

WAC 246-25-045 "Most favored nations clauses"—Policy statement.

"Most favored nations clauses" may discourage discounting by the affected seller, may facilitate oligopolistic pricing and deter entry by more efficient competitors. "Most favored nations clauses" are often used as a replacement for innovation or efficiency by large competitors and act as a disincentive for creativity by small competitors. The commission finds that the use of "most favored nations clauses" in contracts between a health care provider or facility and a certified health plan create the potential to thwart the cost containment goals of health care reform. For these reasons, the use of "most favored nations clauses" in contracts between a health care provider or facility and a certified health plan is prohibited.

[Statutory Authority: RCW 43.72.310. WSR 99-04-049, recodified as § 246-25-045, filed 1/28/99, effective 1/28/99; WSR 95-04-115, § 245-02-045, filed 2/1/95, effective 10/1/95.]