

1 (6) In fiscal year 2009, Landmark Medical Center provided care for nearly forty thousand
2 (40,000) emergency room patients, seven thousand (7,000) inpatient cases and seventy-five
3 thousand (75,000) outpatient visits, proving that the financial viability of Landmark Medical
4 Center is vital to the public health and safety of the community it serves;

5 (7) Ensuring the financial viability of Landmark Medical Center will preserve one
6 thousand three hundred (1,300) jobs and benefit the State of Rhode Island;

7 (8) Landmark Medical Center, or its successor-in-interest, if any, must be permitted a
8 sufficient amount of time to use any funds allocated to it for the purposes of financial assistance
9 to restore its financial viability and ensure its stability in the future; and

10 (9) To preserve the viability of an essential community hospital, it may be necessary for
11 purposes of certain Medicare classifications to designate such a hospital as a rural hospital.

12 **23-17.25-2. Distressed essential community hospital sales and use tax exemption. –**

13 (a) Notwithstanding any provision of title 44 of the Rhode Island general laws to the contrary, in
14 recognition of Landmark Medical Center's status as a distressed essential community hospital
15 neither Landmark Medical Center or any entity owned or controlled by Landmark Medical Center
16 (hereinafter defined collectively as "LMC"), nor any success-in-interest to LMC (regardless of
17 whether any such successor operates for profit or is subject to federal or state taxation), shall be
18 required to pay or otherwise be financially responsible for any Rhode Island sales and use taxes
19 that might otherwise be due in connection with any purchases, capital improvements, or any other
20 activities conducted by LMC (or its successors-in-interest) pursuant to the health facility licenses
21 maintained by LMC (or its successors-in-interest).

22 (b) Notwithstanding subsection (a) herein, this "distressed essential community hospital
23 sales and use tax exemption" shall not apply to Northern Rhode Island Rehab Management
24 Associates, L.P. d/b/a Rehab Hospital of Rhode Island ("RHRI") nor any successor-in-interest to
25 Northern Rhode Island Rehab Management Associates, L.P. d/b/a Rehab Hospital of Rhode
26 Island ("RHRI").

27 (c) This sales and use tax exemption shall be effective as of the effective date of LMC's
28 conversion to a for-profit entity, in accordance with the provisions of chapter 23-17.14 (Hospital
29 Conversions Act) and shall continue for a period of twelve (12) years.

30 **23-17.25-3. Rural hospital designation. –** The State of Rhode Island designates

31 Landmark Medical Center as a rural hospital for purposes of satisfying special payment
32 designations under the Medicare program, if Landmark Medical Center or its successor-in-
33 interest, if any, should choose to seek such special designations.

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

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LC01525/SUB A/3
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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T
RELATING TO HEALTH AND SAFETY -- DISTRESSED ESSENTIAL COMMUNITY
HOSPITALS

- 1 This act would, with certain exceptions, provide a sales and use tax exemption for the
- 2 Landmark Medical Center in Woonsocket, Rhode Island. The act would also designate
- 3 Landmark Medical Center as a rural hospital.
- 4 This act would take effect upon passage.

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LC01525/SUB A/3
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