

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)

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

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

4 10-11253. Public hearing; notice; requirements; summary report

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

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

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

16 3. A general summary of the intended transaction.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

APPROVED BY THE GOVERNOR APRIL 10, 2015.

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