

SENATE BILL 2170

By Walley

AN ACT to amend Tennessee Code Annotated, Title 4;
Title 6; Title 8; Title 56; Title 67; Title 68 and Title
71, relative to hospitals.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 68, Chapter 11, Part 2, is amended by adding the following as a new section:

(a) As used in this section, "rural hospital" refers to a hospital not located within a metropolitan area designated by the United States office of management and budget and the federal census bureau.

(b) The comptroller of the treasury may use all investigative powers granted under title 8, chapter 4, part 2 to:

(1) Investigate the operations of rural hospitals that are at risk of failure or abandonment due to financial, managerial, operational, or other difficulties;

(2) Investigate individuals or entities operating such rural hospitals that have adversely affected or have the potential to adversely affect the financial stability and operational integrity of such rural hospitals; and

(3) Implement protective measures to protect the rural hospital's assets and services from being compromised by illicit activities.

(c) During an investigation under subsection (b), if the comptroller of the treasury determines a government-owned rural hospital has failed or is abandoned, then the comptroller of the treasury may transfer the government-owned rural hospital's operations or ownership to a healthcare operator or organization, including a for-profit hospital corporation.

(d) When determining the appropriate entity to transfer a government-owned rural hospital's operations or ownership to under subsection (c), the comptroller of the treasury shall consider and give priority to:

(1) An entity conducting business in this state with demonstrated success and profitability managing or owning acute care rural hospitals, rural ambulance services, and clinics;

(2) A transfer that would minimize tax burdens and liabilities; and

(3) An entity that will be accountable to the local affected community and preserves continuity of care for the local affected community.

(e) The comptroller of the treasury has the authority to provide oversight and to take necessary legal action to ensure that the transfer protects the public interest and preserves continuity of care for the affected community.

(f) A fund may be established to support government-owned rural hospital transfers under this section, subject to the approval of the general assembly.

(g) The comptroller of the treasury, in consultation with the attorney general and reporter, shall report to the general assembly by December 31, 2024, and each December 31 thereafter, on actions taken under this section.

SECTION 2. This act takes effect upon becoming a law, the public welfare requiring it.