

nonprofit corporation statutes also provide the Attorney General must have oversight on the handling of funds that are charitable funds, such as those funds invested, donated and contributed to nonprofit hospital corporations. Unfortunately, the law and the court decisions, and in the statutes, make the Attorney General wait until a wrong has been committed before court review is commenced. LB 1188 provides a procedure to review and scrutinize the sale of nonprofit hospitals before any abuses occur. This bill is really preventative medicine for hospitals. This bill is not a new bureaucratic procedure. The Department of Health already handles applications for Certificate of Need in any hospital sale or expansion. This bill would require any for-profit hospital which purchases or acquires a nonprofit hospital, in addition to obtaining the Certificate of Need which has been required by our statutes for many years, to file this application jointly with the Attorney General, setting forth all of the relevant information regarding the terms of the sale. And that information is specified in the act, and it is enumerated in the bullet sheet that I passed out. Unfortunately, in other states the purchase of nonprofit hospitals has resulted in secret transactions with hospital officials getting excessive remuneration and creating serious conflicts of interest. There's no indication or evidence whatsoever that this has occurred in Nebraska. The Nonprofit Hospital Sale Act would require public disclosure of the terms of the sale. And that is really the...the essence of this...of this bill. It is actually a disclosure law which says in effect that if a commercial for-profit corporation wants to buy a nonprofit hospital, that they have to come into the state and lay their cards on the table, tell interested parties what the terms of the sale are, and then permit the Attorney General to review it if the Attorney General decides to do that. It also gives some supervisory power to the Department of Health as a follow-up matter. The amendment before you...or which will be before you, I think is being distributed now. AM4213 covers all of the details that I...of the matters that I have referred to. It sets forth in Section 7 and 8 the criteria that are to be guidelines really, for the Attorney General's review, and for the duties of the Department of Health. It also sets up the time frame. It's a very tight time frame. The Attorney General, if chooses to review the matters, is only given 60 days in which to act, has to hold a public hearing within that time. If for some reason the Attorney General does not act, then the application is deemed to be approved. As we've all mentioned,