

The Senate Government Oversight Committee offered the following substitute to SB 353:

A BILL TO BE ENTITLED
AN ACT

1 To amend Article 4 of Chapter 7 of Title 31 of the Official Code of Georgia Annotated,
2 relating to county and municipal hospital authorities, so as to enact the "Public Hospital
3 Integrity Act"; to provide for a short title; to provide definitions; to provide that certain
4 individuals shall not serve on a hospital authority board or a nonprofit organization managing
5 a hospital on behalf of a hospital authority; to provide for related matters; to repeal
6 conflicting laws; and for other purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

8 This Act shall be known and may be referred to as the "Public Hospital Integrity Act."
9

SECTION 2.

10 Article 4 of Chapter 7 of Title 31 of the Official Code of Georgia Annotated, relating to
11 county and municipal hospital authorities, is amended by adding a new Code section to read
12 as follows:
13

14 "31-7-75.4.

15 (a) As used in this Code section, the term:

16 (1) 'Governing capacity' means service as a member of a hospital authority or a director
17 of a nonprofit hospital management corporation.

18 (2) 'Immediate family member' means spouse, parent, sibling, or child.

19 (3) 'Major vendor of the public hospital' means any person or entity which receives more
20 than \$50,000.00 per year in payments from the public hospital other than for public
21 utilities.

22 (4) 'Nonprofit hospital management corporation' means a nonprofit corporation qualified
23 as exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue
24 Code created to manage a public hospital under contract with a hospital authority
25 pursuant to Code Section 31-7-74.3 or other applicable laws.

1 (5) 'Public hospital' means a hospital organized under this article by a resolution or
2 ordinance of the governing bodies of two or more counties which receives more than 80
3 percent of its combined revenues from federal, state, and local government.

4 (b) No individual shall be eligible to serve in a governing capacity of a public hospital if
5 that individual or any immediate family member of such individual is an employee or
6 contractor of the public hospital or an employee, director, or contractor of a major vendor
7 of the public hospital.

8 (c) This subsection shall be cumulative to:

9 (1) Any conflict of interest provisions applicable to members of hospital authorities
10 contained in this article;

11 (2) Any conflict of interest provisions applicable to directors of nonprofit corporations
12 contained in Chapter 3 of Title 14, the 'Georgia Nonprofit Corporation Code'; and

13 (3) Any other conflict of interest provisions adopted by the hospital authority or
14 nonprofit hospital management corporation."

15 **SECTION 3.**

16 All laws and parts of laws in conflict with this Act are repealed.