

SENATE, No. 782

STATE OF NEW JERSEY 215th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2012 SESSION

Sponsored by:

Senator LORETTA WEINBERG

District 37 (Bergen)

Senator SANDRA B. CUNNINGHAM

District 31 (Hudson)

Co-Sponsored by:

Senators Gordon, Greenstein and Stack

SYNOPSIS

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

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel



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 including an entity that has a majority ownership interest in the
10 hospital, shall be required to file with the Department of Health and
11 Senior Services, and with the local health department of each
12 municipality in which the hospital operates a facility that provides
13 health care services, and to post on the Internet web site of that
14 hospital, the following information, as prescribed by regulation of
15 the Commissioner of Health and Senior Services:

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

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

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

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

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

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

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

45 h. the name and address of any management company paid to
46 provide services to the hospital, a description of the primary activity
47 of the company, and the percent of profit or stock ownership of

- 1 each of the officers, directors, physicians and key employees of the
2 hospital in the management company;
- 3 i. the amounts paid to any affiliates for management or
4 consulting services;
- 5 j. a list of any properties for which the hospital has claimed a tax
6 abatement;
- 7 k. a description of major plant or facility expansion projects at
8 the hospital, including the project location, scope, timeline for
9 completion, and estimated cost of and sources of funding for
10 construction; and
- 11 1. if the hospital had surplus revenues for the prior fiscal year,
12 the total amount of any such surplus revenue used for each of the
13 following: debt retirement; plant or facility expansion; or a reserve
14 for operating contingencies.
- 15
- 16 2. The Commissioner of Health and Senior Services, pursuant
17 to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-
18 1 et seq.), shall adopt rules and regulations to effectuate the
19 purposes of this act.
- 20
- 21 3. This act shall take effect on the 180th day after enactment,
22 but the Commissioner of Health and Senior Services may take such
23 anticipatory administrative action in advance thereof as shall be
24 necessary for the implementation of this act.
- 25

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27 STATEMENT

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- 29 This bill requires for-profit hospitals to report certain
30 information to the Department of Health and Senior Services
31 (DHSS) and otherwise make that information available to the
32 public.
- 33 Specifically, the bill requires that a licensed general hospital that
34 is owned or managed by a for-profit entity, including an entity that
35 has a majority ownership interest in the hospital, file with DHSS,
36 and with the local health department of each municipality in which
37 the hospital operates a facility that provides health care services,
38 and post on the Internet web site of that hospital, the following
39 information, as prescribed by regulation of the Commissioner of
40 Health and Senior Services:
- 41 • audited financial statements for the past three years and quarterly
42 unaudited financial statements for the current year for the hospital
43 and for any related or affiliated entity that does business with or
44 otherwise transfers assets to or from the hospital;
- 45 • financial and operating data that meet the standards set forth in
46 Statement 18 of the Principles and Practices Board of the
47 Healthcare Financial Management Association governing public

- 1 disclosure of financial and operating information by health care
2 providers;
- 3 • a list of all payments for goods or services, including leases and
4 rentals, made to any entity owned or managed, in whole or in
5 part, by any owner, board member, or officer of the entity that
6 owns or operates the hospital, or a person related to such an
7 individual;
 - 8 • a list of all compensation, including salaries, benefits, bonuses,
9 and deferred compensation, paid to each board member and
10 officer of the hospital;
 - 11 • a chart that identifies all legal entities related to or affiliated with
12 the hospital, including the full name of the entity, location, and its
13 tax-exempt status;
 - 14 • whether the owners or managers of the hospital maintain one or
15 more offices, employees, or agents outside the United States that
16 do business with the hospital, and any revenues and expenses of
17 more than \$5,000 transacted outside the United States;
 - 18 • a list of investors and joint ventures between the hospital owners
19 and its investors, including the name of the joint venture entity,
20 whether for-profit or nonprofit, a description of its primary
21 activity, and the percent of profit or stock ownership of each of
22 the officers, directors, physicians, and key employees of the
23 hospital in the joint venture;
 - 24 • the name and address of any management company paid to
25 provide services to the hospital, a description of the primary
26 activity of the company, and the percent of profit or stock
27 ownership of each of the officers, directors, physicians and key
28 employees of the hospital in the management company;
 - 29 • the amounts paid to any affiliates for management or consulting
30 services;
 - 31 • a list of any properties for which the hospital has claimed a tax
32 abatement;
 - 33 • a description of major plant or facility expansion projects at the
34 hospital, including the project location, scope, timeline for
35 completion, and estimated cost of and sources of funding for
36 construction; and
 - 37 • if the hospital had surplus revenues for the prior fiscal year, the
38 total amount of any such surplus revenue used for each of the
39 following: debt retirement; plant or facility expansion; or a
40 reserve for operating contingencies.

41 The bill takes effect on the 180th day after enactment but
42 authorizes the Commissioner of Health and Senior Services to take
43 anticipatory administrative action in advance as necessary for its
44 implementation.