

HB 271 -- HOSPITALS

SPONSOR: Kalberloh

COMMITTEE ACTION: Voted "Do Pass" by the Standing Committee on General Laws by a vote of 9 to 1, with one voting present. Voted "Do Pass" by the Standing Committee on Rules-Legislative by a vote of 8 to 0.

This bill authorizes, but does not require, the board of trustees of certain hospitals to invest up to 50% of the hospital's available funds, defined in the bill, into certain mutual funds, bonds, money market investments, or a combination thereof. This permission only applies if the hospital receives less than 3% of its annual revenue from municipal, county, or state taxes, as well as if the hospital receives less than 3% of its annual revenue from appropriated funds from the municipality in which the hospital is located. Following that, the remaining percentage of any available funds not invested as allowed are required to be invested into any investment in which the State Treasurer is allowed to invest.

Additionally, with the exception of counties of the third and fourth classification where there already exists a hospital organized under Chapter 96, 205, or 206, RSMo, county commissions are authorized to establish, construct, equip, improve, extend, repair, and maintain public hospitals, engage in health care activities, and issue bonds. This bill removes the exception for hospitals established under the provisions of Chapters 96 and 206 in counties of the third and fourth classification.

The bill authorizes, but does not require, the board of directors of any hospital district that receives less than 3% of its annual revenues from hospital district or state taxes to invest up to 50% of its available funds, defined in the bill, into certain mutual funds, bonds, money market investments, or a combination thereof. Following that, the remaining percentage of any available funds not invested as allowed are required to be invested into any investment in which the State Treasurer is allowed to invest.

PROPONENTS: Supporters say that the funds described in the bill will help to make much needed capital improvements to hospitals that might not otherwise be in a position to update their facilities. Supporters further say that counties are already allowed to use such funds, but this will enable hospitals to diversify their portfolios in the hope that more capital can be raised over time.

Testifying in person for the bill were Representative Kalberloh and Craig Thompson, Golden Valley Memorial Healthcare.

OPPONENTS: Those who oppose the bill say that this bill will create a "turf war" between city and county hospital systems to secure funding. As a result, it is possible that the provisions of this bill could push an existing hospital out of business altogether.

Testifying in person against the bill was Arnie C. Dienoff.

Written testimony has been submitted for this bill. The full written testimony and witnesses testifying online can be found under Testimony on the bill page on the House website.