



January 22, 2010

SENATE BILL No. 292

DIGEST OF SB 292 (Updated January 20, 2010 1:45 pm - DI 104)

Citations Affected: IC 16-22.

Synopsis: County hospitals operating health facilities. Allows a county hospital to own, operate, or contract with a person to operate a health facility. Specifies the quality assessment fee rate to be paid by certain county hospitals, including health and hospital corporation, that are operate a health facility.

Effective: July 1, 2010.

Waterman, Buck

January 11, 2010, read first time and referred to Committee on Health and Provider Services.
January 21, 2010, amended, reported favorably — Do Pass.

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SB 292—LS 6954/DI 104+



January 22, 2010

Second Regular Session 116th General Assembly (2010)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2009 Regular and Special Sessions of the General Assembly.

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SENATE BILL No. 292



A BILL FOR AN ACT to amend the Indiana Code concerning health.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 16-22-3-1 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 1. (a) The governing
 3 board is the supreme authority in a hospital and is responsible for the
 4 management, control, and operation of the hospital. The board has the
 5 powers and duties set forth in this chapter.
 6 (b) The governing board has the powers granted to boards of
 7 nonprofit corporations under IC 23-17, including the powers to:
 8 (1) join or sponsor membership in organizations and associations
 9 that benefit hospitals;
 10 (2) enter into partnerships and joint ventures;
 11 (3) incorporate other corporations; ~~and~~
 12 (4) offer to the general public products and services of any
 13 organization, association, partnership, or corporation described
 14 under this subsection; **and**
 15 **(5) own or operate health facilities located inside or outside**
 16 **the county;**
 17 except to the extent the powers are inconsistent with this article or are

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1 specifically prohibited by law.

2 (c) In construing subsection (b), the existence of the authority or a
3 power shall be determined in favor of the hospital if generally
4 authorized or existing under IC 23-17. A resolution of the governing
5 board is presumptive evidence of the existence of the hospital's power
6 under IC 23-17.

7 (d) The governing board may appoint and specify the privileges of
8 the medical staff, with the advice and recommendations of the medical
9 staff in accordance with section 9 of this chapter. The medical staff is
10 responsible to the board for the clinical and scientific work of the
11 hospital and shall advise the board regarding professional problems and
12 policies.

13 (e) **Beginning October 1, 2009, a health facility that became**
14 **owned or operated by or on behalf of a county hospital after June**
15 **30, 2003, shall pay the health facility quality assessment fee at the**
16 **same rate as a health facility that is not operated by a nonstate**
17 **government owned or operated entity.**

18 SECTION 2. IC 16-22-3-6 IS AMENDED TO READ AS
19 FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 6. The governing board
20 may contract for the following services on terms and conditions the
21 governing board finds reasonable:

22 (1) The services of consultants, architects, engineers, or other
23 professionals, including shared services or purchasing
24 organizations.

25 (2) Services reasonably required to operate and maintain the
26 hospital, including the management of the hospital.

27 **(3) The operation of a health facility located inside or outside**
28 **the county under an agreement with a qualified person or**
29 **entity.**

30 SECTION 3. IC 16-22-8-39 IS AMENDED TO READ AS
31 FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 39. (a) A hospital
32 owned, operated, or managed by the corporation shall be for the benefit
33 of the residents of the county and of every person who becomes sick,
34 injured, or maimed within the county.

35 (b) A patient who is able to pay shall pay to the corporation a
36 reasonable compensation for medicine or hospital services according
37 to the rules prescribed by the board. The board or the board's
38 authorized representative may exclude from the hospital a person who
39 willfully violates the rules. On terms and conditions the board
40 prescribes, the corporation may:

41 (1) extend the privileges and use of the hospital, the corporation's
42 health care programs, and health care facilities to persons residing

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1 outside of the county; and
 2 (2) own or operate ~~nursing~~ **health** facilities located inside or
 3 outside of the county.
 4 (c) There may not be discrimination against practitioners of any
 5 school of medicine holding unlimited licenses to practice medicine
 6 recognized in Indiana. The licensed practitioners are entitled to equal
 7 privileges in treating patients in the hospital.
 8 **(d) Beginning October 1, 2009, a health facility that became**
 9 **owned or operated under subsection (b) after June 30, 2003, shall**
 10 **pay the health facility quality assessment fee at the same rate as a**
 11 **health facility that is not owned or operated by a nonstate**
 12 **government owned or operated entity.**

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COMMITTEE REPORT

Madam President: The Senate Committee on Health and Provider Services, to which was referred Senate Bill No. 292, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, delete lines 1 through 5, begin a new paragraph and insert:

"SECTION 1. IC 16-22-3-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 1. (a) The governing board is the supreme authority in a hospital and is responsible for the management, control, and operation of the hospital. The board has the powers and duties set forth in this chapter.

(b) The governing board has the powers granted to boards of nonprofit corporations under IC 23-17, including the powers to:

- (1) join or sponsor membership in organizations and associations that benefit hospitals;
- (2) enter into partnerships and joint ventures;
- (3) incorporate other corporations; ~~and~~
- (4) offer to the general public products and services of any organization, association, partnership, or corporation described under this subsection; **and**
- (5) own or operate health facilities located inside or outside the county;**

except to the extent the powers are inconsistent with this article or are specifically prohibited by law.

(c) In construing subsection (b), the existence of the authority or a power shall be determined in favor of the hospital if generally authorized or existing under IC 23-17. A resolution of the governing board is presumptive evidence of the existence of the hospital's power under IC 23-17.

(d) The governing board may appoint and specify the privileges of the medical staff, with the advice and recommendations of the medical staff in accordance with section 9 of this chapter. The medical staff is responsible to the board for the clinical and scientific work of the hospital and shall advise the board regarding professional problems and policies.

(e) Beginning October 1, 2009, a health facility that became owned or operated by or on behalf of a county hospital after June 30, 2003, shall pay the health facility quality assessment fee at the same rate as a health facility that is not operated by a nonstate government owned or operated entity."

Page 1, after line 17, begin a new paragraph and insert:

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"SECTION 3. IC 16-22-8-39 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 39. (a) A hospital owned, operated, or managed by the corporation shall be for the benefit of the residents of the county and of every person who becomes sick, injured, or maimed within the county.

(b) A patient who is able to pay shall pay to the corporation a reasonable compensation for medicine or hospital services according to the rules prescribed by the board. The board or the board's authorized representative may exclude from the hospital a person who willfully violates the rules. On terms and conditions the board prescribes, the corporation may:

- (1) extend the privileges and use of the hospital, the corporation's health care programs, and health care facilities to persons residing outside of the county; and
- (2) own or operate ~~nursing~~ **health** facilities located inside or outside of the county.

(c) There may not be discrimination against practitioners of any school of medicine holding unlimited licenses to practice medicine recognized in Indiana. The licensed practitioners are entitled to equal privileges in treating patients in the hospital.

(d) Beginning October 1, 2009, a health facility that became owned or operated under subsection (b) after June 30, 2003, shall pay the health facility quality assessment fee at the same rate as a health facility that is not owned or operated by a nonstate government owned or operated entity."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 292 as introduced.)

MILLER, Chairperson

Committee Vote: Yeas 6, Nays 3.

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