

2010 -- S 2538

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2010

A N A C T

RELATING TO HEALTH AND SAFETY -- THE HOSPITAL CONVERSION ACT

Introduced By: Senators McCaffrey, and Goodwin

Date Introduced: February 11, 2010

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.** – Payments as are herein
4 forbidden providing inducements to do so for personal gain, no officer, director or senior
5 management employee of a nonprofit hospital and/or medical service corporation or of any
6 subsidiary of such corporation shall solicit, accept, receive or maintain claim of right to any
7 financial incentive, including any pecuniary reward, based in whole or in part on the contingency
8 of, or as a result of, the completion of a conversion. For purposes of this section, pecuniary
9 award shall include, but is not limited to, bonuses, cash payouts, deferred payments, stock options
10 and enhanced retirement packages. Nothing in this section shall be deemed to prohibit the
11 employment of such 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 CONVERSION ACT

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

4 This act would take effect upon passage.

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