



# OHIO HOUSE OF REPRESENTATIVES

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*State Representative Shane Wilkin*

Chair Gavarone, Vice Chair O'Brien and Ranking Member Maharath thank you for providing Representative Upchurch and me the opportunity to provide sponsor testimony on House Bill 222, Specify That Certain Hospital Nonprofits Are Separate Entities. This bill seeks to provide clarity to an already codified section of the Ohio Revised Code. I am proud I can stand here before you today and say that this bill passed the House Civil Justice Committee with 13 yays and 0 no's and the House floor 96-0.

In Ohio, there are two Revised Code section designations for public hospitals, ORC 339 – establishes county hospitals and ORC 513- establishes joint township district hospitals. There are 9 public hospitals in Ohio, 5 county hospitals and 4 joint township district hospitals.

#### County Hospitals:

1. Hocking Valley Community Hospital (Hocking County)
2. Memorial Hospital of Union County (Union County)
3. The MetroHealth System (Cuyahoga County)
4. Morrow County Hospital (Morrow County)
5. Paulding County Hospital (Paulding County)

#### Joint Township District Hospital:

1. Celina Hospital (Mercer County)

2. Highland District Hospital (Highland County)
3. Hicksville Community Memorial (Defiance County)
4. Wyandot Memorial Hospital (Wyandot County)

I represent one of them, Highland District Hospital in Highland County and Representative Upchurch represents The MetroHealth System in Cuyahoga County.

Public hospitals play a vital role in the overall delivery of essential healthcare services in our State. As you have heard and can see by reviewing the list of hospitals on your ipad, with the exception of The MetroHealth System, all of these hospitals serve suburban/rural or rural communities while The MetroHealth System serves the Cleveland metropolitan area.

As you have seen in your own districts and across the state, access to healthcare has become a significant issue in providing for a healthy Ohio. We must do what we can to be able to provide the tools and the resources for these facilities to serve their respective communities.

In the last General Assembly, in the Operating Budget, House Bill 166, the Legislature and the Governor passed an amendment (SC2961x1) that helped ensure that our state's joint township district and county hospitals remain economically viable and can best meet the needs of the communities in which they provide healthcare services. This amendment allowed the respective hospitals to partner with or create nonprofit entities to advance their respective missions. The code sections, prior to that amendments, did not provide the authority for these organizations to do what the amendment proposed. When the code sections that created County and Joint Township Districts Hospitals was originally drafted in the 1950's,

the delivery of healthcare was far different than it is today. These hospitals are the only ones in the state that don't have the ability to do what the amendment provided for.

The amended language allowed the hospitals to collaborate with existing non-profit organizations - or even each other - to better achieve efficiencies and scale or provide new services where they don't exist today.

As we explained in our co-sponsor request – we are further seeking to clarify, an unintended ambiguity in the current law, by clarifying that a non-profit entity formed by a county or joint township district hospital are separate entities from the hospital. This legislation does not provide any new authority to these hospitals, but clarifies that the non-profit is a distinct entity for all purposes and not a division, agency or department of the hospital.

This provision will allow for more effective partnerships and the ability for economic growth with these communities.

At the end of the last General Assembly, a more expansive version of this bill was presented in the form of an amendment into a Senate Bill. That provision, for various reasons, was faced with significant opposition and was subsequently removed from the bill. The opposing parties then are either supportive of this bill or supportive with the concept of this bill and most have submitted written support.

Chair Gavarone, Vice Chair O'Brien and Ranking Member Maharath thank you again for the opportunity to stand before you today and Representative Wilkin and I will answer your questions and provide additional commentary, if necessary.