

2022 -- S 2610

LC004942

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2022

A N A C T

RELATING TO HEALTH AND SAFETY -- THE HOSPITAL CONVERSION ACT

Introduced By: Senators Ruggerio, McCaffrey, Goodwin, Miller, Pearson, Gallo, and  
Coyne

Date Introduced: March 10, 2022

Referred To: Senate Health & Human Services

It is enacted by the General Assembly as follows:

1 SECTION 1. Legislative findings

2 (1) The strength of the state's overall hospital network is critical to the wellbeing of all  
3 Rhode Islanders;

4 (2) The for-profit hospital model's diverging interests due to its tax status can result in a  
5 different approach to care and corporate governance;

6 (3) Financial troubles at some hospitals may stem in part from their status as for-profit  
7 institutions;

8 (4) As demonstrated with the closure of Memorial Hospital in Pawtucket, the ramifications  
9 of any potential closures are felt in health centers across the state, potentially overtaxing their ability  
10 to provide necessary health services;

11 (5) Rhode Island's hospitals presently bear a significant burden due to the COVID-19  
12 pandemic, and this burden has resulted in the opening of two field hospitals and stretched the  
13 capacities of health care workers;

14 (6) It is essential that the General Assembly, Rhode Island Department of Health, and  
15 Rhode Island Attorney General, and health care regulators thoroughly understand the for-profit  
16 hospital model and its broader impact on our state's health care delivery system; and

17 (7) A moratorium on approvals of any new for-profit hospitals or transfer of ownership  
18 would grant the General Assembly and regulators the time necessary to conduct a comprehensive  
19 review of for-profit hospital entities and their impact on the financial condition of the hospitals they

1 operate, other hospitals in the state, and the overall health care system.

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

4 **23-17.14-36. Moratorium on conversions involving for-profit corporation as acquiree**  
5 **or acquiror.**

6 There shall be a one year moratorium imposed on the conversion of any hospital governed  
7 by this act if the acquiree or acquiror is a for-profit corporation.

8 SECTION 3. This act shall take effect upon passage and shall expire one year from the  
9 effective date.

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

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1           This act would provide a one year moratorium on hospital conversions involving for-profit  
2 corporations as acquiree or acquiror.

3           This act would take effect upon passage and would expire one year from the effective date.

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