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**TESTIMONY OF
ATTORNEY GENERAL GEORGE JEPSEN
BEFORE THE PUBLIC HEALTH COMMITTEE
MARCH 11, 2015**

I appreciate the opportunity to support Senate Bill 954, *An Act Concerning Transparency of Executive Pay in Certain Hospital Transactions*. This bill would amend the statute setting forth the information required in an application to transfer a material amount of assets or operations of a nonprofit hospital to a for-profit company. Specifically, SB 954 would amend section 19a-486a(d) of the General Statutes to require applicants to include in their application form "the names of persons currently holding a position with the nonprofit hospital or the purchaser as an officer, director, board member or senior manager, whether or not such person is expected to hold a position with the hospital after completion of the proposed transaction and any salary, severance, stock offering or any financial gain, current or deferred, such person is expected to receive as a result of, or in relation to, the proposed transaction."

The information required by the bill before you is relevant to my Office's review of proposed sales of nonprofit hospitals to for-profit entities. When reviewing such transactions, I am required to consider, among other things, whether the nonprofit hospital exercised due diligence in deciding to transfer its assets, selecting the purchaser, and negotiating the terms and conditions of the transfer. In addition, I am required by law to determine whether the nonprofit hospital failed to disclose any conflict of interest, including but not limited to, conflicts of interest pertaining to board members, officers, key employees and experts of the hospital, the purchaser or any other party to the transaction.

In light of these responsibilities, it is sensible to make clear that an initial application should include the information called for in the current proposal. Although the statute, as presently written, provides me with the authority to require parties to provide such information, the bill would make that authority even more explicit. It also would ensure that such information is produced early in the review process and in a highly transparent manner. Because the review criteria to which such information relates is so central to my Office's analysis, it is sensible to make such information highly public at the outset of our review. I urge the Committee to vote favorably on this proposal.

Thank you for the opportunity to provide my thoughts on this proposal. Please feel free to contact me with any questions or concerns.