
SENATE BILL 5493

State of Washington

69th Legislature

2025 Regular Session

By Senators Riccelli, Robinson, Conway, Nobles, Ramos, Stanford, Valdez, and C. Wilson

Read first time 01/24/25. Referred to Committee on Health & Long-Term Care.

1 AN ACT Relating to hospital price transparency; amending RCW
2 70.01.030, 70.41.130, and 70.41.250; adding a new chapter to Title 70
3 RCW; and providing an effective date.

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

5 NEW SECTION. **Sec. 1.** The definitions in this section apply
6 throughout this chapter unless the context clearly requires
7 otherwise.

8 (1) "Department" means the department of health.

9 (2) "Hospital" means a hospital licensed under chapter 70.41 RCW.

10 (3) "Item or service" means an item or service, including
11 individual items and services and service packages, that could be
12 provided by a hospital to a patient in connection with an inpatient
13 admission or an outpatient department visit for which the hospital
14 has established a standard charge, including any of the following:

15 (a) A supply or procedure;

16 (b) Room and board;

17 (c) The use of the hospital or other item, which is generally
18 described as a facility fee;

19 (d) The service of a health care practitioner, which is generally
20 described as a professional fee; or

1 (e) Any other item or service for which a hospital has
2 established a standard charge.

3 (4) "Machine-readable format" means a digital representation of
4 information in a file that can be easily imported or read into a
5 computer system for further processing without any additional
6 preparation.

7 (5) "Shoppable service" means a service that may be scheduled by
8 an individual in advance.

9 (6) "Third-party payor" means an entity that is legally
10 responsible for payment of a claim for a hospital item or service.

11 NEW SECTION. **Sec. 2.** (1) By July 1, 2027, hospitals shall
12 publish all data and comply with all rules related to hospital price
13 transparency pursuant to 45 C.F.R. Part 180, subparts A and B, as
14 they existed on January 1, 2025.

15 (2)(a) Beginning July 1, 2027, hospitals shall submit the most
16 recent machine-readable file containing a list of all standard
17 charges for all hospital items or services and the most recent
18 consumer-friendly list of standard charges for a limited set of
19 shoppable services, as required in federal rule, to the department at
20 least once a year.

21 (b) If at any time, a charge for an item or service included in
22 the lists submitted to the department pursuant to (a) of this
23 subsection increases by more than 20 percent, a hospital shall submit
24 an updated list to the department within 30 days of the increase.

25 NEW SECTION. **Sec. 3.** (1)(a) The department shall evaluate
26 whether a hospital has complied with the requirements of this
27 chapter.

28 (b) To monitor and assess hospital compliance with this chapter,
29 the department may:

30 (i) Evaluate complaints made by individuals or entities to the
31 department pursuant to section 4 of this act;

32 (ii) Review individuals' or entities' analysis of noncompliance;

33 (iii) Conduct audits and comprehensive reviews;

34 (iv) Confirm that each hospital submitted the lists required by
35 section 2 of this act;

36 (v) Require submission of certification by an authorized hospital
37 official as to the accuracy and completeness of the standard charge
38 information in the machine-readable files; and

1 (vi) Require submission of additional documentation as may be
2 necessary to make a determination of hospital compliance.

3 (2) The department shall make all reports and lists available on
4 its publicly accessible internet website within 60 days of receipt of
5 each report.

6 (3) (a) Upon determining that a hospital has violated the
7 provisions of this chapter or the rules adopted under this chapter,
8 the department may take administrative action in accordance with the
9 provisions of RCW 70.41.130.

10 (b) The department may consult with the office of the attorney
11 general and the office of the insurance commissioner, as applicable,
12 regarding violations for which the office of the attorney general or
13 the office of the insurance commissioner has jurisdiction and may
14 refer those violations to the appropriate agency as necessary.

15 NEW SECTION. **Sec. 4.** The department shall establish an
16 electronic form for individuals to submit complaints for alleged
17 violations of this chapter. The department shall post the electronic
18 form on its publicly accessible internet website. The department
19 shall also accept complaints via a department customer service
20 telephone number. The department may refer complaints related to the
21 consumer protection act to the office of the attorney general.

22 NEW SECTION. **Sec. 5.** By January 1, 2028, the department shall
23 develop a tool to allow individuals to search hospital data submitted
24 pursuant to this chapter and compare charges and shoppable services
25 among hospitals.

26 NEW SECTION. **Sec. 6.** (1) Except as provided under subsection
27 (4) of this section, a hospital that is in violation of the
28 requirements of this chapter on the date when an item or service is
29 purchased from or provided to a patient by the hospital may not
30 initiate or pursue a collection action against the patient or patient
31 guarantor for a debt owed for the item or service.

32 (2) If a patient believes that a hospital is in violation of the
33 requirements of this chapter on the date when an item or service is
34 purchased from or provided to the patient and the hospital takes a
35 collection action against the patient or patient guarantor, the
36 patient or patient guarantor may initiate a civil action in a court
37 of competent jurisdiction to determine if the hospital is not in

1 material compliance with this chapter and the noncompliance is
2 related to the item or service. The hospital may not take a
3 collection action against the patient or patient guarantor or submit
4 a report to a patient's or patient guarantor's credit report while
5 the civil action is pending.

6 (3) If a judge or jury finds a hospital to be materially out of
7 compliance with the requirements of this chapter, the hospital shall:

8 (a) Refund the payor any amount of the debt the payor has paid
9 and pay a penalty to the patient or patient guarantor in an amount
10 equal to the total amount of the debt;

11 (b) Dismiss or cause to be dismissed with prejudice a civil
12 action under subsection (2) of this section and pay any attorney fees
13 and costs incurred by the patient or patient guarantor relating to
14 the action; and

15 (c) Remove or cause to be removed from the patient's or patient
16 guarantor's credit report a report made to a consumer reporting
17 agency relating to the debt.

18 (4) Nothing in this section shall be construed to:

19 (a) Prohibit a hospital from billing a patient, patient
20 guarantor, or third-party payor, including a health insurer, for an
21 item or service provided to the patient in a manner that is not in
22 violation of this chapter; or

23 (b) Require a hospital to refund a payment made to the hospital
24 for an item or service provided to the patient if no collection
25 action is taken in violation of this chapter.

26 (5) The definitions in this subsection apply throughout this
27 section unless the context clearly requires otherwise.

28 (a) "Collection action" means any of the following actions taken
29 with respect to a debt for an item or service that was purchased from
30 or provided to a patient by a hospital on a date during which the
31 hospital was not in material compliance with this chapter:

32 (i) Attempting to collect a debt from a patient or patient
33 guarantor by referring the debt, directly or indirectly, to a
34 collection agency or other third party retained by or on behalf of
35 the hospital;

36 (ii) Suing the patient or patient guarantor or enforcing an
37 arbitration or mediation clause in a hospital document, including any
38 contract, agreement, statement, or bill; or

39 (iii) Directly or indirectly causing a report to be made to a
40 consumer reporting agency.

1 (b) "Collection agency" has the same meaning as provided in RCW
2 19.16.100.

3 (c) "Consumer reporting agency" has the same meaning as provided
4 in RCW 19.182.010.

5 NEW SECTION. **Sec. 7.** The department may adopt rules necessary
6 to implement this chapter.

7 **Sec. 8.** RCW 70.01.030 and 2009 c 529 s 1 are each amended to
8 read as follows:

9 (1) Health care providers licensed under Title 18 RCW and health
10 care facilities licensed under Title 70 RCW shall provide the
11 following to a patient upon request:

12 (a) An estimate of fees and charges related to a specific
13 service, visit, or stay; and

14 (b) Information regarding other types of fees or charges a
15 patient may receive in conjunction with their visit to the provider
16 or facility. Hospitals licensed under chapter 70.41 RCW may fulfill
17 this requirement by providing a statement and contact information as
18 described in RCW 70.41.400 and directing the patient toward hospital
19 charge information published by the hospital in accordance with
20 chapter 70.--- RCW (the new chapter created in section 11 of this
21 act).

22 (2) Providers and facilities listed in subsection (1) of this
23 section may, after disclosing estimated charges and fees to a
24 patient, refer the patient to the patient's insurer, if applicable,
25 for specific information on the insurer's charges and fees, any cost-
26 sharing responsibilities required of the patient, and the network
27 status of ancillary providers who may or may not share the same
28 network status as the provider or facility.

29 (3) Except for hospitals licensed under chapter 70.41 RCW,
30 providers and facilities listed in subsection (1) of this section
31 shall post a sign in patient registration areas containing at least
32 the following language: "Information about the estimated charges of
33 your health services is available upon request. Please do not
34 hesitate to ask for information."

35 **Sec. 9.** RCW 70.41.130 and 2023 c 114 s 7 are each amended to
36 read as follows:

1 (1) The department is authorized to take any of the actions
2 identified in this section against a hospital's license or
3 provisional license in any case in which it finds that there has been
4 a failure or refusal to comply with the requirements of this chapter
5 or the standards or rules adopted under this chapter (~~(e)~~), the
6 requirements of RCW 71.34.375 on the basis of findings by the
7 department of labor and industries under RCW 70.41.425(6) (b), the
8 requirements of chapter 70.--- RCW (the new chapter created in
9 section 11 of this act), or the standards or rules adopted under
10 chapter 70.--- RCW (the new chapter created in section 11 of this
11 act).

12 (a) When the department determines the hospital has previously
13 been subject to an enforcement action for the same or similar type of
14 violation of the same statute or rule, or has been given any previous
15 statement of deficiency that included the same or similar type of
16 violation of the same or similar statute or rule, or when the
17 hospital failed to correct noncompliance with a statute or rule by a
18 date established or agreed to by the department, the department may
19 impose reasonable conditions on a license. Conditions may include
20 correction within a specified amount of time, training, or hiring a
21 department-approved consultant if the hospital cannot demonstrate to
22 the department that it has access to sufficient internal expertise.
23 If the department determines that the violations constitute immediate
24 jeopardy, the conditions may be imposed immediately in accordance
25 with subsection (3) of this section.

26 (b) (i) In accordance with the authority the department has under
27 RCW 43.70.095, the department may assess a civil fine of up to
28 \$10,000 per violation, not to exceed a total fine of \$1,000,000, on a
29 hospital licensed under this chapter when the department determines
30 the hospital has previously been subject to an enforcement action for
31 the same or similar type of violation of the same statute or rule, or
32 has been given any previous statement of deficiency that included the
33 same or similar type of violation of the same or similar statute or
34 rule, or when the hospital failed to correct noncompliance with a
35 statute or rule by a date established or agreed to by the department.

36 (ii) Proceeds from these fines may only be used by the department
37 to offset costs associated with licensing hospitals.

38 (iii) The department shall adopt in rules under this chapter
39 specific fine amounts in relation to:

1 (A) The severity of the noncompliance and at an adequate level to
2 be a deterrent to future noncompliance; and

3 (B) The number of licensed beds and the operation size of the
4 hospital. The licensed hospital beds will be categorized as:

5 (I) Up to 25 beds;

6 (II) 26 to 99 beds;

7 (III) 100 to 299 beds; and

8 (IV) 300 beds or greater.

9 (iv) If a licensee is aggrieved by the department's action of
10 assessing civil fines, the licensee has the right to appeal under RCW
11 43.70.095.

12 (c) The department may suspend a specific category or categories
13 of services or care or recovery units within the hospital as related
14 to the violation by imposing a limited stop service. This may only be
15 done if the department finds that noncompliance results in immediate
16 jeopardy.

17 (i) Prior to imposing a limited stop service, the department
18 shall provide a hospital written notification upon identifying
19 deficient practices or conditions that constitute an immediate
20 jeopardy, and upon the review and approval of the notification by the
21 secretary or the secretary's designee. The hospital shall have 24
22 hours from notification to develop and implement a department-
23 approved plan to correct the deficient practices or conditions that
24 constitute an immediate jeopardy. If the deficient practice or
25 conditions that constitute immediate jeopardy are not verified by the
26 department as having been corrected within the same 24 hour period,
27 the department may issue the limited stop service.

28 (ii) When the department imposes a limited stop service, the
29 hospital may not admit any new patients to the units in the category
30 or categories subject to the limited stop service until the limited
31 stop service order is terminated.

32 (iii) The department shall conduct a follow-up inspection within
33 five business days or within the time period requested by the
34 hospital if more than five business days is needed to verify the
35 violation necessitating the limited stop service has been corrected.

36 (iv) The limited stop service shall be terminated when:

37 (A) The department verifies the violation necessitating the
38 limited stop service has been corrected or the department determines
39 that the hospital has taken intermediate action to address the
40 immediate jeopardy; and

1 (B) The hospital establishes the ability to maintain correction
2 of the violation previously found deficient.

3 (d) The department may suspend new admissions to the hospital by
4 imposing a stop placement. This may only be done if the department
5 finds that noncompliance results in immediate jeopardy and is not
6 confined to a specific category or categories of patients or a
7 specific area of the hospital.

8 (i) Prior to imposing a stop placement, the department shall
9 provide a hospital written notification upon identifying deficient
10 practices or conditions that constitute an immediate jeopardy, and
11 upon the review and approval of the notification by the secretary or
12 the secretary's designee. The hospital shall have 24 hours from
13 notification to develop and implement a department-approved plan to
14 correct the deficient practices or conditions that constitute an
15 immediate jeopardy. If the deficient practice or conditions that
16 constitute immediate jeopardy are not verified by the department as
17 having been corrected within the same 24 hour period, the department
18 may issue the stop placement.

19 (ii) When the department imposes a stop placement, the hospital
20 may not admit any new patients until the stop placement order is
21 terminated.

22 (iii) The department shall conduct a follow-up inspection within
23 five business days or within the time period requested by the
24 hospital if more than five business days is needed to verify the
25 violation necessitating the stop placement has been corrected.

26 (iv) The stop placement order shall be terminated when:

27 (A) The department verifies the violation necessitating the stop
28 placement has been corrected or the department determines that the
29 hospital has taken intermediate action to address the immediate
30 jeopardy; and

31 (B) The hospital establishes the ability to maintain correction
32 of the violation previously found deficient.

33 (e) The department may deny an application for a license or
34 suspend, revoke, or refuse to renew a license.

35 (2) The department shall adopt in rules under this chapter a fee
36 methodology that includes funding expenditures to implement
37 subsection (1) of this section. The fee methodology must consider:

38 (a) The operational size of the hospital; and

39 (b) The number of licensed beds of the hospital.

1 (3) (a) Except as otherwise provided, RCW 43.70.115 governs notice
2 of actions taken by the department under subsection (1) of this
3 section and provides the right to an adjudicative proceeding.
4 Adjudicative proceedings and hearings under this section are governed
5 by the administrative procedure act, chapter 34.05 RCW. The
6 application for an adjudicative proceeding must be in writing, state
7 the basis for contesting the adverse action, including a copy of the
8 department's notice, be served on and received by the department
9 within 28 days of the licensee's receipt of the adverse notice, and
10 be served in a manner that shows proof of receipt.

11 (b) When the department determines a licensee's noncompliance
12 results in immediate jeopardy, the department may make the imposition
13 of conditions on a licensee, a limited stop placement, stop
14 placement, or the suspension of a license effective immediately upon
15 receipt of the notice by the licensee, pending any adjudicative
16 proceeding.

17 (i) When the department makes the suspension of a license or
18 imposition of conditions on a license effective immediately, a
19 licensee is entitled to a show cause hearing before a presiding
20 officer within 14 days of making the request. The licensee must
21 request the show cause hearing within 28 days of receipt of the
22 notice of immediate suspension or immediate imposition of conditions.
23 At the show cause hearing the department has the burden of
24 demonstrating that more probably than not there is an immediate
25 jeopardy.

26 (ii) At the show cause hearing, the presiding officer may
27 consider the notice and documents supporting the immediate suspension
28 or immediate imposition of conditions and the licensee's response and
29 must provide the parties with an opportunity to provide documentary
30 evidence and written testimony, and to be represented by counsel.
31 Prior to the show cause hearing, the department must provide the
32 licensee with all documentation that supports the department's
33 immediate suspension or imposition of conditions.

34 (iii) If the presiding officer determines there is no immediate
35 jeopardy, the presiding officer may overturn the immediate suspension
36 or immediate imposition of conditions.

37 (iv) If the presiding officer determines there is immediate
38 jeopardy, the immediate suspension or immediate imposition of
39 conditions shall remain in effect pending a full hearing.

1 (v) If the presiding officer sustains the immediate suspension or
2 immediate imposition of conditions, the licensee may request an
3 expedited full hearing on the merits of the department's action. A
4 full hearing must be provided within 90 days of the licensee's
5 request.

6 **Sec. 10.** RCW 70.41.250 and 1993 c 492 s 265 are each amended to
7 read as follows:

8 (1) The legislature finds that the spiraling costs of health care
9 continue to surmount efforts to contain them, increasing at
10 approximately twice the inflationary rate. The causes of this
11 phenomenon are complex. By making physicians and other health care
12 providers with hospital admitting privileges more aware of the cost
13 consequences of health care services for consumers, these providers
14 may be inclined to exercise more restraint in providing only the most
15 relevant and cost-beneficial hospital services, with a potential for
16 reducing the utilization of those services. The requirement of the
17 hospital to inform physicians and other health care providers of the
18 charges of the health care services that they order may have a
19 positive effect on containing health costs. Further, the option of
20 the physician or other health care provider to inform the patient of
21 these charges may strengthen the necessary dialogue in the provider-
22 patient relationship that tends to be diminished by intervening
23 third-party payers.

24 (2) The chief executive officer of a hospital licensed under this
25 chapter and the superintendent of a state hospital shall establish
26 and maintain a procedure for disclosing to physicians and other
27 health care providers with admitting privileges the charges of all
28 health care services ordered for their patients. Copies of hospital
29 charges shall be made available to any physician and/or other health
30 care provider ordering care in hospital inpatient/outpatient
31 services. The physician and/or other health care provider may inform
32 the patient of these charges and may specifically review them.
33 Hospitals are also directed to study methods for making daily charges
34 available to prescribing physicians through the use of interactive
35 software and/or computerized information, including standard charge
36 information published in accordance with chapter 70.--- RCW (the new
37 chapter created in section 11 of this act), thereby allowing
38 physicians and other health care providers to review not only the

1 costs of present and past services but also future contemplated costs
2 for additional diagnostic studies and therapeutic medications.

3 NEW SECTION. **Sec. 11.** Sections 1 through 7 of this act
4 constitute a new chapter in Title 70 RCW.

5 NEW SECTION. **Sec. 12.** This act takes effect January 1, 2027.

--- END ---