

**2022 -- S 2610 SUBSTITUTE A**

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LC004942/SUB A  
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**STATE OF RHODE ISLAND**

**IN GENERAL ASSEMBLY**

**JANUARY SESSION, A.D. 2022**

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**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) The ramifications of any potential closures are felt in health centers across the state,  
9 potentially overtaxing their ability to provide necessary health services;

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

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

16          (7) A moratorium on approvals of any new for-profit hospitals or transfer of ownership  
17 would grant the General Assembly and regulators the time necessary to conduct a comprehensive  
18 review of for-profit hospital entities and their impact on the financial condition of the hospitals they  
19 operate, other hospitals in the state, and the overall health care system.

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

3           **23-17.14-36. Moratorium on conversions involving for-profit corporation as acquiree**  
4 **or acquiror.**

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

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