



February 4, 2026

The Honorable June Robinson
Chair, Senate Ways & Means Committee
Washington State Legislature
303 John A. Cherberg Building
PO Box 40438
Olympia, WA 98504

RE: ATA ACTION OPPOSITION TO SENATE BILL 5387

Dear Chair Robinson and members of the Senate Ways and Means Committee:

On behalf of ATA Action and the over 400 organizations we represent, I am writing to express our continued concerns with certain provisions of Senate Bill 5387 and the unintended consequences that will result without additional discussion and the further refinement that this legislation warrants. We are grateful to the Sponsor for making improvements to the legislation from its introduced version, including the addition of Section 8 for telemedicine-exclusive entities. ATA Action believes Section 8 should also include telemedicine providers required to have an in-state location to prescribe controlled substances. We also maintain our existing concerns with restrictions on stock transfers and PC-MSO dual ownership in Section 1.

ATA Action, the American Telemedicine Association's affiliated trade association focused on advocacy, advances policy to ensure all individuals have permanent access to telehealth services across the care continuum. ATA Action supports the enactment of state and federal telehealth policies to secure telehealth access for all Americans, including those in rural and underserved communities. ATA Action recognizes that telehealth and virtual care have the potential to truly transform the health care delivery system – by improving patient outcomes, enhancing safety and effectiveness of care, addressing health disparities, and reducing costs – if only allowed to flourish.

Our organization supports transparency in the provision of healthcare and are in strong support of the notion that nothing should interfere with physicians' and other healthcare providers' clinical decisions on patient care. However, if SB 5387 is enacted as currently drafted, we fear there could be unintended consequences that could severely restrict patient access to care and stifle continued investment in Washington to the detriment of Washington patients.

First, ATA Action is grateful to the Sponsor's Office for the inclusion of Section 8 with language specific to telemedicine providers and the corresponding exemption in Section 1 that prevents many of the legislation's more problematic provisions from being applied to telehealth-only entities. While the inclusion of Section 8 in the new substitute represents a significant improvement, further changes to the definition of "telemedicine-exclusive medical group" are necessary to ensure continued patient access to important medications via telehealth.

This new section will not apply to our members who, even if primarily offering telemedicine services, maintain a brick-mortar location to meet other regulatory requirements. This flexibility becomes more



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important as the DEA may commit to requiring telemedicine providers to conduct an in-person examination when prescribing controlled substances – including those who treat gender-affirming care or mental health conditions – at the end of this year. In order to ensure patient access to controlled substances from predominantly telehealth providers, our organization encourages the following amendment to the definition of “telemedicine-exclusive medical group”:

(5) For the purposes of this section, "telemedicine-exclusive medical group" means an entity which engages with patients exclusively through telemedicine as defined in RCW 70.41.020 and does not offer in-person health care services, *except in such limited circumstances as necessary to comply with federal or state laws, including but not limited to the Ryan-Haight Act, or payor enrollment requirements.*

Furthermore, while the recent bill substitute helped address some of the concerns we raised regarding PC-MSO agreements and PC ownership with the initial legislation, we believe certain mandates in Section 1 remain too restrictive and could limit the ability of some ATA and ATA Action members to operate in Washington. This is particularly important for our members who provide “hybrid” care and thus are not subject to the telemedicine rules in Section 8.

First, our organization believes there should be common-sense allowances for a healthcare practice to restrict the sale of the healthcare practice’s stock, interest or assets in circumstances that would allow the practice to continue to function and for investment to remain tenable. ATA Action recommends that, rather than ban them outright, the legislation define a universe of permissible triggers for stock transfer restriction agreements, including the death, disability, or incapacity of a shareholder, the shareholder’s loss of license, the shareholder being convicted of a felony or other violation of law or the shareholder ceasing to participate or be actively involved in the clinical leadership of the healthcare practice.

Secondly, ATA Action has continued concerns regarding how the legislation restricts shareholders or directors of the medical corporation from also holding any shares in the contracted management services organization (MSO), (Section 1(4)(a)). Many ATA and ATA Action member entities currently have a physician who is a director or shareholder in a professional medical corporation who also serves as a clinical director or holds a management role in an MSO (the MSO in turn manages the administrative functions and owns the technology powering the telehealth visit). Rather than physicians being totally detached and isolated from the MSO infrastructure supporting and helping to grow the medical practice, many telehealth entities have found that having a physician affiliated with both the medical corporation and the MSO improves decision making, provides direct and open lines of communication, and leads to heightened patient and provider satisfaction. In effect, this beneficial integration would be eliminated by the proposed legislation.

Unfortunately, by eliminating the ability for Washington licensed practitioners to continue as both practitioners and as in-house advisors to their contracted MSOs or telehealth platforms, the legislation would prohibit, or at best significantly frustrate, the ability for these MSOs to include this extensive practical knowledge base at the boardroom table. ATA Action acknowledges that under certain circumstances these dual roles can and have posed conflicting ethical duties for physicians. In order to better strike a balance in this regard we would propose the legislation limit the number of shares – rather than altogether prohibit – a shareholder in the healthcare practice may own in the affiliated management service organization.



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ATA Action agrees with the apparent overall intent of this legislation to ensure that Washington health care providers have control over their clinical decisions. We appreciate the changes made by the Sponsor through Committee Substitutes to this point but also encourage robust collaboration with affected stakeholders on continued changes to address our concerns above. ATA Action respectfully requests a seat at that table.

Thank you for your time and interest in telehealth. If you have any questions or would like to discuss further the telehealth industry's perspective, please contact me at hyoung@ataaction.org.

Kind regards,

A handwritten signature in black ink that reads "Hunter Young".

Hunter Young
Head of State Government Relations
ATA Action