House Engrossed

FILED
MICHELE REAGAN
SECRETARY OF STATE

State of Arizona
House of Representatives
Fifty-second Legislature
First Regular Session
2015

CHAPTER 314

HOUSE BILL 2491

AN ACT

AMENDING SECTION 10-11253, ARIZONA REVISED STATUTES; RELATING TO HOSPITAL AND COMMUNITY HEALTH CENTER TRANSACTIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

Be it enacted by the Legislature of the State of Arizona:

Section 1. Section 10-11253, Arizona Revised Statutes, is amended to read:

10-11253. Public hearing; notice; requirements; summary report

A. No later than ninety days before the anticipated closing of the intended transaction, any nonprofit health care entity that intends to engage in any of the transactions described in section 10-11252, subsection A shall give written notice to ~~the chairman of the corporation commission,~~ the director of the department of health services and the attorney general. The written notice shall include all of the following information:

1. The names, addresses and telephone numbers of the parties to the intended transaction.

2. The names, addresses and telephone numbers of the attorneys or other persons who represent the parties in connection with the intended transaction.

3. A general summary of the intended transaction.

4. A general description of the assets involved in the intended transaction and the intended use of the assets after the closing of the intended transaction.

5. A general summary of all collateral transactions that relate to the intended transaction, including the names, addresses and telephone numbers of the parties involved in the collateral transactions.

6. The anticipated date of completion of the intended transaction.

B. The notice and information required pursuant to subsection A of this section and information submitted pursuant to subsection H of this section are public records.

C. Within thirty days after the nonprofit health care entity sends the written notice prescribed in subsection A of this section, the parties to the intended transaction shall:

1. Select a hearing officer to conduct the public hearing required by this section and determine a time and place within this state for the public hearing with the agreement of ~~both the chairman of the corporation commission and~~ the director of the department of health services.

2. Publish a notice of the time and place for the public hearing at least three consecutive times in at least one newspaper of general circulation in the county in which the nonprofit health care entity has its principal place of business.

D. The hearing officer shall hold the public hearing within ten days after the last publication of the public notice.

E. The purpose of the public hearing is to provide the information described in subsection F of this section and to receive comments from the public and other interested parties.

F. The parties shall present written summary information at the public hearing that sets forth all of the following:

1. The extent to which the intended transaction impacts community benefit activities and is consistent with community benefit purposes, including a description of the resources that will be committed to community benefit purposes following the intended transaction.

2. Whether the intended transaction creates or has the likelihood of creating an adverse effect on the access to or availability or cost of health care services.

3. Whether any director, officer, agent or employee of the entity will receive any community benefit asset or will benefit directly or indirectly from the intended transaction, except for the receipt of compensation for professional services relating to the intended transaction for normal compensation for services rendered.

4. The extent to which the nonprofit health care entity used due diligence in the selection of the entity that will receive any community benefit asset and in the negotiation of the price and other terms and conditions of the transaction.

5. The extent to which the parties will continue to use the nonprofit health care entity's community benefit assets for community benefit purposes following the intended transaction, or, if applicable, the proceeds of the disposition of the assets will be deposited in a community benefit organization for community benefit purposes.

6. Whether any initial board of directors members of any entity changed or created by the intended transaction will reside in or near the communities affected by the intended transaction.

7. That any community benefit organization established to hold the proceeds of the disposition of assets is organized for community benefit purposes as required under federal and state law.

G. The attorney general may present information at the public hearing.

H. The hearing officer conducting the public hearing shall compile a summary report of the public hearing proceedings and shall transmit the summary report, a notice of completion and copies of all written information presented at the hearing to the ~~chairman of the corporation commission, with copies to the~~ director of the department of health services and the attorney general.

I. The parties to the intended transaction shall pay for all costs associated with the hearing officer, notice, publication of notice, public hearing and summary report.

APPROVED BY THE GOVERNOR APRIL 10, 2015.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 14, 2015.

Passed the House February 19, 2015

by the following vote: 57 Ayes,

0 Nays, 3 Not Voting

Speaker of the House

Chief Clerk of the House

Passed the Senate March 31, 2015

by the following vote: 29 Ayes,

0 Nays, 1 Not Voting

President of the Senate

Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill received by the Governor this

1st day of April, 2015

at 11:19 o'clock A. M.

Secretary to the Governor

Approved this 10th day of

April

at 4:49 o'clock P M.

Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this 14th day of April, 2015

at 2:00 o'clock P M.

Secretary of State

H.B. 2491