

SENATE, No. 572

STATE OF NEW JERSEY

INTRODUCED JANUARY 29, 1996

By Senator BASSANO

1 AN ACT requiring the reporting of certain income by hospitals and  
2 supplementing Title 26 of the Revised Statutes.

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

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7 1. A general hospital licensed pursuant to P.L.1971, c.136  
8 (C.26:2H-1 et seq.) shall annually report to the Commissioner of  
9 Health, on a form and in a manner prescribed by the commissioner:

10 a. Its financial relationship with any for-profit subsidiary in which  
11 the hospital has a financial interest, or with which it is affiliated. The  
12 hospital shall include in that report information about its employees or  
13 health care professionals who are affiliated with the hospital who have  
14 any financial interest in a for-profit subsidiary in which the hospital has  
15 a financial interest, or with which it is affiliated. The hospital shall  
16 require its employees and health care professionals who are affiliated  
17 with the hospital to annually disclose to the chief financial officer of  
18 the hospital any such financial interest.

19 b. For the preceding 12-month period:

20 (1) the amount of monies received by the hospital from its  
21 foundation, development fund or other private nonprofit entity,  
22 including the source of those monies, the amount received from each  
23 source, and how the monies were utilized by the hospital; and

24 (2) the amount of monies received by the hospital through its own  
25 fund-raising efforts and how the monies were utilized by the hospital,  
26 including the amounts allocated to cover administrative costs.

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28 2. The Commissioner of Health, pursuant to the "Administrative  
29 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), shall adopt  
30 rules and regulations to effectuate the purposes of this act.

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32 3. This act shall take effect immediately.

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STATEMENT

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37 This bill requires each general hospital in the State to annually

1 disclose to the Commissioner of Health its financial relationship with  
2 any for-profit subsidiary in which the hospital has a financial interest,  
3 or with which it is affiliated, and any financial interest which a hospital  
4 employee or affiliated health care professional has in a for-profit  
5 subsidiary of that hospital.

6 The bill also requires hospitals to report annually to the  
7 commissioner on the amount of monies received by the hospital  
8 during the preceding 12-month period from its foundation,  
9 development fund or other private nonprofit entity, including the  
10 source of those monies, the amount received from each source, and  
11 how the monies were utilized by the hospital. The hospital also shall  
12 report any monies received through its own fund-raising efforts and  
13 how those monies were utilized by the hospital.

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18 Requires hospitals to disclose financial relationships with for-profit  
19 subsidiaries and report monies received from private nonprofit entities.