



General Assembly

February Session, 2014

Raised Bill No. 5257

LCO No. 1147



Referred to Committee on LABOR AND PUBLIC EMPLOYEES

Introduced by:
(LAB)

AN ACT CONCERNING HOSPITAL EMPLOYEES AND HOSPITAL CONVERSIONS.

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

1 Section 1. (NEW) (*Effective from passage*) (a) As used in this section
2 and section 2 of this act:

3 (1) "Affected community" means the city or town in which a
4 nonprofit hospital is located and the cities or towns whose inhabitants
5 are regularly served by a nonprofit hospital;

6 (2) "Conversion" means any transfer by a person or persons of the
7 assets or operation of a nonprofit hospital to a person or persons that is
8 organized or operated for profit, that results in (A) a change in the
9 ownership, control or possession of not less than twenty per cent of (i)
10 the voting rights or interests in the nonprofit hospital, or (ii) the assets
11 of the nonprofit hospital; (B) a person previously unaffiliated with the
12 nonprofit hospital possessing not less than ten per cent of (i) the voting
13 rights or interests in the nonprofit hospital, or (ii) the assets of the
14 nonprofit hospital; or (C) the removal, addition or substitution of a

15 person holding an ownership or membership interest in the nonprofit
16 hospital that results in a previously unaffiliated person gaining or
17 acquiring a controlling interest or controlling vote in the nonprofit
18 hospital;

19 (3) "Nonprofit hospital" has the same meaning as provided in
20 section 19a-486 of the general statutes;

21 (4) "Person" means any individual, trust or estate, firm, partnership,
22 corporation, limited liability company or other entity, including the
23 state and any political subdivision thereof; and

24 (5) "Transfer" has the same meaning as provided in section 19a-486
25 of the general statutes.

26 (b) Prior to undergoing a conversion, the nonprofit hospital and the
27 person or persons seeking the assets or operation or a change in
28 control of operations of the nonprofit hospital shall enter into a written
29 memorandum of understanding to preserve community benefits in the
30 affected community. The memorandum of understanding shall require
31 the person or persons seeking the assets or operation or a change in
32 control of operations of the nonprofit hospital to: (1) Maintain the
33 current rates of pay and current benefits of all employees employed at
34 the nonprofit hospital at the time of conversion; (2) recognize any labor
35 organizations representing employees employed at the nonprofit
36 hospital at the time of conversion; (3) honor any collective bargaining
37 agreements entered into between a labor organization and the
38 nonprofit hospital; (4) maintain staffing levels at the time of conversion
39 for not less than three years following the date the Attorney General
40 and Commissioner of Public Health have approved the conversion
41 pursuant to section 19a-486b of the general statutes; and (5) follow best
42 practices for staffing levels to assure patient care and safety.

43 (c) Prior to undergoing a conversion, the city or town in which the
44 nonprofit hospital is located shall hold not less than three public
45 hearings. The public hearings shall be open to all members of the

46 public in the affected community and shall include, but not be limited
47 to: (1) A discussion of the conversion and the person or persons
48 seeking the assets or operation or a change in control of operations of
49 the nonprofit hospital; (2) a summary of the potential impact of the
50 proposed conversion on employment at the nonprofit hospital; and (3)
51 an opportunity to question representatives of the nonprofit hospital
52 and the person or persons seeking the assets or operation or a change
53 in control of operations of the nonprofit hospital about any relevant
54 concerns. Not less than fourteen days prior to each hearing, notice of
55 the time and place of the hearing shall be publicized in one or more
56 newspapers of general circulation in the affected community. Each
57 public hearing shall take place at least sixty days before a certificate of
58 need application is filed with the Department of Public Health
59 pursuant to section 19a-486a of the general statutes.

60 Sec. 2. (NEW) (*Effective from passage*) Not later than thirty days after
61 undergoing a conversion, the person or persons having acquired
62 possession of the assets or operation of the former nonprofit hospital
63 shall submit a five-year strategic plan to the Department of Public
64 Health and the Labor Department detailing how employment may be
65 affected by decisions to grow or reduce health care services at the
66 hospital.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>from passage</i>	New section

Statement of Purpose:

To educate and protect hospital workers and community members who may be subject to a hospital conversion by requiring a series of public hearings and requiring any group seeking to acquire a nonprofit hospital conversion to commit to certain staffing requirements prior to initiating the acquisition.

[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.]