

CERTIFICATION OF ENROLLMENT

SUBSTITUTE SENATE BILL 5579

Chapter 389, Laws of 2025

69th Legislature
2025 Regular Session

HEALTH CARRIERS AND PROVIDERS—PUBLIC STATEMENTS ON CONTRACT
TERMINATIONS

EFFECTIVE DATE: July 27, 2025

Passed by the Senate April 21, 2025
Yeas 47 Nays 1

JOHN LOVICK

President of the Senate

Passed by the House April 10, 2025
Yeas 95 Nays 0

LAURIE JINKINS

**Speaker of the House of
Representatives**

Approved May 20, 2025 10:53 AM

BOB FERGUSON

Governor of the State of Washington

CERTIFICATE

I, Sarah Bannister, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE BILL 5579** as passed by the Senate and the House of Representatives on the dates hereon set forth.

SARAH BANNISTER

Secretary

FILED

May 21, 2025

**Secretary of State
State of Washington**

SUBSTITUTE SENATE BILL 5579

AS AMENDED BY THE HOUSE

Passed Legislature - 2025 Regular Session

State of Washington

69th Legislature

2025 Regular Session

By Senate Health & Long-Term Care (originally sponsored by Senators Cleveland, Muzzall, and Valdez)

READ FIRST TIME 02/21/25.

1 AN ACT Relating to prohibiting health carriers, facilities, and
2 providers from making any public statements of any potential or
3 planned contract terminations unless it satisfies a legal obligation;
4 amending RCW 18.130.180, 70.41.510, 70.42.162, 70.230.210, 18.46.050,
5 70.127.170, 71.24.910, and 71.12.710; reenacting and amending RCW
6 41.05.017; adding a new section to chapter 48.43 RCW; and creating a
7 new section.

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

9 NEW SECTION. **Sec. 1.** The legislature finds that public
10 communications and notices to health plan members by carriers, health
11 care providers, or health care facilities during contract
12 negotiations have created concerns for enrollees, patients, and
13 affected communities. Therefore, the legislature intends to provide
14 consistent policies for communication with enrollees and affected
15 communities regarding potential contract terminations.

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

18 (1) In the case of a provider contract that is expiring by its
19 own terms or for which one party has given notice to the other party
20 of an intended termination without cause in accordance with the terms

1 of the provider contract, neither the health care provider, the
2 health care facility, any health care provider employed by,
3 contracted with, or otherwise affiliated with the facility, nor the
4 carrier may make or cause to be made public statements, including by
5 directly communicating with impacted health plan enrollees and
6 patients, regarding such expiration or termination until 45 days
7 prior to the termination date, unless: (a) The disclosure is required
8 to satisfy a specific legal obligation; or (b) the expiration or
9 termination has already been disclosed publicly because of a legal
10 obligation. Communications exclusively with the governor,
11 legislators, or state agency staff regarding a potential or intended
12 contract termination do not constitute a public statement.

13 (2) Nothing in this section requires a carrier, health care
14 facility, or health care provider to provide notice of a potential
15 termination to enrollees, unless required to do so as a regulatory or
16 legal requirement.

17 (3) Public statements or communication with health plan enrollees
18 or patients by a carrier, health care facility, or health care
19 provider may not occur prior to the date the carrier, health care
20 facility, or health care provider has given written notice of the
21 termination to the other party, unless agreed upon by both parties.

22 (4)(a) By December 1, 2025, the commissioner, in consultation
23 with health carriers, health care providers, health care facilities,
24 and consumers, must develop standard template language for notices
25 sent to health plan enrollees and patients by health carriers, health
26 care providers, or health care facilities pursuant to this section.
27 The standard template language must be posted on the commissioner's
28 website.

29 (b) Notices developed pursuant to this section must include, at a
30 minimum:

31 (i) A reference to the specific facility or facilities by name
32 that would be affected by the potential contract termination or
33 expiration and an indication of whether the potential termination or
34 expiration would apply to hospital-based providers;

35 (ii) Direction to enrollees related to appointments that are
36 scheduled past the date of the potential contract termination or
37 expiration date; and

38 (iii) Information concerning the enrollee's continuity of care
39 rights pursuant to the federal no surprises act, 42 U.S.C. Sec.
40 300gg-111.

1 (c) Notices sent to enrollees or patients that solely utilize the
2 template language developed pursuant to this section are not subject
3 to review or approval. Notices to enrollees or patients that do not
4 utilize the template language in full, or add to or revise the
5 language of the template developed pursuant to this section, must be
6 reviewed and approved by the commissioner before being used in any
7 manner.

8 (5) By January 1, 2027, the requirements of this section must be
9 included in all provider contracts. The commissioner must develop
10 template language for inclusion in provider contracts by rule.

11 (6)(a) The commissioner is authorized to enforce the provisions
12 of this act related to carriers on or after January 1, 2026. In
13 addition to the enforcement actions authorized under RCW 48.02.080,
14 the commissioner may impose a civil monetary penalty in an amount not
15 to exceed \$100 for each day that a notice has been sent to enrollees
16 in advance of the 45-day period established in subsection (1) of this
17 section for each enrollee to whom the notice has been sent.

18 (b) If the commissioner has cause to believe that any health care
19 provider or health care facility has violated this section, the
20 commissioner may submit information to the department of health,
21 another appropriate health care facility licensing entity, or the
22 appropriate health profession disciplining authority for action. The
23 commissioner may provide the health care provider or health care
24 facility with an opportunity to explain why the actions in question
25 did not violate this section.

26 (c) If any health care provider or health care facility violates
27 this section, the department of health, other appropriate health care
28 facility licensing entity, or the appropriate health profession
29 disciplining authority may levy a fine or cost recovery upon the
30 health care provider or health care facility in an amount not to
31 exceed the applicable statutory amount per violation and take other
32 action as permitted under the authority of the department of health
33 or disciplining authority. Upon completion of its review of any
34 potential violation submitted by the commissioner, the department of
35 health or the disciplining authority shall notify the commissioner of
36 the results of the review, including whether the violation was
37 substantiated and any enforcement action taken as a result of a
38 finding of a substantiated violation.

39 (7) For the purposes of this section, "provider contract" means a
40 written contract between a carrier and a health care provider or

1 health care facility, as they are defined in RCW 48.43.005, for any
2 health care services rendered to an enrollee.

3 (8) This section does not apply to a provider contract that is
4 expiring or being terminated by an independent individual provider or
5 an independent single-specialty or multispecialty group practice of
6 five or fewer providers, whether due to a provider's retirement or
7 some other reason. For purposes of this subsection, "independent"
8 means a provider that is not employed by or affiliated with a
9 hospital or multihospital health system.

10 **Sec. 3.** RCW 41.05.017 and 2024 c 251 s 5 and 2024 c 242 s 10 are
11 each reenacted and amended to read as follows:

12 Each health plan that provides medical insurance offered under
13 this chapter, including plans created by insuring entities, plans not
14 subject to the provisions of Title 48 RCW, and plans created under
15 RCW 41.05.140, are subject to the provisions of RCW 48.43.500,
16 70.02.045, 48.43.505 through 48.43.535, 48.43.537, 48.43.545,
17 48.43.550, 70.02.110, 70.02.900, 48.43.190, 48.43.083, 48.43.0128,
18 48.43.780, 48.43.435, 48.43.815, 48.200.020 through 48.200.280,
19 48.200.300 through 48.200.320, 48.43.440, section 2 of this act, and
20 chapter 48.49 RCW.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

38 (9) Failure to comply with an order issued by the disciplining
39 authority or a stipulation for informal disposition entered into with
40 the disciplining authority;

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

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

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

6 (13) Misrepresentation or fraud in any aspect of the conduct of
7 the business or profession;

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

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

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

15 (17) Conviction of any gross misdemeanor or felony relating to
16 the practice of the person's profession. For the purposes of this
17 subsection, conviction includes all instances in which a plea of
18 guilty or nolo contendere is the basis for conviction and all
19 proceedings in which the sentence has been deferred or suspended.
20 Nothing in this section abrogates rights guaranteed under chapter
21 9.96A RCW;

22 (18) The offering, undertaking, or agreeing to cure or treat
23 disease by a secret method, procedure, treatment, or medicine, or the
24 treating, operating, or prescribing for any health condition by a
25 method, means, or procedure which the licensee refuses to divulge
26 upon demand of the disciplining authority;

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

29 (20) Violation of chapter 19.68 RCW or a pattern of violations of
30 RCW 41.05.700(8), 48.43.735(8), 48.49.020, 48.49.030, 71.24.335(8),
31 or 74.09.325(8);

32 (21) Interference with an investigation or disciplinary
33 proceeding by willful misrepresentation of facts before the
34 disciplining authority or its authorized representative, or by the
35 use of threats or harassment against any patient or witness to
36 prevent them from providing evidence in a disciplinary proceeding or
37 any other legal action, or by the use of financial inducements to any
38 patient or witness to prevent or attempt to prevent him or her from
39 providing evidence in a disciplinary proceeding;

40 (22) Current misuse of:

1 (a) Alcohol;
2 (b) Controlled substances; or
3 (c) Legend drugs;
4 (23) Abuse of a client or patient or sexual contact with a client
5 or patient;
6 (24) Acceptance of more than a nominal gratuity, hospitality, or
7 subsidy offered by a representative or vendor of medical or health-
8 related products or services intended for patients, in contemplation
9 of a sale or for use in research publishable in professional
10 journals, where a conflict of interest is presented, as defined by
11 rules of the disciplining authority, in consultation with the
12 department, based on recognized professional ethical standards;
13 (25) Violation of RCW 18.130.420;
14 (26) Performing conversion therapy on a patient under age
15 eighteen;
16 (27) Violation of RCW 18.130.430;
17 (28) Violation of RCW 18.130.460; ~~((or))~~
18 (29) Violation of section 2 of this act; or
19 (30) Implanting the license holder's own gametes or reproductive
20 material into a patient.

21 **Sec. 5.** RCW 70.41.510 and 2019 c 427 s 18 are each amended to
22 read as follows:

23 If the insurance commissioner reports to the department that he
24 or she has cause to believe that a hospital has engaged in a pattern
25 of violations of RCW 48.49.020 or 48.49.030 or has violated section 2
26 of this act, and the report is substantiated after investigation, the
27 department may levy a fine upon the hospital in an amount not to
28 exceed one thousand dollars per violation and take other formal or
29 informal disciplinary action as permitted under the authority of the
30 department.

31 **Sec. 6.** RCW 70.42.162 and 2019 c 427 s 20 are each amended to
32 read as follows:

33 If the insurance commissioner reports to the department that he
34 or she has cause to believe that a medical ~~((testing-[test]))~~ test
35 site has engaged in a pattern of violations of RCW 48.49.020 or
36 48.49.030 or has violated section 2 of this act, and the report is
37 substantiated after investigation, the department may levy a fine
38 upon the medical ~~((testing-[test]))~~ test site in an amount not to

1 exceed one thousand dollars per violation and take other formal or
2 informal disciplinary action as permitted under the authority of the
3 department.

4 **Sec. 7.** RCW 70.230.210 and 2019 c 427 s 19 are each amended to
5 read as follows:

6 If the insurance commissioner reports to the department that he
7 or she has cause to believe that an ambulatory surgical facility has
8 engaged in a pattern of violations of RCW 48.49.020 or 48.49.030 or
9 has violated section 2 of this act, and the report is substantiated
10 after investigation, the department may levy a fine upon the
11 ambulatory surgical facility in an amount not to exceed one thousand
12 dollars per violation and take other formal or informal disciplinary
13 action as permitted under the authority of the department.

14 **Sec. 8.** RCW 18.46.050 and 2024 c 121 s 2 are each amended to
15 read as follows:

16 (1) In any case in which the department finds that a birthing
17 center has failed or refused to comply with the requirements of this
18 chapter, the standards or rules adopted under this chapter, section 2
19 of this act, or other applicable state or federal statutes or rules
20 regulating birthing centers, the department may take one or more of
21 the actions identified in this section, except as otherwise limited
22 in this section.

23 (a) When the department determines the birthing center has
24 previously been subject to an enforcement action for the same or
25 similar type of violation of the same statute or rule, or has been
26 given any previous statement of deficiency that included the same or
27 similar type of violation of the same or similar statute or rule, or
28 when the birthing center failed to correct noncompliance with a
29 statute or rule by a date established or agreed to by the department,
30 the department may impose reasonable conditions on a license.
31 Conditions may include correction within a specified amount of time,
32 training, or hiring a department-approved consultant if the birthing
33 center cannot demonstrate to the department that it has access to
34 sufficient internal expertise. If the department determines that the
35 violations constitute immediate jeopardy, the conditions may be
36 imposed immediately in accordance with subsection (2) of this
37 section.

1 (b) In accordance with the authority the department has under RCW
2 43.70.095, the department may assess a civil fine of up to \$3,000 per
3 violation on a birthing center licensed under this chapter when the
4 department determines the birthing center has previously been subject
5 to an enforcement action for the same or similar type of violation of
6 the same statute or rule, or has been given any previous statement of
7 deficiency that included the same or similar type of violation of the
8 same or similar statute or rule, or when the birthing center failed
9 to correct noncompliance with a statute or rule by a date established
10 or agreed to by the department.

11 (i) Proceeds from these fines may only be used by the department
12 to offset costs associated with licensing and enforcement of birthing
13 centers.

14 (ii) The department shall adopt in rules under this chapter
15 specific fine amounts in relation to the severity of the
16 noncompliance and at an adequate level to be a deterrent to future
17 noncompliance.

18 (iii) If a birthing center is aggrieved by the department's
19 action of assessing civil fines, the licensee has the right to appeal
20 under RCW 43.70.095.

21 (c) The department may suspend a specific category or categories
22 of services or care or birthing rooms within the birthing center as
23 related to the violation by imposing a limited stop service. This may
24 only be done if the department finds that noncompliance results in
25 immediate jeopardy.

26 (i) Prior to imposing a limited stop service, the department
27 shall provide a birthing center written notification upon identifying
28 deficient practices or conditions that constitute an immediate
29 jeopardy. The birthing center shall have 24 hours from notification
30 to develop and implement a department-approved plan to correct the
31 deficient practices or conditions that constitute an immediate
32 jeopardy. If the deficient practices or conditions that constitute
33 immediate jeopardy are not verified by the department as having been
34 corrected within the same 24-hour period, the department may issue
35 the limited stop service.

36 (ii) When the department imposes a limited stop service, the
37 birthing center may not provide the services in the category or
38 categories subject to the limited stop service to any new or existing
39 patients, unless otherwise allowed by the department, until the
40 limited stop service is terminated.

1 (iii) The department shall conduct a follow-up inspection within
2 five business days or within the time period requested by the
3 birthing center if more than five business days is needed to verify
4 the violation necessitating the limited stop service has been
5 corrected.

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

7 (A) The department verifies the violation necessitating the
8 limited stop service has been corrected or the department determines
9 that the birthing center has taken intermediate action to address the
10 immediate jeopardy; and

11 (B) The birthing center establishes the ability to maintain
12 correction of the violation previously found deficient.

13 (d) The department may suspend new admissions to the birthing
14 center by imposing a stop placement. This may only be done if the
15 department finds that noncompliance results in immediate jeopardy and
16 is not confined to a specific category or categories of patients or a
17 specific area of the birthing center.

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

28 (ii) When the department imposes a stop placement, the birthing
29 center may not admit any new patients until the stop placement is
30 terminated.

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

35 (iv) The stop placement shall be terminated when:

36 (A) The department verifies the violation necessitating the stop
37 placement has been corrected or the department determines that the
38 birthing center has taken intermediate action to address the
39 immediate jeopardy; and

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

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

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

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

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

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

37 (c) If the presiding officer determines there is no immediate
38 jeopardy, the presiding officer may overturn the immediate suspension
39 or immediate imposition of conditions.

1 (d) If the presiding officer determines there is immediate
2 jeopardy, the immediate suspension or immediate imposition of
3 conditions shall remain in effect pending a full hearing.

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

9 (4) When the department determines an alleged violation, if true,
10 would constitute an immediate jeopardy, and the licensee fails to
11 cooperate with the department's investigation of such an alleged
12 violation, the department may impose an immediate stop placement,
13 immediate limited stop service, immediate imposition of conditions,
14 or immediate suspension.

15 (a) When the department imposes an immediate stop placement,
16 immediate limited stop service, immediate imposition of conditions,
17 or immediate suspension for failure to cooperate, a licensee is
18 entitled to a show cause hearing before a presiding officer within 14
19 days of making the request. The licensee must request the show cause
20 hearing within 28 days of receipt of the notice of an immediate stop
21 placement, immediate limited stop service, immediate imposition of
22 conditions, or immediate suspension for failure to cooperate. At the
23 show cause hearing the department has the burden of demonstrating
24 that more probably than not the alleged violation, if true, would
25 constitute an immediate jeopardy and the licensee failed to cooperate
26 with the department's investigation.

27 (b) At the show cause hearing, the presiding officer may consider
28 the notice and documents supporting the immediate stop placement,
29 immediate limited stop service, immediate imposition of conditions,
30 or immediate suspension for failure to cooperate, and the licensee's
31 response and shall provide the parties with an opportunity to provide
32 documentary evidence and written testimony, and to be represented by
33 counsel. Prior to the show cause hearing, the department shall
34 provide the licensee with all documentation that supports the
35 department's immediate action for failure to cooperate.

36 (c) If the presiding officer determines the alleged violation, if
37 true, does not constitute an immediate jeopardy or determines that
38 the licensee cooperated with the department's investigation, the
39 presiding officer may overturn the immediate action for failure to
40 cooperate.

1 (d) If the presiding officer determines the allegation, if true,
2 would constitute an immediate jeopardy and the licensee failed to
3 cooperate with the department's investigation, the immediate action
4 for failure to cooperate shall remain in effect pending a full
5 hearing.

6 (e) If the presiding officer sustains the immediate action for
7 failure to cooperate, the licensee may request an expedited full
8 hearing on the merits of the department's action. A full hearing must
9 be provided within 90 days of the licensee's request.

10 **Sec. 9.** RCW 70.127.170 and 2024 c 121 s 11 are each amended to
11 read as follows:

12 The department is authorized to take any of the actions
13 identified in RCW 70.127.165 against an in-home services agency's
14 license in any case in which it finds that the licensee:

15 (1) Failed or refused to comply with the requirements of this
16 chapter, standards or rules adopted under this chapter, section 2 of
17 this act, or other applicable state or federal statutes or rules
18 regulating the facility or agency;

19 (2) Was the holder of a license issued pursuant to this chapter
20 that was revoked for cause and never reissued by the department, or
21 that was suspended for cause and the terms of the suspension have not
22 been fulfilled and the licensee has continued to operate;

23 (3) Has knowingly or with reason to know made a misrepresentation
24 of, false statement of, or failed to disclose, a material fact to the
25 department in an application for the license or any data attached
26 thereto or in any record required by this chapter or matter under
27 investigation by the department, or during a survey, or concerning
28 information requested by the department;

29 (4) Refused to allow representatives of the department to inspect
30 any book, record, or file required by this chapter to be maintained
31 or any portion of the licensee's premises;

32 (5) Willfully prevented, interfered with, or attempted to impede
33 in any way the work of any representative of the department and the
34 lawful enforcement of any provision of this chapter. This includes
35 but is not limited to: Willful misrepresentation of facts during a
36 survey, investigation, or administrative proceeding or any other
37 legal action; or use of threats or harassment against any patient,
38 client, or witness, or use of financial inducements to any patient,
39 client, or witness to prevent or attempt to prevent him or her from

1 providing evidence during a survey or investigation, in an
2 administrative proceeding, or any other legal action involving the
3 department;

4 (6) Willfully prevented or interfered with any representative of
5 the department in the preservation of evidence of any violation of
6 this chapter or the rules adopted under this chapter;

7 (7) Failed to pay any civil monetary penalty assessed by the
8 department pursuant to this chapter within 10 days after the
9 assessment becomes final;

10 (8) Used advertising that is false, fraudulent, or misleading;

11 (9) Has repeated incidents of personnel performing services
12 beyond their authorized scope of practice;

13 (10) Misrepresented or was fraudulent in any aspect of the
14 conduct of the licensee's business;

15 (11) Within the last five years, has been found in a civil or
16 criminal proceeding to have committed any act that reasonably relates
17 to the person's fitness to establish, maintain, or administer an
18 agency or to provide care in the home of another;

19 (12) Was the holder of a license to provide care or treatment to
20 ill individuals, vulnerable individuals, or individuals with
21 disabilities that was denied, restricted, not renewed, surrendered,
22 suspended, or revoked by a competent authority in any state, federal,
23 or foreign jurisdiction. A certified copy of the order, stipulation,
24 or agreement is conclusive evidence of the denial, restriction,
25 nonrenewal, surrender, suspension, or revocation;

26 (13) Failed to comply with an order issued by the secretary or
27 designee;

28 (14) Aided or abetted the unlicensed operation of an in-home
29 services agency;

30 (15) Operated beyond the scope of the in-home services agency
31 license;

32 (16) Failed to adequately supervise staff to the extent that the
33 health or safety of a patient or client was at risk;

34 (17) Compromised the health or safety of a patient or client,
35 including, but not limited to, the individual performing services
36 beyond their authorized scope of practice;

37 (18) Continued to operate after license revocation, suspension,
38 or expiration, or operating outside the parameters of a modified,
39 conditioned, or restricted license;

40 (19) Failed or refused to comply with chapter 70.02 RCW;

1 (20) Abused, neglected, abandoned, or financially exploited a
2 patient or client as these terms are defined in RCW 74.34.020;

3 (21) Misappropriated the property of an individual;

4 (22) Is unqualified or unable to operate or direct the operation
5 of the agency according to this chapter and the rules adopted under
6 this chapter;

7 (23) Obtained or attempted to obtain a license by fraudulent
8 means or misrepresentation; or

9 (24) Failed to report abuse or neglect of a patient or client in
10 violation of chapter 74.34 RCW.

11 **Sec. 10.** RCW 71.24.910 and 2022 c 263 s 22 are each amended to
12 read as follows:

13 If the insurance commissioner reports to the department that he
14 or she has cause to believe that a provider licensed under this
15 chapter has engaged in a pattern of violations of RCW 48.49.020 or
16 48.49.030 or has violated section 2 of this act, and the report is
17 substantiated after investigation, the department may levy a fine
18 upon the provider in an amount not to exceed \$1,000 per violation and
19 take other formal or informal disciplinary action as permitted under
20 the authority of the department.

21 **Sec. 11.** RCW 71.12.710 and 2024 c 121 s 18 are each amended to
22 read as follows:

23 (1) In any case in which the department finds that a private
24 establishment has failed or refused to comply with the requirements
25 of this chapter, the standards or rules adopted under this chapter,
26 section 2 of this act, or other applicable state or federal statutes
27 or rules, the department may take one or more of the actions
28 identified in this section, except as otherwise limited in this
29 section.

30 (a) When the department determines the private establishment has
31 previously been subject to an enforcement action for the same or
32 similar type of violation of the same statute or rule, or has been
33 given any previous statement of deficiency that included the same or
34 similar type of violation of the same or similar statute or rule, or
35 when the private establishment failed to correct noncompliance with a
36 statute or rule by a date established or agreed to by the department,
37 the department may impose reasonable conditions on a license.
38 Conditions may include correction within a specified amount of time,

1 training, or hiring a department-approved consultant if the private
2 establishment cannot demonstrate to the department that it has access
3 to sufficient internal expertise.

4 (b) (i) In accordance with the authority the department has under
5 RCW 43.70.095, the department may assess a civil fine of up to
6 \$10,000 per violation, not to exceed a total fine of \$1,000,000, on a
7 private establishment licensed under this chapter when the department
8 determines the private establishment has previously been subject to
9 an enforcement action for the same or similar type of violation of
10 the same statute or rule, or has been given any previous statement of
11 deficiency that included the same or similar type of violation of the
12 same or similar statute or rule, or when the private establishment
13 failed to correct noncompliance with a statute or rule by a date
14 established or agreed to by the department.

15 (ii) Proceeds from these fines may only be used by the department
16 to provide training or technical assistance to private establishments
17 or to offset costs associated with licensing private establishments.

18 (iii) The department shall adopt in rules under this chapter
19 specific fine amounts in relation to the severity of the
20 noncompliance.

21 (iv) If a licensee is aggrieved by the department's action of
22 assessing civil fines, the licensee has the right to appeal under RCW
23 43.70.095.

24 (c) The department may suspend new admissions of a specific
25 category or categories of patients as related to the violation by
26 imposing a limited stop placement. This may only be done if the
27 department finds that noncompliance results in immediate jeopardy.

28 (i) Prior to imposing a limited stop placement, the department
29 shall provide a private establishment written notification upon
30 identifying deficient practices or conditions that constitute an
31 immediate jeopardy, and the private establishment shall have 24 hours
32 from notification to develop and implement a department-approved plan
33 to correct the deficient practices or conditions that constitute an
34 immediate jeopardy. If the deficient practices or conditions that
35 constitute immediate jeopardy are not verified by the department as
36 having been corrected within the same 24-hour period, the department
37 may issue the limited stop placement.

38 (ii) When the department imposes a limited stop placement, the
39 private establishment may not accept any new admissions in the

1 category or categories subject to the limited stop placement until
2 the limited stop placement order is terminated.

3 (iii) The department shall conduct a follow-up inspection within
4 five business days or within the time period requested by the private
5 establishment if more than five business days is needed to verify the
6 violation necessitating the limited stop placement has been
7 corrected.

8 (iv) The limited stop placement shall be terminated when:

9 (A) The department verifies the violation necessitating the
10 limited stop placement has been corrected or the department
11 determines that the private establishment has taken intermediate
12 action to address the immediate jeopardy; and

13 (B) The private establishment establishes the ability to maintain
14 correction of the violation previously found deficient.

15 (d) The department may suspend all new admissions to the private
16 establishment by imposing a stop placement. This may only be done if
17 the department finds that noncompliance results in immediate jeopardy
18 and is not confined to a specific category or categories of patients
19 or a specific area of the private establishment.

20 (i) Prior to imposing a stop placement, the department shall
21 provide a private establishment written notification upon identifying
22 deficient practices or conditions that constitute an immediate
23 jeopardy, and the private establishment shall have 24 hours from
24 notification to develop and implement a department-approved plan to
25 correct the deficient practices or conditions that constitute an
26 immediate jeopardy. If the deficient practices or conditions that
27 constitute immediate jeopardy are not verified by the department as
28 having been corrected within the same 24-hour period, the department
29 may issue the stop placement.

30 (ii) When the department imposes a stop placement, the private
31 establishment may not accept any new admissions until the stop
32 placement order is terminated.

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

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

38 (A) The department verifies the violation necessitating the stop
39 placement has been corrected or the department determines that the

1 private establishment has taken intermediate action to address the
2 immediate jeopardy; and

3 (B) The private establishment establishes the ability to maintain
4 correction of the violation previously found deficient.

5 (e) The department may suspend a specific category or categories
6 of services within the private establishment as related to the
7 violation by imposing a limited stop service. This may only be done
8 if the department finds that noncompliance results in immediate
9 jeopardy.

10 (i) Prior to imposing a limited stop service, the department
11 shall provide a private establishment written notification upon
12 identifying deficient practices or conditions that constitute an
13 immediate jeopardy. The private establishment shall have 24 hours
14 from notification to develop and implement a department-approved plan
15 to correct the deficient practices or conditions that constitute an
16 immediate jeopardy. If the deficient practices or conditions that
17 constitute immediate jeopardy are not verified by the department as
18 having been corrected within the same 24-hour period, the department
19 may issue the limited stop service.

20 (ii) When the department imposes a limited stop service, the
21 private establishment may not provide the services in the category or
22 categories subject to the limited stop service to any new or existing
23 individuals, unless otherwise allowed by the department, until the
24 limited stop service is terminated.

25 (iii) The department shall conduct a follow-up inspection within
26 five business days or within the time period requested by the private
27 establishment if more than five business days is needed to verify the
28 violation necessitating the limited stop service has been corrected.

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

30 (A) The department verifies the violation necessitating the
31 limited stop service has been corrected or the department determines
32 that the private establishment has taken intermediate action to
33 address the immediate jeopardy; and

34 (B) The private establishment establishes the ability to maintain
35 correction of the violation previously found deficient.

36 (f) The department may suspend, revoke, or refuse to renew a
37 license.

38 (2)(a) Except as otherwise provided, RCW 43.70.115 governs notice
39 of the imposition of conditions on a license, a limited stop
40 placement, stop placement, limited stop service, or the suspension,

1 revocation, or refusal to renew a license and provides the right to
2 an adjudicative proceeding. Adjudicative proceedings and hearings
3 under this section are governed by the administrative procedure act,
4 chapter 34.05 RCW. The application for an adjudicative proceeding
5 must be in writing, state the basis for contesting the adverse
6 action, including a copy of the department's notice, be served on and
7 received by the department within 28 days of the licensee's receipt
8 of the adverse notice, and be served in a manner that shows proof of
9 receipt.

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

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

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

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

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

39 (v) If the secretary sustains the immediate suspension or
40 immediate imposition of conditions, the licensee may request an

1 expedited full hearing on the merits of the department's action. A
2 full hearing must be provided within 90 days of the licensee's
3 request.

4 (3) When the department determines an alleged violation, if true,
5 would constitute an immediate jeopardy, and the licensee fails to
6 cooperate with the department's investigation of such an alleged
7 violation, the department may impose an immediate stop placement,
8 immediate limited stop placement, immediate limited stop service,
9 immediate imposition of conditions, or immediate suspension.

10 (a) When the department imposes an immediate stop placement,
11 immediate limited stop placement, immediate limited stop service,
12 immediate imposition of conditions, or immediate suspension for
13 failure to cooperate, a licensee is entitled to a show cause hearing
14 before a presiding officer within 14 days of making the request. The
15 licensee must request the show cause hearing within 28 days of
16 receipt of the notice of an immediate stop placement, immediate
17 limited stop placement, immediate limited stop service, immediate
18 imposition of conditions, or immediate suspension for failure to
19 cooperate. At the show cause hearing the department has the burden of
20 demonstrating that more probably than not the alleged violation, if
21 true, would constitute an immediate jeopardy and the licensee failed
22 to cooperate with the department's investigation.

23 (b) At the show cause hearing, the presiding officer may consider
24 the notice and documents supporting the immediate stop placement,
25 immediate limited stop placement, immediate limited stop service,
26 immediate imposition of conditions, or immediate suspension for
27 failure to cooperate, and the licensee's response and shall provide
28 the parties with an opportunity to provide documentary evidence and
29 written testimony, and to be represented by counsel. Prior to the
30 show cause hearing, the department shall provide the licensee with
31 all documentation that supports the department's immediate action for
32 failure to cooperate.

33 (c) If the presiding officer determines the alleged violation, if
34 true, does not constitute an immediate jeopardy or determines that
35 the licensee cooperated with the department's investigation, the
36 presiding officer may overturn the immediate action for failure to
37 cooperate.

38 (d) If the presiding officer determines the allegation, if true,
39 would constitute an immediate jeopardy and the licensee failed to
40 cooperate with the department's investigation, the immediate action

1 for failure to cooperate shall remain in effect pending a full
2 hearing.

3 (e) If the presiding officer sustains the immediate action for
4 failure to cooperate, the licensee may request an expedited full
5 hearing on the merits of the department's action. A full hearing must
6 be provided within 90 days of the licensee's request.

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