

2018 -- S 2165

LC004200

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2018

A N A C T

RELATING TO HEALTH AND SAFETY -- THE HOSPITAL CONVERSIONS ACT

Introduced By: Senators McCaffrey, Goodwin, Lynch Prata, Lombardi, and Miller

Date Introduced: January 25, 2018

Referred To: Senate Health & Human Services

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 23-17.14 of the General Laws entitled "The Hospital Conversions  
2 Act" is hereby amended by adding thereto the following section:

3 **23-17.14-22.1. Certain financial incentives prohibited.**

4 Payments as are herein forbidden providing inducements to do so for personal gain, no  
5 officer, director or senior management employee of a nonprofit hospital and/or medical service  
6 corporation or of any subsidiary of that corporation shall solicit, accept, receive or maintain claim  
7 of right to any financial incentive, including any pecuniary reward, based in whole or in part on  
8 the contingency of, or as a result of, the completion of a conversion. For purposes of this section,  
9 "pecuniary award" shall include, but is not limited to, bonuses, cash payouts, deferred payments,  
10 stock options and enhanced retirement packages. Nothing in this section shall be deemed to  
11 prohibit the employment of an officer, director or employee by a successor corporation or entity  
12 following the completion of a conversion, nor to prohibit reasonable severance payments where  
13 no conversion is involved.

14 SECTION 2. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
A N A C T  
RELATING TO HEALTH AND SAFETY -- THE HOSPITAL CONVERSIONS ACT

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1           This act would provide that no officer, director or senior management employee of any  
2 nonprofit hospital, medical service corporation or subsidiary would solicit or accept any  
3 pecuniary reward as a result of a conversion.

4           This act would take effect upon passage.

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