



Senate

General Assembly

File No. 537

January Session, 2013

Substitute Senate Bill No. 967

Senate, April 17, 2013

The Committee on Public Health reported through SEN. GERRATANA of the 6th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING EXPENSES RELATING TO THE SALE OF NONPROFIT HOSPITALS.

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

1 Section 1. Subsection (c) of section 19a-486c of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective from*
3 *passage and applicable to any application filed pursuant to section 19a-*
4 *486a(c) on and after January 1, 2013*):

5 (c) The Attorney General may contract with experts or consultants
6 to assist in reviewing the proposed agreement, including, but not
7 limited to, assistance in independently determining the fair market
8 value of the nonprofit hospital's assets. The Attorney General may
9 appoint, or contract with, another person to conduct the review
10 required by this section and make recommendations to the Attorney
11 General. The Attorney General shall submit any bills for such contracts
12 to the purchaser. The purchaser shall pay such bills [within thirty days
13 of] not later than thirty days after receipt. Such bills shall not exceed
14 [three] five hundred thousand dollars.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage and applicable to any application filed pursuant to section 19a-486a(c) on and after January 1, 2013</i>	19a-486(c)

PH *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

There is no fiscal impact to the Office of the Attorney General (OAG) in increasing, from \$300,000 to \$500,000, the amount the purchaser can be billed when reviewing a proposal to approve the sale of a nonprofit hospital to a for-profit entity as the OAG utilizes private experts and consultants who then receive such funds.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis**sSB 967*****AN ACT CONCERNING EXPENSES RELATING TO THE SALE OF NONPROFIT HOSPITALS.*****SUMMARY:**

By law, the attorney general can contract with experts or consultants when reviewing a proposal to approve the sale of a nonprofit hospital to a for-profit entity, including contracting with an outside entity to conduct the review. This bill increases, from \$300,000 to \$500,000, the amount the purchaser can be billed for these services.

EFFECTIVE DATE: upon passage, and applicable to applications to approve such transactions filed on or after January 1, 2013

BACKGROUND***Sale of Nonprofit Hospitals***

By law, the public health commissioner and the attorney general must review and approve a nonprofit hospital's agreement to sell or otherwise transfer a material amount of its assets or operations or to change the control of its operations to a for-profit entity. The law sets out procedures and standards for the commissioner's and attorney general's review of such transactions. Any such agreement without the required approval is void (CGS §§ 19a-486 to -486h).

COMMITTEE ACTION

Public Health Committee

Joint Favorable Substitute

Yea 27 Nay 1 (04/01/2013)