

Senate Bill 353

By: Senators Shafer of the 48th, Williams of the 19th, Moody of the 56th, Johnson of the 1st, Rogers of the 21st and others

**AS PASSED SENATE**

**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:**

8 **SECTION 1.**

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

10 **SECTION 2.**

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

14 "31-7-75.4.

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

16 (1) 'Competitor' means any hospital licensed as a general hospital by the department,  
17 including a critical access hospital, which is operating within five miles of a public  
18 hospital.

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

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

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

25 (4) 'Nonprofit hospital management corporation' means a nonprofit corporation qualified  
26 as exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue

1 Code created to manage a public hospital under contract with a hospital authority  
2 pursuant to Code Section 31-7-74.3 or other applicable laws.

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

6 (b) No individual shall be eligible to serve in a governing capacity of a public hospital if  
7 that individual or any immediate family member of such individual is an employee or  
8 contractor of the public hospital or an employee, director, or contractor of a major vendor  
9 of the public hospital. No individual shall be eligible to serve in a governing capacity of  
10 a public hospital if that individual is an employee or director of or has a financial interest  
11 in a competitor of the public hospital.

12 (c) This subsection shall be cumulative to:

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

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

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

19 **SECTION 3.**

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