

**As Introduced**

**132nd General Assembly**

**Regular Session**

**2017-2018**

**H. B. No. 462**

**Representatives Schuring, West**

---

**A BILL**

To amend section 117.10 and to enact section 1  
3727.11 of the Revised Code to require that a 2  
for-profit hospital and its affiliated health 3  
care facilities in certain counties follow 4  
specified procedures before ceasing operations 5  
or closing, and to declare an emergency. 6

**BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:**

**Section 1.** That section 117.10 be amended and section 7  
3727.11 of the Revised Code be enacted to read as follows: 8

**Sec. 117.10.** (A) The auditor of state shall audit all 9  
public offices as provided in this chapter. The auditor of state 10  
also may audit the specific funds or accounts of private 11  
institutions, associations, boards, and corporations into which 12  
has been placed or deposited public money from a public office 13  
and may require of them annual reports in such form as the 14  
auditor of state prescribes. The auditor of state may audit some 15  
or all of the other funds or accounts of a private institution, 16  
association, board, or corporation that has received public 17  
money from a public office only if one or more of the following 18  
applies: 19

(1) The audit is specifically required or authorized by	20
the Revised Code;	21
(2) The private institution, association, board, or	22
corporation requests that the auditor of state audit some or all	23
of its other funds or accounts;	24
(3) All of the revenue of the private institution,	25
association, board, or corporation is composed of public money;	26
(4) The private institution, association, board, or	27
corporation failed to separately and independently account for	28
the public money in its possession, in violation of section	29
117.431 of the Revised Code;	30
(5) The auditor of state has a reasonable belief that the	31
private institution, association, board, or corporation	32
illegally expended, converted, misappropriated, or otherwise	33
cannot account for the public money it received from a public	34
office and that it is necessary to audit its other funds or	35
accounts to make that determination.	36
(B) If the auditor of state performs or contracts for the	37
performance of an audit, including a special audit, of the	38
public employees retirement system, school employees retirement	39
system, state teachers retirement system, state highway patrol	40
retirement system, or Ohio police and fire pension fund, the	41
auditor of state shall make a timely report of the results of	42
the audit to the Ohio retirement study council.	43
(C) The auditor of state may audit the accounts of any	44
provider as defined in section 5164.01 of the Revised Code.	45
(D) If a public office has been audited by an agency of	46
the United States government, the auditor of state may, if	47
satisfied that the federal audit has been conducted according to	48

principles and procedures not contrary to those of the auditor 49  
of state, use and adopt the federal audit and report in lieu of 50  
an audit by the auditor of state's own office. 51

(E) Within thirty days after the creation or dissolution 52  
or the winding up of the affairs of any public office, that 53  
public office shall notify the auditor of state in writing that 54  
this action has occurred. 55

(F) Nothing in this section precludes the auditor of state 56  
from issuing to a private institution, association, board, or 57  
corporation a subpoena and compulsory process for the attendance 58  
of witnesses or the production of records under section 117.18 59  
of the Revised Code if the subpoena and compulsory process is in 60  
furtherance of an audit the auditor of state is authorized by 61  
law to perform. 62

(G) The auditor of state shall perform the duties 63  
described in section 3727.11 of the Revised Code. 64

**Sec. 3727.11.** (A) As used in this section: 65

(1) "Affiliated health care facility" means a health care 66  
facility, including a health care practitioner's office but 67  
excluding a hospital, at which preventive, diagnostic, 68  
therapeutic, acute convalescent, rehabilitation, mental health, 69  
intellectual disability, intermediate care, or skilled nursing 70  
services are provided and which is owned, leased, operated, or 71  
controlled, in whole or in part, by a for-profit hospital. 72

(2) "Corporation" and "foreign corporation" have the same 73  
meanings as in section 1701.01 of the Revised Code. 74

(3) "For-profit hospital" means either of the following: 75

(a) A hospital registered with the department of health 76

under section 3701.07 of the Revised Code that is a corporation 77  
or foreign corporation; 78

(b) A hospital registered with the department of health 79  
under section 3701.07 of the Revised Code that is owned, leased, 80  
operated, or controlled by a corporation or foreign corporation. 81

(B) On and after the effective date of this section, no 82  
for-profit hospital in a county with a population of at least 83  
three hundred seventy thousand but less than three hundred 84  
seventy-five thousand according to the most recent population 85  
estimates issued by the United States census bureau may 86  
permanently cease operations or permanently close unless both of 87  
the following are the case: 88

(1) The auditor of state has determined that the procedure 89  
specified in division (C) of this section has been followed. 90

(2) If applicable and after the determination in division 91  
(B)(1) of this section is made, the hospital has complied with 92  
voluntary dissolution procedures specified in sections 1701.86 93  
to 1701.882 of the Revised Code. 94

(C) Before a for-profit hospital in a county described in 95  
division (B) of this section may permanently cease operations or 96  
permanently close, it must do all of the following: 97

(1) Submit to the auditor sufficient evidence of poor 98  
financial condition, supported by audited financial statements, 99  
that justifies the hospital's cessation of operations or 100  
closure; 101

(2) Submit to the auditor sufficient evidence of good- 102  
faith negotiations with a least three other hospitals or 103  
hospital systems to purchase it and its affiliated health care 104  
facilities; 105

(3) Accept new patients and continue clinical operations 106  
for at least nine months after publicly announcing its intent to 107  
cease operations or close; 108

(4) Submit to the auditor a credible plan for the transfer 109  
of each patient for care and of each health care practitioner 110  
for employment to another hospital or health care facility, as 111  
applicable, located not more than fifteen miles from the 112  
originating hospital or facility; 113

(5) Submit to the auditor sufficient evidence that all 114  
outstanding debts to persons and government entities in the 115  
county in which it is located have been paid; 116

(6) Submit to the auditor sufficient evidence that it has 117  
paid all taxes levied by the state or by a subdivision or other 118  
taxing unit of the state, including taxes held in trust by the 119  
hospital such as employer-withheld income taxes and sales or use 120  
taxes, for which the hospital is liable. 121

(D) The auditor's determination described in division (B) 122  
(1) of this section is final. 123

(E) If the auditor determines that a for-profit hospital 124  
in a county described in division (B) of this section is not in 125  
compliance with this section, the auditor may petition the court 126  
of common pleas in that county for injunctive relief. The court 127  
shall grant injunctive relief upon a showing that the hospital 128  
is not in compliance. 129

**Section 2.** That existing section 117.10 of the Revised 130  
Code is hereby repealed. 131

**Section 3.** Section 117.10 of the Revised Code is presented 132  
in this act as a composite of the section as amended by both Am. 133  
Sub. H.B. 59 and Am. S.B. 67 of the 130th General Assembly. The 134

General Assembly, applying the principle stated in division (B) 135  
of section 1.52 of the Revised Code that amendments are to be 136  
harmonized if reasonably capable of simultaneous operation, 137  
finds that the composite is the resulting version of the section 138  
in effect prior to the effective date of the section as 139  
presented in this act. 140

**Section 4.** This act is hereby declared to be an emergency 141  
measure necessary for the immediate preservation of the public 142  
peace, health, and safety. The reason for such necessity is that 143  
the closure of a hospital and its affiliated health care 144  
facilities as described in this act is likely to cause a medical 145  
crisis for thousands of residents who need access to primary and 146  
critical care. Therefore, this act shall go into immediate 147  
effect. 148