

ASSEMBLY, No. 656

STATE OF NEW JERSEY 214th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2010 SESSION

Sponsored by:

Assemblyman PAUL D. MORIARTY
District 4 (Camden and Gloucester)

Co-Sponsored by:

Assemblywoman Angelini

SYNOPSIS

Requires each hospital board of trustees to adopt a written policy governing conflicts of interest.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel



A656 MORIARTY

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1 AN ACT concerning hospital boards of trustees and supplementing
2 Title 26 of the Revised Statutes.

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4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

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7 1. a. The board of trustees of a general hospital licensed
8 pursuant to P.L.1971, c.136 (C.26:2H-1 et seq.) shall adopt a
9 written policy and procedures governing conflicts of interest on the
10 part of board members, in accordance with standards to be
11 prescribed by regulation of the Commissioner of Health and Senior
12 Services. Each general hospital shall file the written policy and
13 procedures governing conflicts of interest with the Department of
14 Health and Senior Services, which shall make them publicly
15 available upon request.

16 b. The written policy and procedures adopted pursuant to
17 subsection a. of this section shall include, at a minimum,
18 requirements for:

19 (1) the disclosure by a board member of any perceived or actual
20 conflict of interest on the member's part with respect to any matter
21 pending before the board;

22 (2) a prohibition on the board member voting on any such
23 matter, or participating in the discussion relating to the awarding of
24 a contract concerning any such matter by the members of the board;
25 and

26 (3) the maintenance by the board of a record of the disclosure by
27 the board member of the perceived or actual conflict of interest.

28 c. Each hospital board of trustees shall disseminate the written
29 policy to all current board members upon its adoption and to each
30 new board member upon appointment to the board.

31 d. In the case where a board member has a perceived or actual
32 conflict of interest in a matter involving the awarding of a contract
33 in an amount greater than \$2,500, a general hospital shall solicit at
34 least three bids or proposals, as appropriate, with respect to that
35 contract.

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37 2. The Commissioner of Health and Senior Services, pursuant
38 to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-
39 1 et seq.), shall adopt rules and regulations to effectuate the
40 purposes of this act.

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42 3. This act shall take effect on the 180th day after enactment,
43 but the Commissioner of Health and Senior Services may take such
44 anticipatory administrative action in advance thereof as shall be
45 necessary for the implementation of the act.

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STATEMENT

This bill requires each board of trustees of a licensed general hospital to adopt a written policy and procedures governing conflicts of interest on the part of board members.

The bill provides specifically as follows:

- The written policy and procedures are to be adopted in accordance with standards to be prescribed by regulation of the Commissioner of Health and Senior Services.
- The hospital is to file the written policy and procedures governing conflicts of interest with the Department of Health and Senior Services, which is to make them publicly available upon request.
- The written policy and procedures are to include, at a minimum, requirements for:
 - the disclosure by a board member of any perceived or actual conflict of interest on the member's part with respect to any matter pending before the board;
 - a prohibition on a board member voting on a matter before the board that poses a perceived or actual conflict of interest for the member, as well as a prohibition on a member's participation in discussions relating to awarding a contract concerning any such matter; and
 - the maintenance by the board of a record of the disclosure by the board member of the perceived or actual conflict of interest.
- Each hospital board is to disseminate the written policy to all current board members upon its adoption and to each new board member upon appointment to the board.
- In the case where a board member has a perceived or actual conflict of interest in a matter involving the awarding of a contract in an amount greater than \$2,500, the hospital must solicit at least three bids or proposals, as appropriate, with respect to that contract.
- The bill takes effect on the 180th day after enactment, but authorizes the Commissioner of Health and Senior Services to take anticipatory administrative action in advance as necessary for its implementation.