

Spotlight on State: Washington

This is part of a [series of summaries](#) that highlight notable legislation and initiatives in health policy and reform of all 50 states. Check back on The Source as we roll out additional states each week.

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Washington is a leader in state initiatives for healthcare price and competition and enacted several market reform initiatives in recent sessions. In 2019, it became the first state to enact legislation to implement a public option health insurance plan to bring its residents a step closer to universal health care. Washington operates its own health insurance marketplace, [Washington Health Plan Finder](#), under the Affordable Care Act. State law protects against discrimination of pre-existing conditions and provides essential health benefits in case of repeal of the Affordable Care Act. In addition to existing coverage parity for telehealth services, Washington also expanded telehealth use by establishing a telemedicine payment parity pilot program to provide parity in reimbursement for certain healthcare services and requires certain health care professionals to complete telemedicine training.

Mandated by the state legislature in 2014, the [Office of Financial Management](#) established the Washington State All-Payer Claims Database (WA-APCD) to promote price transparency in healthcare services. The public face of the WA-APCD program, named [Washington HealthCareCompare](#), is operated by the Washington State Health Care Authority (HCA) and collects member eligibility and enrollment data and medical, dental, and pharmacy claims from commercial payers and Medicaid. Washington also earns top grades for surprise and balance

billing protections of fully insured consumers. The state enacted legislation to promote transparency in network adequacy and requires carriers and out-of-network providers to negotiate out-of-network payments in good faith to keep consumers from billing disputes. Additionally, the state has a pharmaceutical price transparency law that requires the HCA to oversee prescription drug price increases through advanced notice and to report annually to the legislature.

In healthcare antitrust legislation, Washington restricts noncompete agreements including those of physicians. The state has robust merger review authority laws that provide the state attorney general must receive at least a 60-day notice of any merger, acquisition, or contracting affiliation between hospitals, hospital systems, and provider organizations, whether they are for-profit or nonprofit entities. The AG must also approve the merger or acquisition of any non-profit hospital. To receive approval, parties to the transaction must properly safeguard the charitable assets involved and ensure that any resulting proceeds will apply to charitable health purposes. The state also requires a certificate of need (CON) for the sale, purchase, or lease of any portion of a hospital sold, purchased, or leased by a health management organization (HMO). The review criteria for CON applications include the consideration of the affected population's need for services, the availability of less costly or more effective methods for providing such services, the financial feasibility, and likely cost impacts for providing the services. In a notable antitrust enforcement action, the Washington AG filed suit to thwart and unwind [Franciscan Health System](#)'s consummated 2016 acquisition of two physician practice groups. The case settled with favorable terms for the state that promise to restore competition and choices for healthcare services.