

**SENATE, No. 1468**

**STATE OF NEW JERSEY**  
**214th LEGISLATURE**

INTRODUCED FEBRUARY 22, 2010

**Sponsored by:**

**Senator LORETTA WEINBERG**

**District 37 (Bergen)**

**Senator SANDRA B. CUNNINGHAM**

**District 31 (Hudson)**

**Co-Sponsored by:**

**Senator Gordon**

**SYNOPSIS**

Requires for-profit hospitals to report certain information to DHSS.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 7/20/2010)**

1 AN ACT concerning for-profit hospitals and supplementing Title 26  
2 of the Revised Statutes.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State  
5 of New Jersey:

6

7 1. A general hospital licensed pursuant to P.L.1971, c.136  
8 (C.26:2H-1 et seq.) that is owned or managed by a for-profit entity  
9 shall be required to file with the Department of Health and Senior  
10 Services, and with the local health department of each municipality  
11 in which the hospital operates a facility that provides health care  
12 services, and to post on the Internet web site of that hospital, the  
13 following information, as prescribed by regulation of the  
14 Commissioner of Health and Senior Services:

15 a. audited financial statements for the past three years and  
16 quarterly unaudited financial statements for the current year for the  
17 hospital and for any related or affiliated entity that does business  
18 with or otherwise transfers assets to or from the hospital;

19 b. financial and operating data that meet the standards set forth  
20 in Statement 18 of the Principles and Practices Board of the  
21 Healthcare Financial Management Association governing public  
22 disclosure of financial and operating information by health care  
23 providers;

24 c. a list of all payments for goods or services, including leases  
25 and rentals, made to any entity owned or managed, in whole or in  
26 part, by any owner, board member, or officer of the entity that owns  
27 or operates the hospital, or a person related to such an individual;

28 d. a list of all compensation, including salaries, benefits,  
29 bonuses, and deferred compensation, paid to each board member  
30 and officer of the hospital;

31 e. a chart that identifies all legal entities related to or affiliated  
32 with the hospital, including the full name of the entity, location, and  
33 its tax-exempt status;

34 f. whether the owners or managers of the hospital maintain one  
35 or more offices, employees, or agents outside the United States that  
36 do business with the hospital, and any revenues and expenses of  
37 more than \$5,000 transacted outside the United States;

38 g. a list of investors and joint ventures between the hospital  
39 owners and its investors, including the name of the joint venture  
40 entity, whether for-profit or nonprofit, a description of its primary  
41 activity, and the percent of profit or stock ownership of each of the  
42 officers, directors, physicians, and key employees of the hospital in  
43 the joint venture;

44 h. the name and address of any management company paid to  
45 provide services to the hospital, a description of the primary activity  
46 of the company, and the percent of profit or stock ownership of  
47 each of the officers, directors, physicians and key employees of the  
48 hospital in the management company;

- 1 i. a list of any properties for which the hospital has claimed a  
2 tax abatement;
- 3 j. a description of major plant or facility expansion projects at  
4 the hospital, including the project location, scope, timeline for  
5 completion, and estimated cost of and sources of funding for  
6 construction; and
- 7 k. if the hospital had surplus revenues for the prior fiscal year,  
8 the total amount of any such surplus revenue used for each of the  
9 following: debt retirement; plant or facility expansion; or a reserve  
10 for operating contingencies.
- 11
- 12 2. The Commissioner of Health and Senior Services, pursuant  
13 to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-  
14 1 et seq.), shall adopt rules and regulations to effectuate the  
15 purposes of this act.
- 16
- 17 3. This act shall take effect on the 180th day after enactment,  
18 but the Commissioner of Health and Senior Services may take such  
19 anticipatory administrative action in advance thereof as shall be  
20 necessary for the implementation of this act.

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22  
23 STATEMENT  
24

25 This bill requires for-profit hospitals to report certain  
26 information to the Department of Health and Senior Services  
27 (DHSS) and otherwise make that information available to the  
28 public.

29 Specifically, the bill requires that a licensed general hospital that  
30 is owned or managed by a for-profit entity file with DHSS, and with  
31 the local health department of each municipality in which the  
32 hospital operates a facility that provides health care services, and  
33 post on the Internet web site of that hospital, the following  
34 information, as prescribed by regulation of the Commissioner of  
35 Health and Senior Services:

- 36 • audited financial statements for the past three years and quarterly  
37 unaudited financial statements for the current year for the hospital  
38 and for any related or affiliated entity that does business with or  
39 otherwise transfers assets to or from the hospital;
- 40 • financial and operating data that meet the standards set forth in  
41 Statement 18 of the Principles and Practices Board of the  
42 Healthcare Financial Management Association governing public  
43 disclosure of financial and operating information by health care  
44 providers;
- 45 • a list of all payments for goods or services, including leases and  
46 rentals, made to any entity owned or managed, in whole or in  
47 part, by any owner, board member, or officer of the entity that

- 1 owns or operates the hospital, or a person related to such an  
2 individual;
- 3 • a list of all compensation, including salaries, benefits, bonuses,  
4 and deferred compensation, paid to each board member and  
5 officer of the hospital;
  - 6 • a chart that identifies all legal entities related to or affiliated with  
7 the hospital, including the full name of the entity, location, and its  
8 tax-exempt status;
  - 9 • whether the owners or managers of the hospital maintain one or  
10 more offices, employees, or agents outside the United States that  
11 do business with the hospital, and any revenues and expenses of  
12 more than \$5,000 transacted outside the United States;
  - 13 • a list of investors and joint ventures between the hospital owners  
14 and its investors, including the name of the joint venture entity,  
15 whether for-profit or nonprofit, a description of its primary  
16 activity, and the percent of profit or stock ownership of each of  
17 the officers, directors, physicians, and key employees of the  
18 hospital in the joint venture;
  - 19 • the name and address of any management company paid to  
20 provide services to the hospital, a description of the primary  
21 activity of the company, and the percent of profit or stock  
22 ownership of each of the officers, directors, physicians and key  
23 employees of the hospital in the management company;
  - 24 • a list of any properties for which the hospital has claimed a tax  
25 abatement;
  - 26 • a description of major plant or facility expansion projects at the  
27 hospital, including the project location, scope, timeline for  
28 completion, and estimated cost of and sources of funding for  
29 construction; and
  - 30 • if the hospital had surplus revenues for the prior fiscal year, the  
31 total amount of any such surplus revenue used for each of the  
32 following: debt retirement; plant or facility expansion; or a  
33 reserve for operating contingencies.
- 34 The bill takes effect on the 180th day after enactment but  
35 authorizes the Commissioner of Health and Senior Services to take  
36 anticipatory administrative action in advance as necessary for its  
37 implementation.