



General Assembly

January Session, 2007

Raised Bill No. 7328

LCO No. 5096

05096_____JUD

Referred to Committee on Judiciary

Introduced by:
(JUD)

**AN ACT CONCERNING ENFORCEMENT OF THE CHARITABLE
PURPOSES OF NONPROFIT HOSPITALS.**

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

- 1 Section 1. (NEW) (*Effective July 1, 2007*) (a) As used in this section:
- 2 (1) "Nonprofit hospital" has the same meaning as provided in
3 section 19a-486 of the general statutes; and
- 4 (2) "Charitable purpose" means any benevolent, educational,
5 philanthropic, humane, scientific, patriotic, social welfare or advocacy,
6 public health, environmental conservation, civic or eleemosynary
7 objective.
- 8 (b) Each nonprofit hospital shall act to accomplish its charitable
9 purpose and shall use its charitable funds in a manner consistent with
10 its charitable purpose.
- 11 (c) If the Attorney General has reason to believe that a nonprofit
12 hospital is not complying with the requirements of subsection (b) of
13 this section, the Attorney General may conduct an investigation of
14 such matter. In the case of an investigation of any nonprofit hospital

15 receiving in excess of fifty million dollars annually in total Medicaid
16 funding, the Attorney General may issue written interrogatories, to be
17 answered under oath, or issue a demand, by subpoena, that any
18 person appear before the Attorney General and give testimony or
19 produce documents as to any matter relevant to such investigation.
20 After such investigation, if the Attorney General determines that the
21 nonprofit hospital is not acting to accomplish its charitable purpose or
22 has used its charitable funds in a manner inconsistent with its
23 charitable purpose, the Attorney General shall transmit the results of
24 such investigation to the tax assessor and the chief elected official of
25 the municipality in which the nonprofit hospital is located.

26 (d) The Attorney General may bring a civil action in the superior
27 court for the judicial district of Hartford to enforce the provisions of
28 this section. The court may order such equitable and injunctive relief as
29 the court deems appropriate, including, but not limited to, ordering
30 the election of a new board of directors or the installation of a new
31 administrative officer of a nonprofit hospital found to be in violation of
32 subsection (b) of this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2007	New section

Statement of Purpose:

To require each nonprofit hospital to act to accomplish its charitable purpose and to authorize the Attorney General to enforce such requirement.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]