgical facilities licensed under chapter 70.230
29 RCW;

30 (f) Birthing centers licensed under chapter 18.46 RCW;

31 (g) In-home service agencies licensed under chapter 70.127 RCW;

32 (h) Federally qualified health centers as defined in 42 U.S.C.
33 Sec. 1396d;

34 (i) A telemedicine-exclusive medical group as defined in section
35 8 of this act;

36 (j) Health maintenance organizations licensed under chapter 48.46
37 RCW; or

38 (k) Health care service contractors licensed under chapter 48.44
39 RCW that are organized as an integrated care delivery system that
40 delivers health care services on a prepaid basis.

1 (7) For the purposes of this section:

2 (a) "Health care practice" means an entity that offers services
3 within the scope of practice of a licensed health care provider.

4 (b) "Licensed health care provider" means a person licensed under
5 Title 18 RCW to provide health care services to humans.

6 (c) "Management services organization" means any organization or
7 entity that contracts with a professional service corporation to
8 perform management or administrative services relating to,
9 supporting, or facilitating the provision of health care services.

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

12 (1) No person without a license to practice a health care
13 profession in this state, who is employed by, contracted with, or
14 affiliated with a hospital licensed under this chapter, may interfere
15 with, control, or otherwise direct the professional judgment or
16 ultimate clinical decisions of a licensed health care provider
17 employed by, affiliated with, or contracted with the hospital, who is
18 providing care to a patient at the hospital, and who is acting within
19 their scope of practice.

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

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

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

29 (c) The clinical status of the patient, including whether the
30 patient should be admitted to inpatient status, whether the patient
31 should be kept in observation status, whether the patient should
32 receive palliative care, and whether and where the patient should be
33 referred upon discharge, such as a skilled nursing facility;

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

36 (e) The range of clinical orders available to a health care
37 provider for services available at the facility, including by
38 configuring the medical record to prohibit or significantly limit the
39 options available to the provider.

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

3 (a) Is necessary for a health care provider or hospital to comply
4 with applicable state or federal laws, state or federal coding
5 guidelines, or third-party payor requirements; or

6 (b) A health care provider or hospital must comply with for
7 purposes of credentialing, privileging, quality improvement, peer
8 review, action taken by a health care profession regulatory
9 authority, conditions set by the centers for medicare and medicaid
10 services, or the physician health program under chapter 18.71 RCW.

11 (4) For the purposes of this section, "health care profession"
12 means a profession licensed under Title 18 RCW to provide health care
13 services to humans.

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

16 (1) No person without a license to practice a health care
17 profession in this state, who is employed by, contracted with, or
18 affiliated with a private establishment licensed under this chapter,
19 may interfere with, control, or otherwise direct the professional
20 judgment or ultimate clinical decision making of a licensed health
21 care provider employed by, affiliated with, or contracted with the
22 private establishment, who is providing care to a patient at the
23 private establishment, and who is acting within their scope of
24 practice.

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

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

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

34 (c) The clinical status of the patient, including whether the
35 patient should be admitted to inpatient status, whether the patient
36 should be kept in observation status, whether the patient should
37 receive palliative care, and whether and where the patient should be
38 referred upon discharge;

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

3 (e) The range of clinical orders available to a health care
4 provider for services available at the facility, including by
5 configuring the medical record to prohibit or significantly limit the
6 options available to the provider.

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

9 (a) Is necessary for a health care provider or private
10 establishment to comply with applicable state or federal laws, state
11 or federal coding guidelines, or third-party payor requirements; or

12 (b) A health care provider or private establishment must comply
13 with for purposes of credentialing, privileging, quality improvement,
14 peer review, action taken by a health care profession regulatory
15 authority, conditions set by the centers for medicare and medicaid
16 services, or the physician health program under chapter 18.71 RCW.

17 (4) For the purposes of this section, "health care profession"
18 means a profession licensed under Title 18 RCW to provide health care
19 services to humans.

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

22 (1) No person without a license to practice a health care
23 profession in this state, who is employed by, contracted with, or
24 affiliated with an ambulatory surgical facility licensed under this
25 chapter, may interfere with, control, or otherwise direct the
26 professional judgment or ultimate clinical decision making of a
27 licensed health care provider employed by, affiliated with, or
28 contracted with the ambulatory surgical facility, who is providing
29 care to a patient at the ambulatory surgical facility, and who is
30 acting within their scope of practice.

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

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

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

38 (c) The clinical status of the patient;

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

3 (e) The range of clinical orders available to a health care
4 provider for services available at the facility, including by
5 configuring the medical record to prohibit or significantly limit the
6 options available to the provider.

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

9 (a) Is necessary for a health care provider or ambulatory
10 surgical facility to comply with applicable state or federal laws,
11 state or federal coding guidelines, or third-party payor
12 requirements; or

13 (b) A health care provider or ambulatory surgical facility must
14 comply with for purposes of credentialing, privileging, quality
15 improvement, peer review, action taken by a health care profession
16 regulatory authority, conditions set by the centers for medicare and
17 medicaid services, or the physician health program under chapter
18 18.71 RCW.

19 (4) For the purposes of this section, "health care profession"
20 means a profession licensed under Title 18 RCW to provide health care
21 services to humans.

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

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

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

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

1 (a) Is necessary for a health care provider or nursing home to
2 comply with applicable state or federal laws, state or federal coding
3 guidelines, or third-party payor requirements; or

4 (b) A health care provider or nursing home must comply with for
5 purposes of credentialing, privileging, quality improvement, peer
6 review, action taken by a health care profession regulatory
7 authority, conditions set by the centers for medicare and medicaid
8 services, or the physician health program under chapter 18.71 RCW.

9 (4) For the purposes of this section, "health care profession"
10 means a profession licensed under Title 18 RCW to provide health care
11 services to humans.

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

14 (1) No person without a license to practice a health care
15 profession in this state, who is employed by, contracted with, or
16 affiliated with a birthing center licensed under this chapter, may
17 interfere with, control, or otherwise direct the professional
18 judgment or ultimate clinical decisions of a licensed health care
19 provider employed by, affiliated with, or contracted with the
20 birthing center, who is providing care to a patient in the birthing
21 center, and who is acting within their scope of practice.

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

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

30 (a) Is necessary for a health care provider or birthing center to
31 comply with applicable state or federal laws, state or federal coding
32 guidelines, or third-party payor requirements; or

33 (b) A health care provider or birthing center must comply with
34 for purposes of credentialing, privileging, quality improvement, peer
35 review, action taken by a health care profession regulatory
36 authority, conditions set by the centers for medicare and medicaid
37 services, or the physician health program under chapter 18.71 RCW.

1 (4) For the purposes of this section, "health care profession"
2 means a profession licensed under Title 18 RCW to provide health care
3 services to humans.

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

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

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

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

23 (a) Is necessary for a health care provider or in-home care
24 agency to comply with applicable state or federal laws, state or
25 federal coding guidelines, or third-party payor requirements; or

26 (b) A health care provider or in-home care agency must comply
27 with for purposes of credentialing, privileging, quality improvement,
28 peer review, action taken by a health care profession regulatory
29 authority, conditions set by the centers for medicare and medicaid
30 services, or the physician health program under chapter 18.71 RCW.

31 (4) For the purposes of this section, "health care profession"
32 means a profession licensed under Title 18 RCW to provide health care
33 services to humans.

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 ultimate clinical decisions of a licensed health care
3 provider employed by, affiliated with, or contracted with a
4 telemedicine-exclusive medical practice, and who is acting within
5 their scope of 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 for available services, including by configuring the medical
19 record to prohibit or significantly limit the options available to
20 the provider.

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

23 (a) Is necessary for a health care provider or telemedicine-
24 exclusive medical group to comply with applicable state or federal
25 laws, state or federal coding guidelines, or third-party payor
26 requirements; or

27 (b) A health care provider or telemedicine-exclusive medical
28 group must comply with for purposes of credentialing, privileging,
29 quality improvement, peer review, action taken by a health care
30 profession regulatory authority, conditions set by the centers for
31 medicare and medicaid services, or the physician health program under
32 chapter 18.71 RCW.

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

1 (b) Enforcement for purposes of this section is exclusive to the
2 attorney general, pursuant to RCW 19.86.080.

3 (5) For the purposes of this section:

4 (a) "Health care profession" means a profession licensed under
5 Title 18 RCW to provide health care services to humans.

6 (b) "Telemedicine-exclusive medical group" means an entity which
7 engages with patients exclusively through telemedicine as defined in
8 RCW 70.41.020 and does not offer in-person health care services.

9 NEW SECTION. **Sec. 9.** A new section is added to chapter 48.44
10 RCW to read as follows:

11 (1) No person without a license to practice a health care
12 profession in this state, who is employed by, contracted with, or
13 affiliated with a health care service contractor licensed under this
14 chapter that is organized as an integrated care delivery system that
15 delivers health care services on a prepaid basis, may interfere with,
16 control, or otherwise direct the professional judgment or ultimate
17 clinical decisions of a licensed health care provider employed by,
18 affiliated with, or contracted with the health care service
19 contractor, who is providing care to a patient at a facility operated
20 by the health care service contractor, and who is acting within their
21 scope of practice.

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

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

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

31 (c) The clinical status of the patient, including whether the
32 patient should be admitted to inpatient status, whether the patient
33 should be kept in observation status, whether the patient should
34 receive palliative care, and whether and where the patient should be
35 referred upon discharge, such as a skilled nursing facility;

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

38 (e) The range of clinical orders available to a health care
39 provider for services available at the facility, including by

1 configuring the medical record to prohibit or significantly limit the
2 options available to the provider.

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

5 (a) Is necessary for a health care provider or health care
6 service contractor to comply with applicable state or federal laws,
7 state or federal coding guidelines, or third-party payor
8 requirements; or

9 (b) A health care provider or health care service contractor must
10 comply with for purposes of credentialing, privileging, quality
11 improvement, peer review, action taken by a health care profession
12 regulatory authority, conditions set by the centers for medicare and
13 medicaid services, or the physician health program under chapter
14 18.71 RCW.

15 (4) For the purposes of this section, "health care profession"
16 means a profession licensed under Title 18 RCW to provide health care
17 services to humans.

18 NEW SECTION. **Sec. 10.** A new section is added to chapter 48.46
19 RCW to read as follows:

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

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

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

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

38 (c) The clinical status of the patient, including whether the
39 patient should be admitted to inpatient status, whether the patient

1 should be kept in observation status, whether the patient should
2 receive palliative care, and whether and where the patient should be
3 referred upon discharge, such as a skilled nursing facility;

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

6 (e) The range of clinical orders available to a health care
7 provider for services available at the facility, including by
8 configuring the medical record to prohibit or significantly limit the
9 options available to the provider.

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

12 (a) Is necessary for a health care provider or health maintenance
13 organization to comply with applicable state or federal laws, state
14 or federal coding guidelines, or third-party payor requirements; or

15 (b) A health care provider or health maintenance organization
16 must comply with for purposes of credentialing, privileging, quality
17 improvement, peer review, action taken by a health care profession
18 regulatory authority, conditions set by the centers for medicare and
19 medicaid services, or the physician health program under chapter
20 18.71 RCW.

21 (4) For the purposes of this section, "health care profession"
22 means a profession licensed under Title 18 RCW to provide health care
23 services to humans.

24 **Sec. 11.** RCW 18.130.180 and 2024 c 220 s 2 are each amended to
25 read as follows:

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

29 (1) The commission of any act involving moral turpitude,
30 dishonesty, or corruption relating to the practice of the person's
31 profession, whether the act constitutes a crime or not. If the act
32 constitutes a crime, conviction in a criminal proceeding is not a
33 condition precedent to disciplinary action. Upon such a conviction,
34 however, the judgment and sentence is conclusive evidence at the
35 ensuing disciplinary hearing of the guilt of the license holder of
36 the crime described in the indictment or information, and of the
37 person's violation of the statute on which it is based. For the
38 purposes of this section, conviction includes all instances in which
39 a plea of guilty or nolo contendere is the basis for the conviction

1 and all proceedings in which the sentence has been deferred or
2 suspended. Nothing in this section abrogates rights guaranteed under
3 chapter 9.96A RCW;

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

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

7 (4) Incompetence, negligence, or malpractice which results in
8 injury to a patient or which creates an unreasonable risk that a
9 patient may be harmed. The use of a nontraditional treatment by
10 itself shall not constitute unprofessional conduct, provided that it
11 does not result in injury to a patient or create an unreasonable risk
12 that a patient may be harmed;

13 (5) Suspension, revocation, or restriction of the individual's
14 license to practice any health care profession by competent authority
15 in any state, federal, or foreign jurisdiction, a certified copy of
16 the order, stipulation, or agreement being conclusive evidence of the
17 revocation, suspension, or restriction;

18 (6) The possession, use, prescription for use, or distribution of
19 controlled substances or legend drugs in any way other than for
20 legitimate or therapeutic purposes, diversion of controlled
21 substances or legend drugs, the violation of any drug law, or
22 prescribing controlled substances for oneself;

23 (7) Violation of any state or federal statute or administrative
24 rule regulating the profession in question, including any statute or
25 rule defining or establishing standards of patient care or
26 professional conduct or practice;

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

28 (a) Not furnishing any papers, documents, records, or other
29 items;

30 (b) Not furnishing in writing a full and complete explanation
31 covering the matter contained in the complaint filed with the
32 disciplining authority;

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

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

- 1 (9) Failure to comply with an order issued by the disciplining
2 authority or a stipulation for informal disposition entered into with
3 the disciplining authority;
- 4 (10) Aiding or abetting an unlicensed person to practice when a
5 license is required;
- 6 (11) Violations of rules established by any health agency;
- 7 (12) Practice beyond the scope of practice as defined by law or
8 rule;
- 9 (13) Misrepresentation or fraud in any aspect of the conduct of
10 the business or profession;
- 11 (14) Failure to adequately supervise auxiliary staff to the
12 extent that the consumer's health or safety is at risk;
- 13 (15) Engaging in a profession involving contact with the public
14 while suffering from a contagious or infectious disease involving
15 serious risk to public health;
- 16 (16) Promotion for personal gain of any unnecessary or
17 inefficacious drug, device, treatment, procedure, or service;
- 18 (17) Conviction of any gross misdemeanor or felony relating to
19 the practice of the person's profession. For the purposes of this
20 subsection, conviction includes all instances in which a plea of
21 guilty or nolo contendere is the basis for conviction and all
22 proceedings in which the sentence has been deferred or suspended.
23 Nothing in this section abrogates rights guaranteed under chapter
24 9.96A RCW;
- 25 (18) The offering, undertaking, or agreeing to cure or treat
26 disease by a secret method, procedure, treatment, or medicine, or the
27 treating, operating, or prescribing for any health condition by a
28 method, means, or procedure which the licensee refuses to divulge
29 upon demand of the disciplining authority;
- 30 (19) The willful betrayal of a practitioner-patient privilege as
31 recognized by law;
- 32 (20) Violation of chapter 19.68 RCW or a pattern of violations of
33 RCW 41.05.700(8), 48.43.735(8), 48.49.020, 48.49.030, 71.24.335(8),
34 or 74.09.325(8);
- 35 (21) Interference with an investigation or disciplinary
36 proceeding by willful misrepresentation of facts before the
37 disciplining authority or its authorized representative, or by the
38 use of threats or harassment against any patient or witness to
39 prevent them from providing evidence in a disciplinary proceeding or
40 any other legal action, or by the use of financial inducements to any

1 patient or witness to prevent or attempt to prevent him or her from
2 providing evidence in a disciplinary proceeding;

3 (22) Current misuse of:

4 (a) Alcohol;

5 (b) Controlled substances; or

6 (c) Legend drugs;

7 (23) Abuse of a client or patient or sexual contact with a client
8 or patient;

9 (24) Acceptance of more than a nominal gratuity, hospitality, or
10 subsidy offered by a representative or vendor of medical or health-
11 related products or services intended for patients, in contemplation
12 of a sale or for use in research publishable in professional
13 journals, where a conflict of interest is presented, as defined by
14 rules of the disciplining authority, in consultation with the
15 department, based on recognized professional ethical standards;

16 (25) Violation of RCW 18.130.420;

17 (26) Performing conversion therapy on a patient under age
18 eighteen;

19 (27) Violation of any provision of sections 1 through 10 of this
20 act;

21 (28) Violation of RCW 18.130.430;

22 ~~((28))~~ (29) Violation of RCW 18.130.460; or

23 ~~((29))~~ (30) Implanting the license holder's own gametes or
24 reproductive material into a patient.

25 **Sec. 12.** RCW 18.130.190 and 2003 c 53 s 141 are each amended to
26 read as follows:

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

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

33 (2) The secretary may issue a notice of intention to issue a
34 cease and desist order to any person whom the secretary has reason to
35 believe is engaged in the unlicensed practice of a profession or
36 business for which a license is required by the chapters specified in
37 RCW 18.130.040. The person to whom such notice is issued may request
38 an adjudicative proceeding to contest the charges. The request for
39 hearing must be filed within twenty days after service of the notice

1 of intention to issue a cease and desist order. The failure to
2 request a hearing constitutes a default, whereupon the secretary may
3 enter a permanent cease and desist order, which may include a civil
4 fine. All proceedings shall be conducted in accordance with chapter
5 34.05 RCW.

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

14 (4) If the secretary makes a written finding of fact that the
15 public interest will be irreparably harmed by delay in issuing an
16 order, the secretary may issue a temporary cease and desist order.
17 The person receiving a temporary cease and desist order shall be
18 provided an opportunity for a prompt hearing. The temporary cease and
19 desist order shall remain in effect until further order of the
20 secretary. The failure to request a prompt or regularly scheduled
21 hearing constitutes a default, whereupon the secretary may enter a
22 permanent cease and desist order, which may include a civil fine.

23 (5) Neither the issuance of a cease and desist order nor payment
24 of a civil fine shall relieve the person so practicing or operating a
25 business without a license from criminal prosecution therefor, but
26 the remedy of a cease and desist order or civil fine shall be in
27 addition to any criminal liability. The cease and desist order is
28 conclusive proof of unlicensed practice and may be enforced under RCW
29 7.21.060. This method of enforcement of the cease and desist order or
30 civil fine may be used in addition to, or as an alternative to, any
31 provisions for enforcement of agency orders set out in chapter 34.05
32 RCW.

33 (6) The attorney general, a county prosecuting attorney, the
34 secretary, a board, or any person may in accordance with the laws of
35 this state governing injunctions, maintain an action in the name of
36 this state to enjoin any person practicing a profession or business
37 for which a license is required by the chapters specified in RCW
38 18.130.040 without a license from engaging in such practice or
39 operating such business until the required license is secured.
40 However, the injunction shall not relieve the person so practicing or

1 operating a business without a license from criminal prosecution
2 therefor, but the remedy by injunction shall be in addition to any
3 criminal liability.

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

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

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

14 NEW SECTION. **Sec. 13.** A new section is added to chapter 18.71
15 RCW to read as follows:

16 Upon application for a license or license renewal, an applicant
17 must attest, in a form and manner determined by the commission, that
18 they are aware of regulations related to the corporate practice of
19 health care included in sections 1 through 10 of this act.

20 NEW SECTION. **Sec. 14.** A new section is added to chapter 18.57
21 RCW to read as follows:

22 Upon application for a license or license renewal, an applicant
23 must attest, in a form and manner determined by the board, that they
24 are aware of regulations related to the corporate practice of health
25 care included in sections 1 through 10 of this act.

26 NEW SECTION. **Sec. 15.** A new section is added to chapter 18.79
27 RCW to read as follows:

28 Upon application for a license or license renewal, an applicant
29 for a registered nurse, advanced practice registered nurse, or
30 licensed practical nurse license must attest, in a form and manner
31 determined by the board, that they are aware of regulations related
32 to the corporate practice of health care included in sections 1
33 through 10 of this act.

34 NEW SECTION. **Sec. 16.** A new section is added to chapter 18.06
35 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 secretary, that
3 they are aware of regulations related to the corporate practice of
4 health care included in sections 1 through 10 of this act.

5 NEW SECTION. **Sec. 17.** A new section is added to chapter 18.225
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 secretary, that
9 they are aware of regulations related to the corporate practice of
10 health care included in sections 1 through 10 of this act.

11 NEW SECTION. **Sec. 18.** A new section is added to chapter 18.22
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 board, that they
15 are aware of regulations related to the corporate practice of health
16 care included in sections 1 through 10 of this act.

17 NEW SECTION. **Sec. 19.** A new section is added to chapter 18.25
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 commission, that
21 they are aware of regulations related to the corporate practice of
22 health care included in sections 1 through 10 of this act.

23 NEW SECTION. **Sec. 20.** A new section is added to chapter 18.32
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 commission, that
27 they are aware of regulations related to the corporate practice of
28 health care included in sections 1 through 10 of this act.

29 NEW SECTION. **Sec. 21.** A new section is added to chapter 18.29
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 secretary, that
33 they are aware of regulations related to the corporate practice of
34 health care included in sections 1 through 10 of this act.

1 NEW SECTION. **Sec. 22.** A new section is added to chapter 18.36A
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 health
6 care included in sections 1 through 10 of this act.

7 NEW SECTION. **Sec. 23.** A new section is added to chapter 18.50
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 secretary, that
11 they are aware of regulations related to the corporate practice of
12 health care included in sections 1 through 10 of this act.

13 NEW SECTION. **Sec. 24.** A new section is added to chapter 18.53
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 board, that they
17 are aware of regulations related to the corporate practice of health
18 care included in sections 1 through 10 of this act.

19 NEW SECTION. **Sec. 25.** A new section is added to chapter 18.55
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 secretary, that
23 they are aware of regulations related to the corporate practice of
24 health care included in sections 1 through 10 of this act.

25 NEW SECTION. **Sec. 26.** A new section is added to chapter 18.59
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 health
30 care included in sections 1 through 10 of this act.

31 NEW SECTION. **Sec. 27.** A new section is added to chapter 18.64
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 commission, that

1 they are aware of regulations related to the corporate practice of
2 health care included in sections 1 through 10 of this act.

3 NEW SECTION. **Sec. 28.** A new section is added to chapter 18.71A
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 commission, that
7 they are aware of regulations related to the corporate practice of
8 health care included in sections 1 through 10 of this act.

9 NEW SECTION. **Sec. 29.** A new section is added to chapter 18.74
10 RCW to read as follows:

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

15 NEW SECTION. **Sec. 30.** A new section is added to chapter 18.83
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 board, that they
19 are aware of regulations related to the corporate practice of health
20 care included in sections 1 through 10 of this act.

21 NEW SECTION. **Sec. 31.** A new section is added to chapter 18.108
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 board, that they
25 are aware of regulations related to the corporate practice of health
26 care included in sections 1 through 10 of this act.

27 NEW SECTION. **Sec. 32.** A new section is added to chapter 18.138
28 RCW to read as follows:

29 Upon application for certification or certification renewal, an
30 applicant must attest, in a form and manner determined by the
31 secretary, that they are aware of regulations related to the
32 corporate practice of health care included in sections 1 through 10
33 of this act.

1 NEW SECTION. **Sec. 33.** A new section is added to chapter 18.205
2 RCW to read as follows:

3 Upon application for certification or certification renewal, an
4 applicant must attest, in a form and manner determined by the
5 secretary, that they are aware of regulations related to the
6 corporate practice of health care included in sections 1 through 10
7 of this act.

8 NEW SECTION. **Sec. 34.** A new section is added to chapter 18.290
9 RCW to read as follows:

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

14 **Sec. 35.** RCW 19.100.120 and 2011 c 336 s 559 are each amended to
15 read as follows:

16 The director may issue a stop order denying effectiveness to or
17 suspending or revoking the effectiveness of any registration
18 statement if he or she finds that the order is in the public interest
19 and that:

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

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

28 (a) The person filing the registration statement but only if such
29 person is directly or indirectly controlled by or acting for the
30 franchisor; or

31 (b) The franchisor, any partner, officer, or director of a
32 franchisor, or any person occupying a similar status or performing
33 similar functions or any person directly or indirectly controlling or
34 controlled by the franchisor.

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

1 (a) Institute a proceeding against an effective registration
2 statement under this clause more than one year from the date of the
3 injunctive relief thereon unless the injunction is thereafter
4 violated; and

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

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

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

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

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

20 NEW SECTION. **Sec. 36.** This act takes effect January 1, 2027.

--- END ---