
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 780 Session of
2007

INTRODUCED BY BROWNE, ROBBINS, BOSCOLA, FONTANA, COSTA AND
C. WILLIAMS, MAY 3, 2007

REFERRED TO PUBLIC HEALTH AND WELFARE, MAY 3, 2007

AN ACT

1 Amending Title 65 (Public Officers) of the Pennsylvania
2 Consolidated Statutes, requiring nonprofit hospitals to
3 comply with open meeting requirements.

4 The General Assembly finds and declares as follows:

5 (1) Nonprofit hospitals located within this Commonwealth
6 continue to perform a unique governmental public function.

7 (2) Virtually every citizen will, during their
8 lifetimes, require the services of a hospital, regardless of
9 his or her status in life.

10 (3) The use of other nonprofit institutions within this
11 Commonwealth, such as parks, art and other museums,
12 libraries, colleges and universities are utilized as a matter
13 of choice.

14 (4) By virtue of their importance and the nature of
15 their work, nonprofit hospitals enjoy tax-free status,
16 permitting them to borrow money at lower interest rates than
17 for-profit businesses and profit-making hospitals to avoid
18 the costs of real estate and other State and local taxes and

1 to solicit tax-deductible contributions.

2 (5) The delivery of health care to the citizens of this
3 Commonwealth by nonprofit hospitals has undergone substantial
4 changes during the past decades.

5 (6) The Federal Government, in partnership with the
6 Commonwealth, has instituted systems known as Medicare,
7 Medicaid and other special reimbursement programs, whereby,
8 in total, more than the costs of the services provided to
9 their patients are paid to the hospitals in numerous
10 instances throughout this Commonwealth, resulting in
11 substantial cash surpluses at a significant number of
12 hospitals Statewide.

13 (7) This Commonwealth's hospitals in many areas have
14 become the largest employers and expend more funds than all
15 of the other local county governments combined, including
16 school districts, cities, boroughs and townships.

17 (8) Trustees, chosen without public input by those
18 already on the hospital boards, are now empowered to make
19 regional decisions affecting every aspect of medical care to
20 our citizens. These include not only the nature and size of
21 the physical hospital itself, but also the control of the pay
22 and practices of the local physicians and surgeons, as well
23 as the pay and benefits to the thousands of permanent nurses,
24 technicians and other staff.

25 (9) These self-perpetuating boards of trustees are
26 administering large amounts of public funds and grants.

27 (10) Although nonprofit hospitals commonly compete for
28 patients, the cost of health care to the consumers is
29 increasing. In view of the fact that most public employees,
30 such as those engaged in teaching or judicial activities,

1 legislators, administrators, police and fire personnel and
2 other State, county, city, borough and township workers, are
3 covered by hospitalization insurance, an increase in hospital
4 billings accompanied by an increase in health care insurance
5 is resulting in substantial tax increases.

6 (11) Decisions by boards of trustees of this
7 Commonwealth's hospitals are made in closed sessions with the
8 exception of one annual board meeting required by law, at
9 which no adverse incidents have been reported.

10 (12) The boards of trustees are in many instances too
11 large in number. This tends to place an unfavorable balance
12 between the board and the professional administration. The
13 complexity of today's hospitals requires strong, focused
14 boards, similar to those of large corporations.

15 (13) It is in the best interest of this Commonwealth
16 that its citizens be fully informed about health care
17 policies of importance to all of them involving not-for-
18 profit hospital expenditures. The information is insufficient
19 when the public is merely told what is to happen. The public
20 is entitled to attend decisional meetings to witness and hear
21 the deliberations and reasoning for hospital policy, in
22 addition to being respectfully heard by the board in open
23 meetings.

24 The General Assembly of the Commonwealth of Pennsylvania
25 hereby enacts as follows:

26 Section 1. The definition of "agency" in section 703 of
27 Title 65 of the Pennsylvania Consolidated Statutes is amended
28 and the section is amended by adding a definition to read:

29 § 703. Definitions.

30 The following words and phrases when used in this chapter

1 shall have the meanings given to them in this section unless the
2 context clearly indicates otherwise:

3 * * *

4 "Agency." The body, and all committees thereof authorized by
5 the body to take official action or render advice on matters of
6 agency business, of all the following: the General Assembly, the
7 executive branch of the government of this Commonwealth,
8 including the Governor's Cabinet when meeting on official
9 policymaking business, any board, council, authority or
10 commission of the Commonwealth or of any political subdivision
11 of the Commonwealth or any State, municipal, township or school
12 authority, school board, school governing body, commission, the
13 boards of trustees of all State-aided colleges and universities,
14 the councils of trustees of all State-owned colleges and
15 universities, the boards of trustees of all State-related
16 universities and all community colleges or similar organizations
17 created by or pursuant to a statute which declares in substance
18 that the organization performs or has for its purpose the
19 performance of an essential governmental function and through
20 the joint action of its members exercises governmental authority
21 and takes official action. The term shall include the governing
22 board of any nonprofit corporation which by a mutually binding
23 legal written agreement with a community college or State-aided,
24 State-owned or State-related institution of higher education is
25 granted legally enforceable supervisory and advisory powers
26 regarding the degree programs of the institution of higher
27 education. The term shall include the board of trustees of a
28 nonprofit hospital. The term does not include a caucus or a
29 meeting of an ethics committee created under rules of the Senate
30 or House of Representatives.

1 * * *

2 "Nonprofit hospital." A hospital owned by a nonprofit
3 corporation organized under 15 Pa.C.S. Pt. II Subpt. C (relating
4 to nonprofit corporations). The term shall not include veterans
5 hospitals or State hospitals.

6 * * *

7 Section 2. This act shall take effect in 90 days.