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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2007

A N A C T

RELATING TO INSURANCE -- NONPROFIT HOSPITAL AND MEDICAL SERVICE
CORPORATIONS

Introduced By: Senator Roger R. Badeau

Date Introduced: March 20, 2007

Referred To: Senate Health & Human Services

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 consistent with the board compensation practices both regionally and nationally,
10 including levels of compensation, of other health and dental insurers, including hospital service
11 corporations, medical service corporations and/or dental service corporations. If the applicant
12 demonstrates that such proposed board compensation is consistent with such practices, the health
13 insurance commissioner shall not unreasonably deny, delay, modify or withhold approval of the
14 applications. Childcare, parking, transportation and other reasonable expenses for board members
15 attending meetings shall be compensable.

16 (b) On or before March 1, 2005, and annually thereafter, a corporation subject to this
17 paragraph shall report to the health insurance commissioner the ordinary and necessary expenses
18 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 nonprofit hospital service corporations to provide a detailed
2 rationale, including national and regional comparisons, when seeking confirmation of proposed
3 compensation of board members from the health insurance commissioner.

4 This act would take effect upon passage.

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