

2007 -- H 5569

LC02212

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2007

A N A C T

RELATING TO INSURANCE -- NONPROFIT HOSPITAL SERVICE CORPORATIONS

Introduced By: Representative Timothy A. Williamson

Date Introduced: February 28, 2007

Referred To: House Corporations

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 27-19.2-7 of the General Laws in Chapter 27-19.2 entitled  
2 "Nonprofit Hospital and Medical Service Corporations" is hereby amended to read as follows:

3 **27-19.2-7. Compensation of board members.** -- (a) Pending appointment and  
4 confirmation of the health insurance commissioner, no compensation shall be paid to the board  
5 members by a nonprofit hospital or medical services corporation, excluding reimbursement for  
6 ordinary and necessary expenses. After such confirmation, the board must file application with  
7 the health insurance commissioner for approval of any proposed board compensation. Any  
8 application for board compensation will include a detailed rationale which demonstrates that such  
9 compensation is within the parameters and guidelines of board compensation of other hospital  
10 service corporations, medical service corporations and/or dental service corporations. If the  
11 applicant demonstrates that such proposed board compensation is within the parameters and  
12 guidelines for board compensation of other hospital service corporations, medical service  
13 corporations or dental service corporations, the health insurance commissioner shall not  
14 unreasonably deny, delay or withhold approval of the application. Childcare, parking,  
15 transportation and other reasonable expenses for board members attending meetings shall be  
16 compensable.

17 (b) On or before March 1, 2005, and annually thereafter, a corporation subject to this  
18 paragraph shall report to the health insurance commissioner the ordinary and necessary expenses  
19 paid to each board member in the preceding calendar year.

1 SECTION 2. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
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1           This act would require any nonprofit hospital service corporation filing an application for  
2 board compensation with the health insurance commissioner include with the application a  
3 detailed rationale demonstrating that such proposed board compensation is within the parameters  
4 and guidelines for board compensation of similar institutions.

5           This act would take effect upon passage.

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