
ENGROSSED SECOND SUBSTITUTE HOUSE BILL 1589

State of Washington

69th Legislature

2025 Regular Session

By House Appropriations (originally sponsored by Representatives Bronoske, Macri, Shavers, Pollet, and Reed)

READ FIRST TIME 02/28/25.

1 AN ACT Relating to the relationships between health carriers and
2 contracting providers; adding new sections to chapter 48.43 RCW;
3 creating new sections; prescribing penalties; providing an effective
4 date; and providing an expiration date.

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

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 48.43
7 RCW to read as follows:

8 (1)(a) Prior to entering into or renewing a contract with a
9 health care provider or a group of health care providers, a health
10 carrier shall offer the provider a meaningful opportunity to
11 participate in good faith negotiations regarding the terms of the
12 contract. Only the following conduct violates this subsection:

13 (i) Failure to furnish the provider with the name and contact
14 information of a person the carrier has designated as the primary
15 contact for contract negotiations;

16 (ii) When a contract is being renewed, failure to furnish the
17 provider with a copy of the new contract with all changes indicated
18 with strikeouts for deletions and underlining for new material along
19 with a clean copy of the revised contract that incorporates
20 amendments into the body of the contract and into any relevant
21 exhibit or addendum;

1 (iii) Providing a standalone amendatory exhibit or addendum that
2 requires the provider to conduct the provider's own analysis to
3 produce a revised contract or agreement integrating amendments into
4 the body of the contract or its relevant exhibits or addenda;

5 (iv) Except as provided in subsection (9) of this section,
6 requiring a group of providers with the same employer or the same
7 federal tax identification number to negotiate contracts
8 individually, if the group of providers prefer to negotiate as a
9 group; or

10 (v) Failure to furnish the provider with a fee schedule no less
11 than 60 days in advance of the execution of the contract in a manner
12 that does not require access to a secure website or other portal,
13 such as by emailing an electronic copy to the provider.

14 (b) A health carrier's provider contract filings must include an
15 attestation signed by both the health carrier and the provider that
16 the requirements of (a) of this subsection were met. A contract
17 filing is incomplete without the attestation required under this
18 subsection and may not be approved by the commissioner. The
19 commissioner shall, by rule, develop a standard form for the
20 attestation required under this subsection.

21 (c) If a provider elects to terminate a contract in place on the
22 effective date of this section, the health carrier must provide the
23 provider with the opportunity to renegotiate the contract consistent
24 with the provisions of this subsection.

25 (d) The commissioner may submit to the legislature recommended
26 changes to this section to address additional conduct that the
27 commissioner deems inconsistent with the good faith negotiations
28 required under this subsection.

29 (2)(a) Provider contracts entered into or renewed on or after the
30 effective date of this section may not include:

31 (i) An all-or-nothing clause; or

32 (ii) A requirement that the provider accept a discounted rate for
33 services provided to enrollees under any other health plan or
34 insurance product.

35 (b) Provisions in contracts in place on the effective date of
36 this section that violate the requirements in (a) of this subsection
37 are against the public policy of the state of Washington and are
38 unenforceable.

39 (3) A health carrier shall provide contract and payment policy
40 updates in a manner that does not require access to a secure website

1 or other portal, such as by emailing an electronic copy to the
2 provider.

3 (4) A health carrier may not penalize a provider who appeals an
4 adverse benefit determination by the health carrier in any way,
5 including by charging a fee for the appeal or any external review of
6 the appeal.

7 (5) This section applies to a health care benefit manager acting
8 on behalf of the carrier.

9 (6) If the commissioner finds that a health carrier or a health
10 care benefit manager has violated this section, the commissioner may,
11 in addition to the commissioner's authority under RCW 48.02.080 and
12 48.200.050:

13 (a) Impose a fine on the health carrier or health care benefit
14 manager of up to \$5,000 per violation;

15 (b) Issue an order requiring corrective action against the health
16 carrier, the health care benefit manager, or both the health carrier
17 and the health care benefit manager; or

18 (c) Both impose a fine and issue an order under (a) and (b) of
19 this subsection.

20 (7) For purposes of this section:

21 (a) "Affiliate of a health carrier" means any provider related to
22 a health carrier or hospital in any way by virtue of any form or
23 amount of common control, operation, or management.

24 (b) "All-or-nothing clause" means a provision in a provider
25 contract that requires a provider to contract with multiple health
26 plans or other insurance products offered by, or associated with, the
27 health carrier.

28 (c) "Health care benefit manager" has the same meaning as
29 provided in RCW 48.200.020.

30 (d) In addition to the definition in RCW 48.43.005, "health
31 carrier" also includes a limited health care service contractor
32 offering dental only coverage and a health carrier offering dental
33 only coverage.

34 (8) Any trade secrets or other confidential information disclosed
35 to the commissioner under this section are confidential and exempt
36 from public disclosure under chapter 42.56 RCW.

37 (9) This section does not apply to negotiations between a health
38 carrier and a provider who is:

39 (a) An employee of the health carrier;

40 (b) An employee of an affiliate of the health carrier;

1 (c) Employed by a hospital or any affiliate of a hospital or
2 health system; or

3 (d) Employed by an entity that owns or operates multistate
4 provider clinics.

5 (10) Nothing in this section prohibits a health carrier from
6 negotiating contracts with groups of providers.

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

9 (1) Using data from the statewide all-payer health care claims
10 database established under chapter 43.371 RCW, the commissioner shall
11 analyze trends in allowed amounts for a representative sample of the
12 most commonly billed current procedural terminology codes for a
13 representative sample of the health professions impacted by this act.

14 (2) The commissioner shall report the aggregate results of this
15 analysis to the health care committees of the legislature on January
16 1st of each year, beginning January 1, 2027. The report must include
17 an analysis of allowed amounts compared to data in previous years'
18 reports submitted under this section.

19 (3) This section expires January 31, 2031.

20 NEW SECTION. **Sec. 3.** The insurance commissioner may adopt any
21 rules necessary to implement this act consistent with RCW 48.02.060.

22 NEW SECTION. **Sec. 4.** Section 1 of this act takes effect January
23 1, 2027.

24 NEW SECTION. **Sec. 5.** If specific funding for the purposes of
25 this act, referencing this act by bill or chapter number, is not
26 provided by June 30, 2025, in the omnibus appropriations act, this
27 act is null and void.

--- END ---