

SENATE HEALTH, HUMAN SERVICES AND SENIOR  
CITIZENS COMMITTEE

STATEMENT TO

**SENATE, No. 369**

with committee amendments

**STATE OF NEW JERSEY**

DATED: FEBRUARY 4, 2010

The Senate Health, Human Services and Senior Citizens Committee reports favorably and with amendments Senate Bill No. 369.

As amended by the committee, this bill requires that each general hospital, as a condition of licensure, adopt a written policy and procedures governing conflicts of interest on the part of its board members.

The bill provides specifically as follows:

- The board of trustees is required to adopt a written policy and procedures governing conflicts of interest on the part of board members. Each general hospital shall maintain the policy and procedures in its administrative records, which policy and procedures shall be available to the Department of Health and Senior Services.
- The written policy and procedures shall be updated annually.
- Each general hospital shall post on its website its most current written policy and procedures governing conflicts of interest, and shall make them publicly available upon request.
- The written policy and procedures shall include, at a minimum, requirements for:
  - the disclosure by a board member of any perceived or actual conflict of interest on the member's part with respect to any matter pending before the board;
  - a prohibition on the board member voting on, or participating in the discussion relating to, the awarding of a contract concerning any such matter by the members of the board;
  - the maintenance by the board of a record of the disclosure by the board member of the perceived or actual conflict of interest; and
  - public disclosure of all perceived or actual conflicts of interest involving board members, and of any matter involving the awarding of a contract between a general hospital and a board member.

- Each hospital board of trustees shall disseminate the written policy and procedures to all current board members upon its adoption and to each new board member upon appointment to the board.
- In the case where a board member has a perceived or actual conflict of interest in a matter involving the awarding of a contract in an amount greater than \$25,000, a general hospital shall solicit at least three bids or proposals, as appropriate, with respect to that contract.
- Compliance with the above shall be a condition of licensure.

The committee amendments:

- delete provisions specifying that the Department of Health and Senior Services will prescribe regulations governing conflicts of interest;
- require that hospitals maintain and annually update their written conflict of interest policies and procedures;
- require that hospitals post on their websites their most current conflict of interest policies and procedures;
- clarify that the board disseminate the written policy “and procedures” to all current board members upon its adoption, and to each board member upon appointment to the board;
- require public disclosure of all perceived or actual conflicts of interest involving board members, and of any matter involving the awarding of a contract between a general hospital and a board member; and
- specify that compliance with the requirements of the bill are a condition of hospital licensure.

As amended by the committee, this bill is similar to Assembly Bill No. 1354 (Angelini/Vainieri Huttle/Moriarty), which is pending in the Assembly Health and Senior Services Committee.

This bill was pre-filed for introduction in the 2010-2011 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.