

FIRST REGULAR SESSION

HOUSE BILL NO. 1104

103RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE MAYHEW.

2054H.02I

JOSEPH ENGLER, Chief Clerk

AN ACT

To repeal sections 205.170 and 205.190, RSMo, and to enact in lieu thereof three new sections relating to county hospitals.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Sections 205.170 and 205.190, RSMo, are repealed and three new sections
2 enacted in lieu thereof, to be known as sections 205.170, 205.190, and 205.191, to read as
3 follows:

205.170. 1. The county commission shall appoint five trustees chosen from the
2 citizens at large with reference to their fitness for such office, all residents of the county, not
3 more than three of such trustees to be residents of the city, town or village in which the
4 hospital is to be located, who shall constitute a board of trustees for such public hospital.

5 2. The trustees appointed pursuant to subsection 1 of this section shall hold their
6 offices until the next following municipal election, when five hospital trustees shall be elected
7 and hold their offices for the following terms, with each of the trustees' respective terms
8 determined by lot:

9 (1) One trustee for a one-year term;

10 (2) One trustee for a two-year term;

11 (3) One trustee for a three-year term;

12 (4) One trustee for a four-year term; and

13 (5) One trustee for a five-year term.

14 3. For trustees elected prior to January 1, 1995:

15 (1) If the terms of two trustees expire at the time of the next election of trustees
16 occurring after January 1, 1995, then:

EXPLANATION — Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

- 17 (a) One trustee shall be elected for a four-year term; and
18 (b) One trustee shall be elected for a three-year term; and
19 (2) At the next following municipal election in which the terms of three trustees
20 expire:
- 21 (a) One trustee shall be elected for a five-year term;
22 (b) One trustee shall be elected for a four-year term;
23 (c) One trustee shall be elected for a three-year term; or
24 (3) If the terms of three trustees expire at the time of the next election of trustees
25 occurring after January 1, 1995, then:
- 26 (a) One trustee shall be elected for a five-year term;
27 (b) One trustee shall be elected for a four-year term;
28 (c) One trustee shall be elected for a three-year term; and
29 (4) At the next following municipal election in which the terms of two trustees expire:
30 (a) One trustee shall be elected for a five-year term; and
31 (b) One trustee shall be elected for a four-year term.
- 32 4. The terms of the trustees elected pursuant to subsection 3 of this section shall be
33 determined by lot.
- 34 5. The office of a trustee elected pursuant to subsection 3 of this section whose term
35 of office is about to expire shall be filled by the election of a hospital trustee who shall serve
36 for a term of five years. Each trustee subsequently elected shall serve a term of five years.
- 37 6. **No person elected or appointed to the office of trustee under subsections 1 to 5**
38 **of this section shall be:**
- 39 (1) **A current employee of the hospital or any of its controlled affiliates;**
40 (2) **A former employee of the hospital, or any of its controlled affiliates, within**
41 **the past three years; or**
42 (3) **An employee or officer of any organization that provides health care services.**
- 43 7. **Members of the board of trustees are subject to removal from office in the**
44 **manner and for the causes prescribed by law in accordance with the provisions of**
45 **section 106.220.**
- 46 8. Any vacancy in the board of trustees occasioned by removal, resignation or
47 otherwise shall be reported to the county commission and be filled in like manner as original
48 appointments, the appointee to hold office until the next following municipal election, when
49 such vacancy shall be filled by election of a trustee to serve during the remainder of the term
50 of his or her predecessor.
- 51 ~~7.]~~ 9. No trustee shall have a personal pecuniary interest, either directly or indirectly,
52 in the purchase of any supplies for such hospital, unless the same are purchased by
53 competitive bidding.

205.190. 1. The trustees shall, within ten days after their appointment or election, qualify by taking the oath of civil officers and organize as a board of hospital trustees by the election of one of their number as chairman, one as secretary, one as treasurer, and by the election of such other officers as they may deem necessary.

2. No trustee shall receive any compensation for his or her services performed, but a trustee may receive reimbursement for any cash expenditures actually made for personal expenses incurred as such trustee, and an itemized statement of all such expenses and money paid out shall be made under oath by each of such trustees and filed with the secretary and allowed only by the affirmative vote of all of the trustees present at a meeting of the board.

3. The board of hospital trustees shall make and adopt such bylaws, rules and regulations for its own guidance and for the government of the hospital as may be deemed expedient for the economic and equitable conduct thereof, not inconsistent with sections 205.160 to 205.340 and the ordinances of the city or town wherein such public hospital is located. The board shall provide by regulation for the bonding of the chief executive officer and may require a bond of the treasurer of the board and of any employee of the hospital as it deems necessary. The costs of all bonds required shall be paid out of the hospital fund. Except as provided in subsection 4 of this section, it shall have the exclusive control of the deposit, investment, and expenditure of all moneys collected to the credit of the hospital fund, and of the purchase of site or sites, the purchase or construction of any hospital buildings, and of the supervision, care and custody of the grounds, rooms or buildings purchased, constructed, leased or set apart for that purpose; provided, that all moneys received for such hospital shall be credited to the hospital and deposited into the depository thereof for the sole use of such hospital in accordance with the provisions of sections 205.160 to 205.340. All funds received by each such hospital shall be paid out only upon warrants ordered drawn by the treasurer of the board of trustees of said county upon the properly authenticated vouchers of the hospital board.

4. The trustees shall have authority, both within and outside the county, except in counties of the third or fourth classification (other than the county in which the hospital is located) where there already exists a hospital organized pursuant to this chapter; provided that this exception shall not prohibit the continuation of existing activities otherwise allowed by law to operate, maintain and manage a hospital and hospital facilities, and to make and enter into contracts, for the use, operation or management of a hospital or hospital facilities; to engage in health care activities; to make and enter into leases of equipment and real property, a hospital or hospital facilities, as lessor or lessee, regardless of the duration of such lease; provided that any lease of substantially all of the hospital, as the term "hospital" is defined in section 197.020, wherein the board of trustees is lessor shall be entered into only with the approval of the county commission wherein such hospital is located and provided that in a

38 county of the second, third or fourth classification, the income to such county from such lease
39 of substantially all of the hospital shall be appropriated to provide health care services in the
40 county; and further to provide rules and regulations for the operation, management or use of a
41 hospital or hospital facilities. Any agreement entered into pursuant to this subsection
42 pertaining to the lease of the hospital, as herein defined, shall have a definite termination date
43 as negotiated by the parties, but this shall not preclude the trustees from entering into a
44 renewal of the agreement with the same or other parties pertaining to the same or other
45 subjects upon such terms and conditions as the parties may agree. Notwithstanding any other
46 law to the contrary, the county commission in any noncharter county of the first classification
47 wherein such hospital is located may separately negotiate and enter into contractual
48 agreements with the lessee as a condition of approval of any lease authorized pursuant to this
49 subsection.

50 5. The board of hospital trustees shall have power to appoint a suitable chief
51 executive officer and necessary assistants and fix their compensation, and shall also have
52 power to remove such appointees; and shall in general carry out the spirit and intent of
53 sections 205.160 to 205.340 in establishing and maintaining a county public hospital.

54 6. The board of hospital trustees may establish and operate a day care center to
55 provide care exclusively for the children of the hospital's employees. A day care center
56 established by the board shall be licensed pursuant to the provisions of sections 210.201 to
57 210.245. The operation of a day care center shall be paid for by fees or charges, established
58 by the board, and collected from the hospital employees who use its services. The board,
59 however, is authorized to receive any private donations or grants from agencies of the federal
60 government intended for the support of the day care center.

61 7. The board of hospital trustees shall hold meetings at least ~~[once each month]~~
62 **quarterly**, shall keep a complete record of all its proceedings; and three members of the
63 board shall constitute a quorum for the transaction of business.

64 8. ~~[One of the trustees shall visit and examine the hospital at least twice each month~~
65 ~~and The board shall, during the first week in January of each year, file with the county~~
66 ~~commission of the county a report of its proceedings with reference to such hospital and a~~
67 ~~statement of all receipts and expenditures during the year; and shall at such time certify the~~
68 ~~amount necessary to maintain and improve the hospital for the ensuing year.]~~ **The board**
69 **shall submit to the county commission an annual financial report in a manner that is**
70 **consistent with the submission of such other financial reports that may be required by**
71 **the state auditor relating to political subdivisions.**

205.191. 1. Except as otherwise provided in sections 205.160 to 205.340, every
2 hospital established under sections 205.160 to 205.340 shall be subject to the

3 requirements applicable to public bodies and records contained in sections 610.010 to
4 610.225.

5 **2. In addition to the exceptions available under sections 610.010 to 610.225, the**
6 **records of the hospital and its controlled subsidiaries shall not be subject to the**
7 **provisions of sections 610.010 to 610.225 if, upon determination by the board, the**
8 **disclosure of the information in the records would be harmful to the fiscal position of the**
9 **hospital, or confer any other health care providers an unequal advantage over the**
10 **hospital, and such records contain:**

11 **(1) Proprietary information gathered by, or in the possession of, the hospital**
12 **from third parties under a promise of confidentiality;**

13 **(2) Contract cost estimates prepared for confidential use in awarding contracts**
14 **for research, development, construction, renovation, commercialization, or the purchase**
15 **of goods or services;**

16 **(3) Data, records, or information of a proprietary nature produced or collected**
17 **by, or for, the hospital, its employees, its officers, or members of its board of trustees;**

18 **(4) Third-party financial statements, records, and related data not publicly**
19 **available that may be shared with the hospital;**

20 **(5) Consulting or other reports paid for by the hospital to assist the hospital in**
21 **connection with its strategic planning and goals;**

22 **(6) The determination of marketing and operational strategies where disclosure**
23 **of such strategies would be harmful to the fiscal position of the hospital or confer any**
24 **other health care providers an unequal advantage over the hospital; or**

25 **(7) Financial information gathered by, or in the possession of, the hospital where**
26 **disclosure of such information would be harmful to the fiscal position of the hospital or**
27 **confer any other health care providers an unequal advantage over the hospital.**

28 **3. In addition to the exceptions available under sections 610.010 to 610.225, the**
29 **hospital, including the board of trustees, executive committee, audit committee, or other**
30 **such committees that the board may authorize from time to time, may discuss, consider,**
31 **and take action on any of the following in closed session if, upon determination by the**
32 **board, including as appropriate the executive committee, audit committee, or other such**
33 **committees that the board may authorize from time to time, disclosure of such items**
34 **would be harmful to the fiscal position of the hospital or confer any other health care**
35 **providers an unequal advantage over the hospital:**

36 **(1) Plans that could affect the value of property, real or personal, owned or**
37 **desirable for ownership by the hospital;**

38 **(2) The condition, acquisition, use, or disposition of real or personal property; or**

39 **(3) Marketing or operational strategies.**

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