

CERTIFICATION OF ENROLLMENT

**SUBSTITUTE HOUSE BILL 2227**

55th Legislature  
1997 Regular Session

Passed by the House April 22, 1997  
Yeas 98 Nays 0

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**Speaker of the  
House of Representatives**

Passed by the Senate April 18, 1997  
Yeas 42 Nays 0

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**President of the Senate**

Approved

\_\_\_\_\_  
**Governor of the State of Washington**

CERTIFICATE

I, Timothy A. Martin, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 2227** as passed by the House of Representatives and the Senate on the dates hereon set forth.

\_\_\_\_\_  
**Chief Clerk**

FILED

**Secretary of State  
State of Washington**

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**SUBSTITUTE HOUSE BILL 2227**

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Passed Legislature - 1997 Regular Session

AS AMENDED BY THE SENATE

**State of Washington**

**55th Legislature**

**1997 Regular Session**

**By** House Committee on Commerce & Labor (originally sponsored by Representatives Clements and McMorris)

Read first time 03/05/97.

1       AN ACT Relating to health services providers under industrial  
2 insurance; amending RCW 51.48.280; adding a new section to chapter  
3 51.36 RCW; and prescribing penalties.

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

5       **Sec. 1.** RCW 51.48.280 and 1986 c 200 s 6 are each amended to read  
6 as follows:

7       (1) Any person, firm, corporation, partnership, association,  
8 agency, institution, or other legal entity, that solicits or receives  
9 any remuneration (including any kickback, bribe, or rebate) directly or  
10 indirectly, overtly or covertly, in cash or in kind:

11       (a) In return for referring an individual to a person for the  
12 furnishing or arranging for the furnishing of any item or service for  
13 which payment may be made in whole or in part under this chapter; or

14       (b) In return for purchasing, leasing, ordering, or arranging for  
15 or recommending purchasing, leasing, or ordering any goods, facility,  
16 service, or item for which payment may be made in whole or in part  
17 under this chapter;

1 shall be guilty of a class C felony(~~(: PROVIDED, That)~~). However, the  
2 fine, if imposed, shall not be in an amount more than twenty-five  
3 thousand dollars, except as authorized by RCW 9A.20.030.

4 (2) Any person, firm, corporation, partnership, association,  
5 agency, institution, or other legal entity, that offers or pays any  
6 remuneration (including any kickback, bribe, or rebate) directly or  
7 indirectly, overtly or covertly, in cash or in kind to any person to  
8 induce such person:

9 (a) To refer an individual to a person for the furnishing or  
10 arranging for the furnishing of any item or service for which payment  
11 may be made, in whole or in part, under this chapter; or

12 (b) To purchase, lease, order, or arrange for or recommend  
13 purchasing, leasing, or ordering any goods, facility, service, or item  
14 for which payment may be made in whole or in part under this chapter;  
15 shall be guilty of a class C felony(~~(: PROVIDED, That)~~). However, the  
16 fine, if imposed, shall not be in an amount more than twenty-five  
17 thousand dollars, except as authorized by RCW 9A.20.030.

18 (3) A health services provider who (a) provides a health care  
19 service to a claimant, while acting as the claimant's representative  
20 for the purpose of obtaining authorization for the services, and (b)  
21 charges a percentage of the claimant's benefits or other fee for acting  
22 as the claimant's representative under this title shall be guilty of a  
23 gross misdemeanor. However, the fine, if imposed, shall not be in an  
24 amount more than twenty-five thousand dollars, except as authorized by  
25 RCW 9A.20.030.

26 (4) Subsections (1) and (2) of this section shall not apply to:

27 (a) A discount or other reduction in price obtained by a provider  
28 of services or other entity under this chapter if the reduction in  
29 price is properly disclosed and appropriately reflected in the costs  
30 claimed or charges made by the provider or entity under this chapter;  
31 and

32 (b) Any amount paid by an employer to an employee (who has a bona  
33 fide employment relationship with such employer) for employment in the  
34 provision of covered items or services.

35 (~~(4)~~) (5) Subsections (1) and (2) of this section, if applicable  
36 to the conduct involved, shall supersede the criminal provisions of  
37 chapter 19.68 RCW, but shall not preclude administrative proceedings  
38 authorized by chapter 19.68 RCW.

1        NEW SECTION.   **Sec. 2.**   A new section is added to chapter 51.36 RCW  
2 to read as follows:

3        In addition to other authority granted under this chapter, the  
4 department may deny applications of health care providers to  
5 participate as a provider of services to injured workers under this  
6 title, or terminate or suspend providers' eligibility to participate,  
7 if the provider uses or causes or promotes the use of, advertising  
8 matter, promotional materials, or other representation, however  
9 disseminated or published, that is false, misleading, or deceptive with  
10 respect to the industrial insurance system or benefits for injured  
11 workers under this title.

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