SUPREME COURT OF THE STATE OF WASHINGTON

Preston v. SB&C, Ltd.

No. 104182-9 (Wash. Apr. 30, 2026) · No. 104182-9 · Decided April 30, 2026

SUMMARY

The Washington Supreme Court answers a certified question from the Western District of Washington and holds that RCW 70.170.060(8)(a) requires collection agencies collecting hospital debt to provide notice of potential charity care. The court concludes that the statutory notice obligation applies to collection agencies as assignees and that failure to provide notice may support a non-per-se Washington Consumer Protection Act claim. A dissent would have limited the statute to communications made by hospitals.

CASE DETAILS

COURT	Supreme Court of the State of Washington
WRITING FOR THE COURT	Johnson, J.; Yu, J.P.T.; Madsen, J.P.T. (dissenting)
JURISDICTION	Supreme Court of the State of Washington
DECIDED	April 30, 2026
DOCKET	104182-9
DISPOSITION	other
PROCEDURAL POSTURE	Certification of a question of Washington law from the United States District Court for the Western District of Washington in a removed class action involving alleged violations of the Washington Consumer Protection Act, Washington Collection Agency Act, and federal Fair Debt Collection Practices Act.
STANDARD OF REVIEW	Questions of state law certified by a federal court are reviewed de novo based on the certified record.
PRECEDENTIAL VALUE	Published and precedential; en banc decision answering a certified question of Washington law.
PARTIES	Mikrae E. Preston v. SB&C, Ltd., aka Skagit Bonded Collectors, LLC

TOPICS

consumer protection · health law · fair debt collection · statutory interpretation · appellate procedure

PRACTICE AREAS

consumer protection | health law | fair debt collection | statutory interpretation | appellate procedure

QUESTIONS PRESENTED

1. Whether RCW 70.170.060(8)(a), requiring hospital billing statements and other written communications concerning billing or collection of a hospital bill to include charity-care notice, applies to a collection agency collecting an assigned hospital debt.
2. Whether the policy underlying the charity-care act and general assignment principles support applying the notice obligation to a collection agency assignee.
3. Whether failure to provide charity-care notice may constitute an unfair or deceptive practice under the Washington Consumer Protection Act even absent a per se violation of the Collection Agency Act or charity-care act.

HOLDINGS

1. Yes. The requirements of RCW 70.170.060(8)(a) apply to a collection agency collecting on hospital debt because the statute's reference to 'other written communications concerning billing' encompasses communications by an assignee concerning collection of a hospital bill.
2. A collection agency's failure to provide charity-care notice when collecting hospital debt may constitute an unfair or deceptive act or practice under the CPA, even if the conduct is not a per se violation of the CAA or another statute.
3. The court declined to reach the federal FDCPA issue because it was outside the certified question and remained within the province of the federal district court.

KEY QUOTATIONS

> *"We answer yes and hold that under the plain language of RCW 70.170.060(8)(a) and the public policy of the charity care act, "other written communications concerning billing" applies to collection agencies collecting on hospital debt."* (5)

> *"We answer yes to the certified question and conclude that the requirements of RCW 70.170.060(8)(a) apply to a collection agency collecting on hospital debt."* (15)

FACTUAL BACKGROUND

In 2017, Mikrae Preston received medical care at Skagit Valley Hospital and was billed for the care. The hospital assigned the claim to SB&C, a collection agency, which sued Preston and obtained a judgment for the full hospital debt without including charity-care disclosures in its collection complaint. After judgment, Preston applied for and received a 30 percent reduction in the bill, but SB&C refused to honor the reduction under the hospital's financial-assistance policy because the account had been reduced to judgment.

PROCEDURAL HISTORY

Preston sued SB&C in Skagit County Superior Court, alleging that SB&C violated the CPA, CAA, and FDCPA by attempting to collect a hospital debt without providing notice of possible charity-care eligibility. SB&C removed the action to the Western District of Washington and moved to dismiss or, alternatively, to certify a state-law question. The district court dismissed the CAA claims and the failure-to-screen theory, retained the remaining claims, and certified whether RCW 70.170.060(8)(a) applies to a collection agency collecting hospital debt.

DISPOSITION

other

REMAND INSTRUCTIONS

The Washington Supreme Court answered the certified question yes and returned the state-law answer to the United States District Court for the Western District of Washington; the federal court retained jurisdiction over the underlying action.

CASES CITED

- Kellogg v. National Railroad Passenger Corp., 199 Wn.2d 205, 215, 504 P.3d 796 (2022)
- Greenberg v. Amazon.com, Inc., 3 Wn.3d 434, 454, 470-71, 553 P.3d 626 (2024)
- Hangman Ridge Training Stables, Inc. v. Safeco Title Ins. Co., 105 Wn.2d 778, 780, 719 P.2d 531 (1986)
- Panag v. Farmers Insurance Co. of Washington, 166 Wn.2d 27, 49, 53-54, 204 P.3d 885 (2009)
- Klem v. Washington Mutual Bank, 176 Wn.2d 771, 787, 793-95, 295 P.3d 1179 (2013)
- Fairway Collection, LLC v. Turner, 29 Wn. App. 2d 204, 226 n.24, 540 P.3d 805 (2023)
- Puget Sound National Bank v. Department of Revenue, 123 Wn.2d 284, 292, 868 P.2d 127 (1994)
- Estate of Jordan v. Hartford Accident & Indemnity Co., 120 Wn.2d 490, 495, 844 P.2d 403 (1993)
- Department of Ecology v. Campbell & Gwinn, LLC, 146 Wn.2d 1, 9, 43 P.3d 4 (2002)
