



# House of Representatives

General Assembly

**File No. 99**

January Session, 2003

Substitute House Bill No. 6454

*House of Representatives, March 31, 2003*

The Committee on Public Health reported through REP. FELTMAN of the 6th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

## ***AN ACT REPEALING CERTAIN STATUTES REGARDING HOSPITALS.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 19a-637 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective from passage*):

3 (a) In any of its deliberations involving a proposal, request or  
4 submission regarding rates or services by a health care facility or  
5 institution, the office shall take into consideration and make written  
6 findings concerning each of the following principles and guidelines:  
7 The relationship of the proposal, request or submission to the state  
8 health plan; the relationship of the proposal, request or submission to  
9 the applicant's long-range plan; the financial feasibility of the proposal,  
10 request or submission and its impact on the applicant's rates and  
11 financial condition; the impact of such proposal, request or submission  
12 on the interests of consumers of health care services and the payers for  
13 such services; the contribution of such proposal, request or submission  
14 to the quality, accessibility and cost-effectiveness of health care

15 delivery in the region; whether there is a clear public need for any  
16 proposal or request; whether the health care facility or institution is  
17 competent to provide efficient and adequate service to the public in  
18 that such health care facility or institution is technically, financially  
19 and managerially expert and efficient; that rates be sufficient to allow  
20 the health care facility or institution to cover its reasonable capital and  
21 operating costs; the relationship of any proposed change to the  
22 applicant's current utilization statistics; the teaching and research  
23 responsibilities of the applicant; the special characteristics of the  
24 patient-physician mix of the applicant; the voluntary efforts of the  
25 applicant in improving productivity and containing costs; and any  
26 other factors which the office deems relevant, including, in the case of  
27 a facility or institution as defined in subsection (c) of section 19a-490,  
28 such factors as, but not limited to, the business interests of all owners,  
29 partners, associates, incorporators, directors, sponsors, stockholders  
30 and operators and the personal backgrounds of such persons.  
31 Whenever the granting, modification or denial of a request is  
32 inconsistent with the state health plan, a written explanation of the  
33 reasons for the inconsistency shall be included in the decision.

34 (b) Any data submitted to or obtained or compiled by the office  
35 with respect to its deliberations under sections 19a-637 to [19a-640]  
36 19a-639e, inclusive, with respect to nursing homes, licensed under  
37 chapter 368v, shall be made available to the Department of Public  
38 Health.

39 [(c) Notwithstanding the provisions of subsection (a) of this section,  
40 the office in its deliberations under section 19a-640, shall not direct or  
41 control the use of the following resources of the hospital concerned:  
42 The principal and all income from restricted and unrestricted grants,  
43 gifts, contributions, bequests and endowments.]

44 Sec. 2. Section 19a-641 of the general statutes is repealed and the  
45 following is substituted in lieu thereof (*Effective from passage*):

46 Any health care facility or institution and any state health care  
47 facility or institution aggrieved by any final decision of said office

48 under the provisions of sections 19a-630 to [19a-640] 19a-639e,  
49 inclusive, or section 19a-648 or 19a-650, may appeal therefrom in  
50 accordance with the provisions of section 4-183, except venue shall be  
51 in the judicial district in which it is located. Such appeal shall have  
52 precedence in respect to order of trial over all other cases except writs  
53 of habeas corpus, actions brought by or on behalf of the state,  
54 including informations on the relation of private individuals, and  
55 appeals from awards or decisions of workers' compensation  
56 commissioners.

57 Sec. 3. Subsection (a) of section 19a-643 of the general statutes is  
58 repealed and the following is substituted in lieu thereof (*Effective from*  
59 *passage*):

60 (a) The office shall adopt regulations, in accordance with the  
61 provisions of chapter 54, to carry out the provisions of sections 19a-630  
62 to [19a-640] 19a-639e, inclusive, and sections 19a-644, 19a-645 and 19a-  
63 648, concerning the submission of data by health care facilities and  
64 institutions, including data on dealings between health care facilities  
65 and institutions and their affiliates, and, with regard to requests or  
66 proposals pursuant to sections 19a-638 and 19a-639, by state health  
67 care facilities and institutions, the ongoing inspections by the office of  
68 operating budgets of health care facilities and institutions, [after their  
69 approval,] standard reporting forms and standard accounting  
70 procedures to be utilized by health care facilities and institutions and  
71 the transferability of line items in the [approved] operating budgets of  
72 the health care facilities and institutions, except that any health care  
73 facility or institution may transfer any amounts among items in its  
74 operating budget, [, provided such facility or institution is not  
75 exceeding and will not exceed its overall operating budget.] All such  
76 transfers shall be reported to the office within thirty days of the  
77 transfer or transfers.

78 Sec. 4. Section 19a-645 of the general statutes is repealed and the  
79 following is substituted in lieu thereof (*Effective from passage*):

80 A nonprofit hospital, licensed by the Department of Public Health,

81 which provides lodging, care and treatment to members of the public,  
 82 and which wishes to enlarge its public facilities by adding contiguous  
 83 land and buildings thereon, if any, the title to which it cannot  
 84 otherwise acquire, may prefer a complaint for the right to take such  
 85 land to the superior court for the judicial district in which such land is  
 86 located, provided such hospital shall have received the approval of the  
 87 Office of Health Care Access under section 19a-639, [or 19a-640.] Said  
 88 court shall appoint a committee of three disinterested persons, who,  
 89 after examining the premises and hearing the parties, shall report to  
 90 the court as to the necessity and propriety of such enlargement and as  
 91 to the quantity, boundaries and value of the land and buildings  
 92 thereon, if any, which they deem proper to be taken for such purpose  
 93 and the damages resulting from such taking. If such committee reports  
 94 that such enlargement is necessary and proper and the court accepts  
 95 such report, the decision of said court thereon shall have the effect of a  
 96 judgment and execution may be issued thereon accordingly, in favor of  
 97 the person to whom damages may be assessed, for the amount thereof;  
 98 and, on payment thereof, the title to the land and buildings thereon, if  
 99 any, for such purpose shall be vested in the complainant, but such land  
 100 and buildings thereon, if any, shall not be taken until such damages  
 101 are paid to such owner or deposited with said court, for such owner's  
 102 use, within thirty days after such report is accepted. If such application  
 103 is denied, the owner of the land shall recover costs of the applicant, to  
 104 be taxed by said court, which may issue execution therefor. Land so  
 105 taken shall be held by such hospital and used only for the public  
 106 purpose stated in its complaint to the superior court. No land  
 107 dedicated or otherwise reserved as open space or park land or for  
 108 other recreational purposes and no land belonging to any town, city or  
 109 borough shall be taken under the provisions of this section.

110 Sec. 5. (*Effective from passage*) Sections 19a-640 and 19a-682 of the  
 111 general statutes are repealed.

This act shall take effect as follows:	
Section 1	<i>from passage</i>

Sec. 2	<i>from passage</i>
Sec. 3	<i>from passage</i>
Sec. 4	<i>from passage</i>
Sec. 5	<i>from passage</i>

**PH**      *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

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***OFA Fiscal Note***

***State Impact:*** None

***Municipal Impact:*** None

***Explanation***

This bill eliminates obsolete statutory language. Its passage will result in no fiscal impact.

**OLR Bill Analysis**

sHB 6454

**AN ACT REPEALING CERTAIN STATUTES REGARDING HOSPITALS****SUMMARY:**

This bill repeals an outdated and unused hospital budget-related statute that requires the Office of Health Care Access (OHCA) to annually approve a hospital's proposed operating and capital expenditures budget for its next fiscal year. By law, OHCA no longer approves a hospital's budget; instead hospitals submit budget data annually to OHCA (see BACKGROUND).

The bill repeals an obsolete provision concerning hospitals back billing for services rendered between November 1, 1994, to June 1, 1995. It also makes conforming changes.

EFFECTIVE DATE: Upon passage

**BACKGROUND*****Related Law and Bill***

By law, short-term acute care general hospitals and children's hospitals must submit budget data to OHCA by September 1 annually for the upcoming fiscal year. HB 6434, reported favorably by the Public Health Committee, instead makes the hospital submission date February 28 annually for the hospital year that began the previous October 1.

**COMMITTEE ACTION**

Public Health Committee

Joint Favorable Substitute

Yea 21    Nay 0