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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2010

A N A C T

RELATING TO HEALTH AND SAFETY - LICENSING OF HEALTH CARE FACILITIES

Introduced By: Senator Michael J. McCaffrey

Date Introduced: February 09, 2010

Referred To: Senate Health & Human Services

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 23-17-28 of the General Laws in Chapter 23-17 entitled "Licensing
2 of Health Care Facilities" is hereby amended to read as follows:

3 **23-17-28. Health care cost containment.** – (a) Each health care facility licensed under
4 this chapter shall take any action consistent with the continued delivery of quality health care
5 services that it deems appropriate to reduce, limit, or contain health care costs and improve the
6 efficiency with which health care services are delivered to the citizens of this state. In furtherance
7 of these goals, health care facilities licensed under this chapter may, to the extent not inconsistent
8 with chapter 15 of this title, enter into agreements with other health care facilities, associations of
9 health care facilities, suppliers, third-party payers, and/or agencies or branches of government
10 providing, without limitation, for group planning, individual or group expenditure ceilings,
11 allocation of services and/or specialties, and group purchasing and/or service sharing.

12 (b) Except as specifically provided in this section, no health care facility licensed as a
13 hospital under this chapter, or any affiliate thereof, may compensate an employee who the facility
14 is required to list in United States Internal Revenue Service form 990, Part VII-A (or any
15 successor provision) at a rate of compensation greater than one hundred and ten percent (110%)
16 of the amount determined annually by the director to constitute the northeast regional average
17 compensation level for comparable personnel serving in comparable hospitals (and their
18 affiliates), with facilities' comparability being determined based on the compared facilities' annual
19 collected revenue. Notwithstanding the foregoing, this section shall not apply to any person listed

1 [in Part VII-A who is a Rhode Island licensed health care professional, including without](#)
2 [limitation, physicians and nurses.](#)

3 SECTION 2. This act shall take effect on October 1, 2010.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO HEALTH AND SAFETY - LICENSING OF HEALTH CARE FACILITIES

1 This act would limit the compensation to certain employees of health care facilities to an
2 amount determined by the director to represent an average compensation level for their respective
3 positions.

4 This act would take effect on October 1, 2010.

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