

considering the sale of their hospital. We subsequently held a hearing in Omaha and received extensive testimony by those interested in the hospital field in Omaha. The circumstances have somewhat changed in both situations. The Scottsbluff hospital announced a few weeks ago that it was taking itself off of the block and was no longer for sale; and, of course, there is a court case involving Clarkson and Columbia and it was just announced yesterday that Clarkson apparently is withdrawing from their contractual relationship. So it gives us a unique opportunity in this state to establish a relatively conservative and simple procedure to review situations where for-profit commercial corporations wish to purchase nonprofit corporations which operates hospitals in this state. As has been evident from the prior remarks of Senator Lindsay and Senator Wesely, this matter has been debated and analyzed and studied very carefully to evolve a procedure which is designed not to be too burdensome on any hospital. It is designed not to interfere with the competitive situation in the marketplace today. It is primarily a disclosure statute which requires people to place the facts and figures before the public so that nothing can be done in secrecy. There have been some real abuses in other states and thank goodness we have not seen any indication of anything like that in Nebraska and we want to prevent anything like that from happening. There is a case pending, I am told, in Tennessee where a board of directors of a nonprofit hospital corporation sold their hospital without knowing what they sold it for and are now in court and have been in court for two years suing, to try and find out what they sold their own nonprofit hospital for. That is what results from having secrecy and also obviously ineptitude and lack of adequate advice and counsel in the sale of a nonprofit hospital. We have placed guidelines, really rather common sense guidelines, in this statute, which will be used by nonprofit hospital boards if they wish to enter into a sale and reviewed by the Attorney General if he thinks that is necessary. Also reasonable standards to be followed by the Department of Health. One of our concerns, of course, was that any hospital that is sold maintain its integrity and the funds resulting from that be dedicated to the original purpose for which it was donated and that is to provide health care to the affected community. Again I want to sincerely thank both Senator Lindsay and Senator Wesely for their dedication and diligence in working on this bill and I would urge its advancement from General File. Thank you.