State of Rhode Island and Providence Plantations
Department of Attorney General

Public Notice of Proposed Rule-Making

Pursuant to Rhode Island General Laws §23-17.14-32, the Department of Attorney General hereby gives notice of its intent to adopt Rules and Regulations Pertaining to the Hospital Conversions Act.

The purpose of adoption of these rules and regulations is to accomplish the principles of Chapter 23-17.14 of the Rhode Island General Laws, known as The Hospital Conversions Act, which has the following purpose: 1) to assure the viability of a safe, accessible and affordable healthcare system that is available to all of the citizens of the state; 2) to establish a process to review whether for-profit hospitals will maintain, enhance, or disrupt the delivery of healthcare in the state and to monitor hospital performance to assure that standards for community benefits continue to be met; 3) to establish a review process and criteria for review of hospital conversions; 4) to clarify the jurisdiction and the authority of the department of health to protect public health and welfare and the department of attorney general to preserve and protect public and charitable assets in reviewing both hospital conversions which involve for-profit corporations and hospital conversions which include only not-for-profit corporations; and 5) to provide for independent foundations to hold and distribute proceeds of hospital conversions consistent with the acquiree's original purpose or for the support and promotion of health care and social needs in the affected community.

The proposed regulations are available for public inspection at http://www.sos.ri.gov/ProposedRules/, http://www.riag.ri.gov/civil/healthcare, in person at the Department of Attorney General, 150 South Main Street, Providence, Rhode Island 02903, or requested by email at jlindbeck@riag.ri.gov or by calling Joee Lindbeck at 401-274-4400 x 2424.

Pursuant to the provisions of Rhode Island General Laws §§42-35-3(a)(3) and 42-35.1-4, in the development of the proposed rules and regulations consideration was given to: 1) alternative approaches; 2) overlap or duplication with other statutory or regulatory provisions; and 3) financial impact on small business. No alternative approach, duplication, or overlap was identified based upon available information.

All interested parties are invited to submit written or oral comments concerning the proposed regulations by November 21, 2014 to Joee Lindbeck, Department of Attorney General, 150 South Main Street, Providence, RI 02903, 401-274-4400 x 2424, jlindbeck@riag.ri.gov.

A public hearing to consider the proposed adoption shall be held on Friday, November 21, 2014 at 10:00 a.m. at the Department of Attorney General, 150 South Main Street, Providence, RI 02903 at which time and place all parties interested therein will be heard. The room is accessible to the disabled and interpreter services for the hearing impaired will be provided if requested 48 hours prior to the hearing. Requests for this service can be made in writing or by calling 401-274-4400 x 2424 or TDD 401-453-0410.

RULES AND REGULATIONS PERTAINING TO HOSPITAL CONVERSIONS ACT

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
DEPARTMENT OF ATTORNEY GENERAL

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RULES AND REGULATIONS PERTAINING TO HOSPITAL CONVERSIONS ACT

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Section 1.0 Authority

These regulations are promulgated pursuant to R.I. Gen. Laws § 23-17.14-32 and §42-35-2(a).

Section 2.0 Purpose

The purpose of these rules and regulations is to accomplish the principles of Chapter 23-17.14 of the R.I. General Laws, known as the Hospital Conversions Act.

Section 3.0 Definitions

For purposes of these regulations, terms have the meanings as defined in the Hospital Conversions Act definitions section, R.I. Gen. Laws § 23-17.14-4.

Section 4.0 Review Process

4.1 Approval by the Attorney General and the Department of Health

A conversion shall require review and approval from the Department of Attorney General and from the Department of Health in accordance with the provisions of the Act; except as provided for under § 23-17.14-12.1 hereof, but shall remain subject to the authority of the Attorney General pursuant to § 23-17.14-21.

4.2 Initial Application

The transacting parties shall file an initial application on forms available from the Department of Attorney General and the Department of Health.

Two (2) copies of the initial application shall be provided to each of the Department of Attorney General and Department of the Health simultaneously by United States mail, certified, return

receipt requested. The transacting parties shall also file an electronic version of the initial application in a format acceptable to the Department of Attorney General and Department of the Health.

Except for information determined by the Attorney General in accordance with § 23-17.14-32 to be confidential and/or proprietary, or otherwise required by law to be maintained as confidential, the initial application and supporting documentation shall be considered public records and shall be available for inspection upon request.

4.3 Review Process

(a) Within thirty (30) days after receipt of an initial application, the Department of Attorney General and Department of Health shall jointly advise the applicant, in writing, whether the application is complete, and, if not, shall specify all additional information the applicant is required to provide.

(b) The applicant will submit the additional information within thirty (30) working days. If the additional information is submitted within the thirty (30) day period, the Department of Attorney General and Department of Health will have ten (10) working days within which to determine acceptability of the additional information. If the additional information is not submitted by the applicant within the thirty (30) day period or if either agency determines the additional information submitted by the applicant is insufficient, the application will be rejected without prejudice to the applicant's right to resubmit, the rejection to be accompanied by a detailed written explanation of the reasons for rejection. If the Department of Attorney General and Department of Health determine the additional information to be as requested, the applicant will be notified, in writing, of the date of acceptance of the application.

(c) Within thirty (30) working days after acceptance of the initial application, the Department of Attorney General shall render its determination on confidentiality pursuant to § 23-17.14-32 and the Department of Attorney General and Department of Health shall publish notice of the application in a newspaper of general circulation in the state and shall notify by United States mail any person who has requested notice of the filing of the application. The notice shall:

(i) State that an initial application has been received and accepted for review;

(ii) State the names of the transacting parties;

(iii) State the date by which a person may submit written comments to the Department of Attorney General or Department of Health; and

(iv) Provide notice of the date, time and place of informational meeting open to the public which shall be conducted within sixty (60) days of the date of the notice.

(d) The Department of Attorney General and Department of Health shall each approve, approve with conditions directly related to the proposed conversion, or disapprove the application within one hundred twenty (120) days of the date of acceptance of the application.

4.4 Expedited Review

If the Department of Health determines that a conversion should receive an expedited review pursuant to § 23-17.14-12.1, the Department of Attorney General shall perform a review of the proposed transaction as it deems necessary, including, at a minimum, its impact upon the charitable assets of the transacting parties. The Attorney General's review shall be done concurrently with the Department of Health review and shall not extend the length of the review process. For this review, the Department of Attorney General shall be entitled to costs in accordance with § 23-17.14-13 and § 23-17.14-12.1(f).

Section 5 Public Meeting

At least one public informational meeting shall be held by the Department of Attorney General and the Department of Health. The transacting parties shall pay the costs of the required notice of the meeting and for a transcript of the meeting to be produced by a stenographer identified by the transacting parties and agreed upon by the Departments. The transacting parties shall provide copies of the transcript of the meeting on an expedited basis (no more than 10 days after the public meeting) to the Department of Attorney General and the Department of Health.

Section 6 Confidentiality

The Attorney General has the power to decide whether any information required of an applicant is confidential and/or proprietary.

The decisions by the Attorney General shall be made prior to any public notice of an initial application or any public review of any information.

The Attorney General's determination shall be binding on the Attorney General, the Department of Health, and all experts or consultants engaged by the Attorney General or the Department of Health.

Section 7 Judicial Review

Judicial review is available to any transacting party in accordance with R.I. Gen. Laws § 23-17.14-34.