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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2017

A N A C T

RELATING TO HEALTH AND SAFETY -- THE HOSPITAL CONVERSIONS ACT

Introduced By: Senators Picard, and Cote

Date Introduced: May 30, 2017

Referred To: Senate Health & Human Services

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 23-17.14-6, 23-17.14-11, 23-17.14-12, 23-17.14-12.1, 23-17.14-28  
2 and 23-17.14-34 of the General Laws in Chapter 23-17.14 entitled "The Hospital Conversions  
3 Act" are hereby amended to read as follows:

4 **23-17.14-6. Initial application -- Conversions involving for-profit corporations or**  
5 **not-for-profit as acquirors.**

6 (a) No person shall engage in a conversion with a for-profit or not-for-profit corporation  
7 as the acquiror ~~and a not for profit corporation as the acquiree~~ involving the establishment,  
8 maintenance, or operation of a hospital or a conversion subject to § 23-17.14-9 without prior  
9 approval of both the department of attorney general and the department of health. The review of  
10 the two (2) departments shall occur concurrently, and neither department shall delay its review or  
11 determination because the other department has not completed its review or issued its  
12 determination. The applicant may request that the review by the departments occur concurrently  
13 with the review of any relevant federal regulatory authority. The transacting parties shall file an  
14 initial application in accordance with subsection (b) of this section that shall, at minimum, include  
15 the following information with respect to each transacting party and to the proposed new hospital:

- 16 (1) A detailed summary of the proposed conversion;
- 17 (2) Names, addresses and phone numbers of the transacting parties;
- 18 (3) Name, address, phone number, occupation, and tenure of all officers, members of the  
19 board of directors, trustees, executives, and senior managers, including for each position, current

1 persons and persons holding such position during the past two (2) years;

2 (4) A list of all committees, subcommittees, task forces, or similar entities of the board of  
3 directors or trustees, including a short description of the purpose of each committee,  
4 subcommittee, task force, or similar entity and the name, address, phone number, occupation, and  
5 tenure of each member;

6 (5) Agenda and minutes of all meetings of the board of directors or trustees and any of its  
7 committees, subcommittees, task forces related to the conversion, or similar entities excluding  
8 those focused on peer review and confidential medical matters, that occurred within the two (2)  
9 year period prior to submission of the application, including, upon the request of the department  
10 or attorney general, any meeting packages;

11 (6) Articles of incorporation and certificate of incorporation;

12 (7) Bylaws and organizational charts;

13 (8) Organizational structure for existing transacting parties and each partner, affiliate,  
14 parent, subsidiary or related corporate entity in which the acquiror has a twenty percent (20%) or  
15 greater ownership interest;

16 (9) Conflict of interest statements, policies and procedures;

17 (10) Names, addresses and phone numbers of professional consultants engaged in  
18 connection with the proposed conversion;

19 (11) Copies of audited income statements, balance sheets, other financial statements, and  
20 management letters for the past three (3) years and to the extent they have been made public,  
21 audited interim financial statements and income statements together with detailed description of  
22 the financing structure of the proposed conversion including equity contribution, debt  
23 restructuring, stock issuance, partnership interests, stock offerings and the like;

24 (12) A detailed description of real estate issues including title reports for land owned and  
25 lease agreements concerning the proposed conversion;

26 (13) A detailed description as each relates to the proposed transaction for equipment  
27 leases, insurance, regulatory compliance, tax status, pending litigation or pending regulatory  
28 citations, pension plan descriptions and employee benefits, environmental reports, assessments  
29 and organizational goals;

30 (14) Copies of reports analyzing the proposed conversion during the past three (3) years  
31 including, but not limited to, reports by appraisers, accountants, investment bankers, actuaries and  
32 other experts;

33 (15) Copies of any opinions or memoranda addressing the state and federal tax  
34 consequences of the proposed conversion prepared for a transacting party by an attorney,

1 accountant, or other expert;

2 (16) A description of the manner in which the price was determined including which  
3 methods of valuation and what data were used, and the names and addresses of persons preparing  
4 the documents, and this information is deemed to be proprietary;

5 (17) Patient statistics for the past three (3) years and patient projections for the next one  
6 year including patient visits, admissions, emergency room visits, clinical visits, and visits to each  
7 department of the hospital, admissions to nursing care or visits by affiliated home health care  
8 entities;

9 (18) The name and mailing address of all licensed facilities in which the for-profit  
10 corporation maintains an ownership interest or controlling interest or operating authority;

11 (19) A list of pending or adjudicated citations, violations or charges against the facilities  
12 listed in subdivision (a)(18) brought by any governmental agency or accrediting agency within  
13 the past three (3) years and the status or disposition of each matter with regard to patient care and  
14 charitable asset matters;

15 (20) A list of uncompensated care provided over the past three (3) years by each facility  
16 listed in subdivision (a)(18) and detail as to how that amount was calculated;

17 (21) Copies of all documents related to:

18 (i) Identification of all charitable assets

19 (ii) Accounting of all charitable assets for the past three (3) years; and

20 (iii) Distribution of the charitable assets including, but not limited to, endowments,  
21 restricted, unrestricted and specific purpose funds as each relates to the proposed transaction;

22 (22) A description of charity care and uncompensated care provided by the existing  
23 hospital for the previous three (3) year period to the present including a dollar amount and a  
24 description of services provided to patients;

25 (23) A description of bad debt incurred by the existing hospital for the previous three (3)  
26 years for which payment was anticipated but not received;

27 (24) A description of the plan as to how the new hospital will provide community benefit  
28 and charity care during the first three (3) years of operation;

29 (25) A description of how the new hospital will monitor and value charity care services  
30 and community benefit;

31 (26) The names of persons currently holding a position as an officer, director, board  
32 member, or senior manager who will or will not maintain any position with the new hospital and  
33 whether any said person will receive any salary, severance stock offering or any financial gain,  
34 current or deferred, as a result of or in relation to the proposed conversion;

- 1 (27) Copies of capital and operating budgets or other financial projections for the new  
2 hospital during the first three (3) years of operation;
- 3 (28) Copies of plans relative to staffing during the first three (3) years at the new hospital;
- 4 (29) A list of all medical services, departments and clinical services, and administrative  
5 services which will be maintained at the new hospital;
- 6 (30) A description of criteria established by the board of directors of the existing hospital  
7 for pursuing a proposed conversion with one or more health care providers;
- 8 (31) Copies of reports of any due diligence review performed by each transacting party in  
9 relation to the proposed conversion. These reports are to be held by the attorney general and  
10 department of health as confidential and not released to the public regardless of any determination  
11 made pursuant to § 23-17.14-32 and not withstanding any other provision of the general laws;
- 12 (32) A description of request for proposals issued by the existing hospital relating to  
13 pursuing a proposed conversion;
- 14 (33) Copies of reports analyzing affiliations, mergers, or other similar transactions  
15 considered by any of the transacting parties during the past three (3) years, including, but not  
16 limited to, reports by appraisers, accountants, investment bankers, actuaries and other experts;
- 17 (34) A copy of proposed contracts or description of proposed contracts or arrangements  
18 with senior managers, board members, officers, or directors of the existing hospital for severance  
19 consulting services or covenants not to compete following completion of the proposed  
20 conversion;
- 21 (35) A copy or description of all agreements or proposed agreements reflecting any  
22 current and/or future employment or compensated relationship between the acquiror (or any  
23 related entity) and any officer, director, board member, or senior manager of the acquiree (or any  
24 related entity);
- 25 (36) A copy or description of all agreements executed or anticipated to be executed by  
26 any of the transacting parties in connection with the proposed conversion;
- 27 (37) Copies of documents or description of any proposed plan for any entity to be created  
28 for charitable assets, including but not limited to, endowments, restricted, unrestricted and  
29 specific purpose funds, the proposed articles of incorporation, by-laws, mission statement,  
30 program agenda, method of appointment of board members, qualifications of board members,  
31 duties of board members, and conflict of interest policies;
- 32 (38) Description of all departments, clinical, social, or other services or medical services  
33 that will be eliminated or significantly reduced at the new hospital;
- 34 (39) Description of staffing levels of all categories of employees, including full-time,

1 part-time, and contract employees currently working at or providing services to the existing  
2 hospital and description of any anticipated or proposed changes in current staffing levels;

3 (40) Copies of current conflict of interest forms from all incumbent or recently incumbent  
4 officers, members of the boards of directors or trustees and senior managers, including the  
5 medical directors, of the transacting parties on a form acceptable to the attorney general;  
6 "incumbent or recently incumbent" means those individuals holding the position at the time the  
7 application is submitted and any individual who held a similar position within one year prior to  
8 the application's acceptance;

9 (41) If the acquiror is a for profit corporation that has acquired a not for profit hospital  
10 under the provisions of this chapter, the application shall also include a complete statement of  
11 performance during the preceding one year with regard to the terms and conditions of approval of  
12 conversion and each projection, plan, or description submitted as part of the application for any  
13 conversion completed under an application submitted pursuant to this section and made a part of  
14 an approval for the conversion pursuant to § 23-17.14-7, 23-17.14-8 or 23-14.14-19;

15 (42) Copies of IRS Form 990 for any transacting party required by federal law to file  
16 such a form for each of the three (3) years prior to the submission of the application.

17 (b) Two (2) copies of the initial application shall be provided to each of the department of  
18 health and department of the attorney general simultaneously by United States mail, certified,  
19 return receipt requested. Filings may be submitted electronically if acceptable to the department  
20 of health and/or attorney general.

21 (c) Except for information determined by the attorney general in accordance with § 23-  
22 17.14-32 to be confidential and/or proprietary, or otherwise required by law to be maintained as  
23 confidential, the initial application and supporting documentation shall be considered public  
24 records and shall be available for inspection upon request.

25 ~~23-17.14-11. Criteria for the department of health -- Conversions limited to not-for-~~  
26 ~~profit corporations. Criteria for the department of health -- Conversions limited to not-for-~~  
27 ~~profit corporations and for-profit acquirees.~~

28 In reviewing an application of a conversion involving a hospital in which the transacting  
29 parties are limited to not-for-profit corporations or in which the acquiree is a for-profit hospital,  
30 the department shall consider the following criteria:

31 (1) Whether the character, commitment, competence, and standing in the community, or  
32 any other communities served by the proposed transacting parties are satisfactory;

33 (2) Whether sufficient safeguards are included to assure the affected community  
34 continued access to affordable care;

1 (3) Whether the transacting parties have provided satisfactory evidence that the new  
2 hospital will provide health care and appropriate access with respect to traditionally underserved  
3 populations in the affected community;

4 (4) Whether procedures or safeguards are assured to insure that ownership interests will  
5 not be used as incentives for hospital employees or physicians to refer patients to the hospital;

6 (5) Whether the transacting parties have made a commitment to assure the continuation  
7 of collective bargaining rights, if applicable, and retention of the workforce;

8 (6) Whether the transacting parties have appropriately accounted for employment needs  
9 at the facility and addressed workforce retraining needed as a consequence of any proposed  
10 restructuring;

11 (7) Whether the conversion demonstrates that the public interest will be served  
12 considering the essential medical services needed to provide safe and adequate treatment,  
13 appropriate access and balanced health care delivery to the residents of the state.

14 **23-17.14-12. Review process by department of health for conversions involving for-**  
15 **profit hospital as the acquiree. Review process by department of health and the attorney**  
16 **general for conversions involving for-profit hospital as the acquiree.**

17 ~~The department of health shall review all proposed conversions involving a for profit~~  
18 ~~hospital as the acquiree and either a for profit corporation or a not for profit hospital or~~  
19 ~~corporation as the acquiror in accordance with the provisions for change of effective control~~  
20 ~~pursuant to §§ 23-17-14.3 and 23-17-14.4.~~

21 (a) The department of health and the attorney general shall review all proposed  
22 conversions involving a for-profit acquiree and either a for-profit corporation or a not-for-profit  
23 hospital or corporation as the acquirer in accordance with the requirements for submission of an  
24 initial application pursuant to §23-17.14-6 and the review process established in §§23-17.14-7(a)  
25 and 23-17.14-7(b).

26 (b) In reviewing an application pursuant to this section, the department shall consider the  
27 criteria in §23-17.14-11.

28 (c) In reviewing an application pursuant to this section, the attorney general shall perform  
29 a review as it deems necessary and shall consider the proposed transactions impact on:

30 (1) Access to quality and affordable health care;

31 (2) Public health and welfare; and

32 (3) The public trust and charitable assets.

33 **23-17.14-12.1. Expedited review for unaffiliated community hospitals.**

34 (a) Notwithstanding subsection 23-17.14-6(a) and § 23-17.14-10 of this chapter if a

1 proposed conversion involves: (1) Two (2) or more hospitals that are not in common control with  
2 another hospital; or (2) One hospital not under common control with another hospital and a  
3 hospital system parent corporation; or (3) Two (2) affiliated hospitals the conversion of which  
4 was previously approved in accordance with chapter 23-17.14 and another hospital or hospital  
5 system parent corporation, such conversion will be reviewed under an expedited review process  
6 conducted solely by the department of health (without derogation of the authority of the attorney  
7 general in accordance with § 23-17.14-21), only if the acquiree and acquiror are both nonprofit  
8 corporations exempt from taxation under section 501(a) of the United States Internal Revenue  
9 Service Code as organizations described in section 501(c)(3) of such code, or any successor  
10 provisions, and:

11 (1) The acquiree and acquiror are both nonprofit corporations that have directly or  
12 indirectly continuously operated at least one licensed hospital for at least the preceding three (3)  
13 years; and

14 (2) The acquiree operates a distressed Rhode Island hospital facing significant financial  
15 hardship that may impair its ability to continue to operate effectively without the proposed  
16 conversion and has been determined to be distressed by the director of health based upon whether  
17 the hospital meets one or more of the following criteria:

18 (i) Operating loss for the two (2) most recently completed fiscal years;

19 (ii) Less than fifty (50) days cash-on-hand;

20 (iii) Current asset to liability ratio of less than one point five (1.5);

21 (iv) Long-term debt to capitalization greater than seventy-five percent (75%);

22 (v) Inpatient occupancy rate of less than fifty percent (50%);

23 (vi) Would be classified as below investment grade by a major rating agency.

24 (b) The transacting parties shall file an initial application pursuant to this section which  
25 shall include the following information with respect to each transacting party and the proposed  
26 conversion:

27 (1) A detailed summary of the proposed conversion;

28 (2) Charter, articles of incorporation or certificate of incorporation for the transacting  
29 parties and their affiliated hospitals, including amendments thereto;

30 (3) Bylaws and organizational charts for the transacting parties and their affiliated  
31 hospitals;

32 (4) Organizational structure for the transacting parties and each partner, affiliate, parent,  
33 subsidiary or related legal entity in which either transacting party has a twenty percent (20%) or  
34 greater ownership interest or control;

- 1 (5) All documents, reports, meeting minutes and presentations relevant to the transacting  
2 parties' board of directors' decision to propose the conversion;
- 3 (6) Conflict of interest policies and procedures;
- 4 (7) Copies of audited income statements, balance sheets, and other financial statements  
5 for the past three (3) years for the transacting parties and their affiliated hospitals where  
6 appropriate and to the extent they have been made public, audited interim financial statements  
7 and income statements together with detailed descriptions of the financing structure of the  
8 proposed conversion including equity contribution, debt restructuring, stock issuance and  
9 partnership interests;
- 10 (8) Copies of reports analyzing the proposed conversion during the past three (3) years  
11 including, but not limited to, reports by appraisers, accountants, investment bankers, actuaries and  
12 other experts;
- 13 (9) Copies of current conflict of interest forms from all incumbent or recently incumbent  
14 officers, members of the board of directors or trustees and senior managers of the transacting  
15 parties; "incumbent or recently incumbent" means those individuals holding the position at the  
16 time the application is submitted and any individual who held a similar position within one year  
17 prior to the application's acceptance;
- 18 (10) Copies of all documents related to: (i) Identification of all current charitable assets;  
19 (ii) Accounting of all charitable assets for the past three (3) years; and (iii) Distribution of  
20 charitable assets for the past three (3) years including, but not limited to, endowments, restricted,  
21 unrestricted and specific purpose funds as each relates to the proposed conversion;
- 22 (11) A description of the plan as to how the affiliated hospitals will provide consolidated  
23 healthcare services during the first three (3) years following the conversion;
- 24 (12) Copies of plans for all hospital departments and services that will be eliminated or  
25 significantly reduced during the first three (3) years following the conversion; and
- 26 (13) Copies of plans relative to staffing levels for all categories of employees during the  
27 first three (3) years following the conversion.
- 28 (c) In reviewing an application under an expedited review process, the department shall  
29 consider the criteria in § 23-17.14-11.
- 30 (d) Within twenty (20) working days of receipt by the department of an application  
31 satisfying the requirements of subsection (b) above, the department will notify and afford the  
32 public an opportunity to comment on the application.
- 33 (e) The decision of the department shall be rendered within ninety (90) days of  
34 acceptance of the application under this section.



1 (f) Costs payable by the transacting parties under § 23-17.14-13 in connection with an  
2 expedited review by the department under this section shall not exceed twenty-five thousand  
3 dollars (\$25,000) per one hundred million dollars (\$100,000,000) of total net patient service  
4 revenue of the acquiree and acquiror in the most recent fiscal year for which audited financial  
5 statements are available.

6 (g) Following a conversion, the new hospital shall provide on or before March 1 of each  
7 calendar year a report in a form acceptable to the director containing all updated financial  
8 information required to be disclosed pursuant to subdivision 23-17.14-12.1(b)(7).

9 (h) If an expedited review is performed by the department pursuant to this section, the  
10 department of attorney general shall perform a review of the proposed transaction as it deems  
11 necessary, including, at a minimum, its impact upon the charitable assets of the transacting  
12 parties. The attorney general's review shall be done ~~concurrently~~ cooperatively with the  
13 department of health ~~review and shall not extend the length of the review process~~. For this  
14 review, the department of attorney general shall be entitled to costs in accordance with § 23-  
15 17.14-13 and subsection 23-17.14-12.1(f).

16 **23-17.14-28. Concurrent approval -- License.**

17 (a) The director may consider the requirement of this chapter and the requirements of §§  
18 23-17-1 -- 23-17-45 together upon completion of the initial application. The director may  
19 approve, approve with conditions, or disapprove one or both requests filed pursuant to this  
20 chapter, including expedited review under section 12.1, and §§ 23-17-1 -- 23-17-45. The  
21 approvals of the director required by this chapter shall be subject to chapter 35 of title 42. For any  
22 conversion subject to this chapter, the director may combine any hearings required by this chapter  
23 with any hearings on similar or related matters required by §§ 23-17-1 -- 23-17-45 and shall  
24 consider issues of market share especially as they affect quality, access, and affordability of  
25 services.

26 (b) Any approval of a conversion involving a for-profit corporation as an acquiror shall  
27 be subject to any conditions as determined by the director of health, provided those conditions  
28 relate to the purpose of this chapter. Said conditions may include, but not be limited to, the  
29 conditions contained in this subsection. In the event the director determines that one or more of  
30 the conditions contained in this subsection are not appropriate or desirable in a particular  
31 conversion, the director shall include the rationale for not including such condition(s) in any  
32 approval.

33 (1) Maintain a governing body for each converted hospital whose membership shall  
34 include uncompensated, independent individuals who reside in Rhode Island;

1           (2) Make a financially reasonable contribution to support the state's coordinated health  
2 planning process;

3           (3) Adhere to reasonable restrictions on financial incentives to patient or health plan  
4 enrollees to receive hospital services outside of the state of Rhode Island;

5           (4) Keep the new hospital open and operational for a reasonable minimum period of time;

6           (5) Make a reasonable minimum investment to support primary care in the Rhode Island  
7 communities served by the new hospital;

8           (6) Not enter into any contract or other service or purchasing arrangements with an  
9 affiliated legal entity except for contracts or arrangements to provide services or products that are  
10 reasonably necessary to accomplish the health care purposes of the relevant hospital and for  
11 compensation that is consistent with fair market value for the services actually rendered, or the  
12 products actually provided;

13           (7) Report to the director on annual distributions of profit to owners; and

14           (8) Require that any corporate allocation, or equivalent charge, to any affiliated  
15 organization(s) in any hospital fiscal year not exceed reasonable fair market value for the services  
16 rendered or the assets purchased or leased from such affiliate.

17           (c) Any approval of a conversion involving a for-profit corporation as an acquiror shall  
18 be subject to any conditions as determined by the attorney general, provided those conditions  
19 relate to the purpose of this chapter. Said conditions may include, but not be limited to, the  
20 acquiror's adherence to a minimum investment to protect the assets, financial health, and well-  
21 being of the new hospital and for community benefit. In the event the attorney general determines  
22 that the conditions contained in this subsection are not appropriate or desirable in a particular  
23 conversion, the attorney general shall include the rationale for not including such condition(s) in  
24 any approval.

25           (d) For a period of three (3) years following the effective date of the conversion, when  
26 approval of a conversion involves either a not-for-profit or a for-profit corporation as ~~an~~ acquiror:

27           (1) The acquiror shall file reports with the department and the attorney general on or  
28 before March 1st of each calendar year detailing compliance with the conditions in subsection (b)  
29 and any other conditions on the conversion approval or license of the new hospital. Failure to  
30 comply with any of such conditions or the charity care requirements contained in § 23-17.14-15  
31 shall be cause for penalties to be applied in accordance with § 23-17.14-30;

32           (2) The department of health and the department of attorney general shall monitor, assess  
33 and evaluate the acquiror's compliance with all of the conditions of approval, as well as annually  
34 review the impact of the conversion on health care costs and services within the communities

1 served; and

2 (3) The acquiror shall pay for the costs of the department of health and the department of  
3 attorney general in performing such monitoring, evaluation and assessment in an amount to be  
4 determined by the attorney general or the director as they deem appropriate, which should be  
5 placed in escrow during the term of the monitoring period. No application for a conversion made  
6 pursuant to the requirements of this chapter shall be approved unless an agreement has been  
7 executed with the attorney general and the director for the payment of reasonable costs in  
8 accordance with this section.

9 (4) The department and/or the attorney general may seek immediate relief in the superior  
10 court to enforce any conditions of approval of a conversion, and may impose penalties for  
11 noncompliance pursuant to §23-17.14-30.

12 **23-17.14-34. Judicial review.**

13 (a) ~~Notwithstanding any other provision of the general laws, any~~ Any transacting party  
14 aggrieved by a final order of the department of health or the attorney general under this chapter  
15 may seek judicial review ~~by original action filed~~ in the superior court in accordance with §42-35-  
16 12. Any preliminary, procedural, or intermediate agency act or ruling with respect to the filing of  
17 ~~an application for conversion, including the completeness of the application, confidentiality of~~  
18 ~~any information or documents produced in connection with a conversion, approval or disapproval~~  
19 ~~of a conversion and conditions or restrictions proposed or determined with the respect to the~~  
20 ~~approval of a proposed conversion, is immediately reviewable.~~

21 ~~(b) Any action brought under this section shall be given priority by the superior court.~~

22 ~~(c) In performing such review the superior court shall consider and balance the~~  
23 ~~reasonable interests of the transacting parties and the reasonable interest of the citizens of the~~  
24 ~~state in a safe, accessible, and affordable healthcare system.~~

25 ~~(d) The court may affirm the decision of the agency or remand the case for further~~  
26 ~~proceedings, or it may reverse or modify the decision if substantial rights of the appellant have~~  
27 ~~been prejudiced because the administrative findings, inferences, conclusions, or decisions are:~~

28 ~~(1) Unreasonable;~~

29 ~~(2) In violation of constitutional or statutory provisions;~~

30 ~~(3) In excess of the statutory authority of the agency;~~

31 ~~(4) Made upon unlawful procedure;~~

32 ~~(5) Affected by other error or law;~~

33 ~~(6) Clearly erroneous in view of the reliable, probative, and substantial evidence on the~~  
34 ~~whole record; or~~

1           ~~(7) Arbitrary or capricious or characterized by abuse of discretion or clearly unwarranted~~  
2 ~~exercise of discretion.~~

3           SECTION 2. Chapter 23-17.14 of the General Laws entitled "The Hospital Conversions  
4 Act" is hereby amended by adding thereto the following sections:

5           **23-17.14-2.1. Additional findings.**

6           The general assembly further finds and declares that:

7           (1) The landscape of the state's hospitals continues to evolve in response to challenges in  
8 the health care industry;

9           (2) As hospitals and health care systems strive to provide quality care to their patients and  
10 communities, mergers, acquisitions and partnerships have resulted; and

11           (3) Rhode Island now has several for-profit hospitals and health care systems inspiring  
12 revisions to this chapter.

13           **23-17.14-3.1. Additional purpose.**

14           The purpose of this chapter is also to:

15           (1) Protect the public interest in ensuring quality and affordable health care is delivered  
16 by for-profit and not-for-profit hospitals in the state; and

17           (2) Require that all transactions involving any hospital, for-profit or not-for-profit, are  
18 reviewed by the department of health and the attorney general pursuant to the provisions of this  
19 chapter.

20           SECTION 3. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
A N A C T  
RELATING TO HEALTH AND SAFETY -- THE HOSPITAL CONVERSIONS ACT

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1           This act would subject for-profit hospitals seeking approval of an acquisition pursuant to  
2 the hospital conversion act, to the review conducted by the attorney general and the department of  
3 health. The act would also make some technical amendments to the chapter.

4           This act would take effect upon passage.

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