## As Passed by the Senate

## 125th General Assembly Regular Session 2003-2004

Sub. H. B. No. 239

Representatives Core, Seitz, McGregor, Kearns, Aslanides, Gilb, Hollister, Flowers, Schmidt, Willamowski

## ABILL

| То | amend sections 140.01, 339.06, 5155.01, 5155.02,   | 1  |
|----|--|----|
|    | 5155.03, 5155.04, 5155.14, 5155.16, 5155.19,       | 2  |
|    | 5155.27, and 5155.31, to enact new section 140.051 | 3  |
|    | and sections 5155.011 and 5155.012, and to repeal  | 4  |
|    | sections 140.051, 5155.05, 5155.06, 5155.07,       | Ę  |
|    | 5155.28, and 5155.30 of the Revised Code to expand | 6  |
|    | the definition of costs of hospital facilities, to | 7  |
|    | confirm and validate amendments made to section    | 8  |
|    | 140.01 and the enactment of section 140.051 of the | 9  |
|    | Revised Code by Am. Sub. S.B. 109 of the 113th     | 10 |
|    | General Assembly in order to eliminate any legal   | 11 |
|    | challenges that have been or may be raised         | 12 |
|    | concerning the constitutionality of these          | 13 |
|    | amendments, to modify the conditions under which a | 14 |
|    | board of county hospital trustees may obtain a     | 15 |
|    | secured line of credit, to permit transfer of      | 16 |
|    | operational authority of a county home to a board  | 17 |
|    | of county hospital trustees, and to authorize a    | 18 |
|    | board of county commissioners to contract with     | 19 |
|    | third parties to manage a county home.             | 20 |

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

| Section 1. That sections 140.01, 339.06, 5155.01, 5155.02,         | 21 |
|--|----|
| 5155.03, 5155.04, 5155.14, 5155.16, 5155.19, 5155.27, and 5155.31  | 22 |
| be amended and new section 140.051 and sections 5155.011 and       | 23 |
| 5155.012 of the Revised Code be enacted to read as follows:        | 24 |
| Sec. 140.01. As used in this chapter this chapter:                 | 25 |
| (A) "Hospital agency" means any public hospital agency or any      | 26 |
| nonprofit hospital agency.   | 27 |
| (B) "Public hospital agency" means any county, board of            | 28 |
| county hospital trustees established pursuant to section 339.02 of | 29 |
| the Revised Code, county hospital commission established pursuant  | 30 |
| to section 339.14 of the Revised Code, municipal corporation, new  | 31 |
| community authority organized under Chapter 349. of the Revised    | 32 |
| Code, joint township hospital district, state or municipal         | 33 |
| university or college operating or authorized to operate a         | 34 |
| hospital facility <del>, or the state</del> , or the state.        | 35 |
| (C) "Nonprofit hospital agency" means a corporation or             | 36 |
| association not for profit, no part of the net earnings of which   | 37 |
| inures or may lawfully inure to the benefit of any private         | 38 |
| shareholder or individual, that has authority to own or operate a  | 39 |
| hospital facility or provides or is to provide services to one or  | 40 |
| more other hospital agencies.                                      | 41 |
| (D) "Governing body" means, in the case of a county, the           | 42 |
| board of county commissioners or other legislative body; in the    | 43 |
| case of a board of county hospital trustees, the board; in the     | 44 |
| case of a county hospital commission, the commission; in the case  | 45 |
| of a municipal corporation, the council or other legislative       | 46 |
| authority; in the case of a new community authority, its board of  | 47 |
| trustees; in the case of a joint township hospital district, the   | 48 |
| joint township district hospital board; in the case of a state or  | 49 |

municipal university or college, its board of trustees or board of

directors; in the case of a nonprofit hospital agency, the board

of trustees or other body having general management of the agency;

and, in the case of the state, the director of development or the

Ohio higher educational facility commission; and, in the case of

the state, the director of development or the Ohio higher

educational facility commission.

- (E) "Hospital facilities" means buildings, structures and 57 other improvements, additions thereto and extensions thereof, 58 furnishings, equipment, and real estate and interests in real 59 estate, used or to be used for or in connection with one or more 60 one or more hospitals, emergency, intensive, intermediate, 61 extended, long-term, or self-care facilities, diagnostic and 62 treatment and out-patient facilities, facilities related to 63 programs for home health services, clinics, laboratories, public 64 health centers, research facilities, and rehabilitation 65 facilities, for or pertaining to diagnosis, treatment, care, or 66 rehabilitation of sick, ill, injured, infirm, impaired, disabled, 67 or handicapped persons, or the prevention, detection, and control 68 of disease, and also includes education, training, and food 69 service facilities for health professions personnel, housing 70 facilities for such personnel and their families, and parking and 71 service facilities in connection with any of the foregoing; and 72 includes any one, part of, or any combination of the foregoing; 73 and further includes site improvements, utilities, machinery, 74 facilities, furnishings, and any separate or connected buildings, 75 structures, improvements, sites, utilities, facilities, or 76 equipment to be used in, or in connection with the operation or 77 maintenance of, or supplementing or otherwise related to the 78 services or facilities to be provided by, any one or more of such 79 hospital facilities. 80
- (F) "Costs of hospital facilities" means the costs of 81 acquiring or constructing hospital facilities, or interests in 82

| hospital facilities, including membership interests in nonprofit   | 83  |
|--|-----|
| hospital agencies, costs of constructing hospital facilities,      | 84  |
| costs of improving one or more one or more hospital facilities,    | 85  |
| including reconstructing, rehabilitating, remodeling, renovating,  | 86  |
| and enlarging, costs of equipping and furnishing such facilities,  | 87  |
| and all financing costs pertaining thereto, including, without     | 88  |
| limitation thereto, costs of engineering, architectural, and other | 89  |
| professional services, designs, plans, specifications and surveys, | 90  |
| and estimates of cost, costs of tests and inspections, the costs   | 91  |
| of any indemnity or surety bonds and premiums on insurance, all    | 92  |
| related direct or allocable administrative expenses pertaining     | 93  |
| thereto, fees and expenses of trustees, depositories, and paying   | 94  |
| agents for the obligations, cost of issuance of the obligations    | 95  |
| and financing charges and fees and expenses of financial advisors, | 96  |
| attorneys, accountants, consultants and rating services in         | 97  |
| connection therewith, capitalized interest on the obligations,     | 98  |
| amounts necessary to establish reserves as required by the bond    | 99  |
| proceedings, the reimbursement of all moneys advanced or applied   | 100 |
| by the hospital agency or others or borrowed from others for the   | 101 |
| payment of any item or items of costs of such facilities, and all  | 102 |
| other expenses necessary or incident to planning or determining    | 103 |
| feasibility or practicability with respect to such facilities, and | 104 |
| such other expenses as may be necessary or incident to the         | 105 |
| acquisition, construction, reconstruction, rehabilitation,         | 106 |
| remodeling, renovation, enlargement, improvement, equipment, and   | 107 |
| furnishing of such facilities, the financing thereof, and the      | 108 |
| placing of the same in use and operation, including any one, part  | 109 |
| of, or combination of such classes of costs and expenses, and      | 110 |
| means the costs of refinancing obligations issued by, or           | 111 |
| reimbursement of money advanced by, nonprofit hospital agencies or | 112 |
| others the proceeds of which were used for the payment of costs of | 113 |
| hospital facilities, if the governing body of the public hospital  | 114 |
| agency determines that the refinancing or reimbursement advances   | 115 |

| Sub. H. B. No. 239 As Passed by the Senate                         | Page 6 |
|--|--------|
| including any variable interest rates, including any variable      | 148    |
| interest rates, and conditions applicable to, or providing for the | 149    |
| security of, obligations and the provisions contained in such      | 150    |
| obligations.   | 151    |
| (K) "Nursing home" has the same meaning as in division (A)(1)      | 152    |
| of section 5701.13 of the Revised Code.                            | 153    |
| (L) "Residential care facility" has the same meaning as in         | 154    |
| division (A)(2) of section 5701.13 of the Revised Code.            | 155    |
| (M) "Adult care facility" has the same meaning as in division      | 156    |
| (A)(3) of section 5701.13 of the Revised Code.                     | 157    |
| (N) "Independent living facility" means any self-care              | 158    |
| facility or other housing facility designed or used as a residence | 159    |
| for elderly persons. An "independent living facility" does not     | 160    |
| include a residential facility, or that part of a residential      | 161    |
| facility, that is any of the following:                            | 162    |
| (1) A hospital required to be certified by section 3727.02 of      | 163    |
| the Revised Code;  | 164    |
| (2) A nursing home or residential care facility;                   | 165    |
| (3) An adult care facility;  | 166    |
| (4) A hospice licensed under section 3712.04 of the Revised        | 167    |
| Code;  | 168    |
| (5) A habilitation center as defined in section 5123.041 of        | 169    |
| the Revised Code;  | 170    |
| (6) A residential facility for the mentally ill licensed by        | 171    |
| the department of mental health under section 5119.22 of the       | 172    |
| Revised Code;  | 173    |
| (7) A facility licensed to provide methadone treatment under       | 174    |
| section 3793.11 of the Revised Code;                               | 175    |
| (8) A facility certified as an alcohol and drug addiction          | 176    |

the admission of persons as are expedient.

The board has control of the property of the hospital, 208 including management and disposal of surplus property other than 209 real estate or an interest in real estate, and has control of all 210 funds used in the hospital's operation, including moneys received 211 from the operation of the hospital, moneys appropriated for its 212 operation by the board of county commissioners, and moneys 213 resulting from special levies submitted by the board of county 214 commissioners as provided for in section 5705.22 of the Revised 215 Code. All or part of the moneys determined not to be necessary to 216 meet current demands on the hospital may be invested by the board 217 of hospital trustees or its designee in any classifications of 218 securities and obligations eligible for deposit or investment of 219 county moneys pursuant to section 135.35 of the Revised Code, 220 subject to the approval of the board's written investment policy 221 by the county investment advisory committee established pursuant 222 to section 135.341 of the Revised Code. 223

(B) Annually by the first day of November, the board of 224 county hospital trustees shall submit its proposed budget for the 225 ensuing fiscal year to the board of county commissioners for 226 approval, and the board of county commissioners shall approve a 227 budget for the county hospital by the first day of December. If 228 the taxes collected pursuant to any tax levied under section 229 5705.22 of the Revised Code or the amount appropriated to the 230 county hospital by the commissioners in the annual appropriation 231 measure for the county for the ensuing fiscal year differ from the 232 amount shown in the approved budget, the board of county 233 commissioners may require the board of county hospital trustees to 234 revise the hospital budget accordingly. The board of trustees 235 shall not expend such funds until its budget for that calendar 236 year is submitted to and approved by the board of county 237 commissioners. Thereafter such funds may be disbursed by the board 238

267

| of county hospital trustees, consistent with the approved budget,  | 239 |
|--|-----|
| for the uses and purposes of such hospital; for the replacement of | 240 |
| necessary equipment; for the acquisition, leasing, or construction | 241 |
| of permanent improvements to county hospital property; or for      | 242 |
| making a donation authorized by division (C) of this section. Each | 243 |
| disbursement of funds shall be made on a voucher signed by         | 244 |
| signatories designated and approved by the board of county         | 245 |
| hospital trustees.   | 246 |
|  |     |

The head of a board of county hospital trustees is not 247 required to file an estimate of contemplated revenue and 248 expenditures for the ensuing fiscal year under section 5705.28 of 249 the Revised Code unless the board of county commissioners levies a 250 tax for the county hospital, or such a tax is proposed, or the 251 board of county hospital trustees desires that the board of county 252 commissioners make an appropriation to the county hospital for the 253 ensuing fiscal year. 254

All moneys appropriated by the board of county commissioners 255 or from special levies by the board of county commissioners for 256 the operation of the hospital, when collected shall be paid to the 257 board of county hospital trustees on a warrant of the county 258 auditor and approved by the board of county commissioners. The 259 board of hospital trustees shall file an annual report of revenues 260 and expenditures for the fiscal year with the board of county 261 commissioners within ninety days after the fiscal year's end. 262

- (C) For the public purpose of improving the health, safety, 263 and general welfare of the community, the board of hospital 264 trustees may donate to a nonprofit entity any of the following: 265
- (1) Moneys and other financial assets determined not to be necessary to meet current demands on the hospital;
- (2) Surplus hospital property, including supplies, equipment, 268 office facilities, and other property that is not real estate or 269

operating funds.

Page 12

330

| (G) The board of county hospital trustees may authorize a          | 331 |
|--|-----|
| county hospital and each of its units, hospital board members,     | 332 |
| designated hospital employees, and medical staff members to be a   | 333 |
| member of and maintain membership in any local, state, or national | 334 |
| group or association organized and operated for the promotion of   | 335 |
| the public health and welfare or advancement of the efficiency of  | 336 |
| hospital administration and in connection therewith to use tax     | 337 |
| funds for the payment of dues and fees and related expenses but    | 338 |
| nothing in this section prohibits the board from using receipts    | 339 |
| from hospital operation, other than tax funds, for the payment of  | 340 |
| such dues and fees.  | 341 |

- (H) The following apply to the board of county hospital 342 trustees, its employees, and the employees of the county hospital: 343
- (1) The board shall adopt the wage and salary schedule for 344 employees.
- (2) The board may employ the hospital's administrator 346 pursuant to section 339.07 of the Revised Code, and the 347 administrator may employ individuals for the hospital in 348 accordance with that section.
- (3) The board may employ assistants as necessary to perform
  its clerical work, superintend properly the construction of the
  county hospital, and pay the hospital's expenses. Such employees
  may be paid from funds provided for the county hospital.
  353
- (4) The board may hire, by contract or as salaried employees, 354 such management consultants, accountants, attorneys, engineers, 355 architects, construction managers, and other professional advisors 356 as it determines are necessary and desirable to assist in the 357 management of the programs and operation of the county hospital. 358 Such professional advisors may be paid from county hospital 359 operating funds.

| (5) Notwithstanding section 325.19 of the Revised Code, the        | 361 |
|--|-----|
| board of county hospital trustees may grant to employees any       | 362 |
| fringe benefits the board determines to be customary and usual in  | 363 |
| the nonprofit hospital field in its community, including, but not  | 364 |
| limited to:  | 365 |
| (a) Additional vacation leave with full pay for full-time          | 366 |
| employees, including full-time hourly rate employees, after        | 367 |
| service of one year;   | 368 |
| (b) Vacation leave and holiday pay for part-time employees on      | 369 |
| a pro rata basis;  | 370 |
| (c) Leave with full pay due to death in the employee's             | 371 |
| immediate family, which shall not be deducted from the employee's  | 372 |
| accumulated sick leave;  | 373 |
| (d) Premium pay for working on holidays listed in section          | 374 |
| 325.19 of the Revised Code;  | 375 |
| (e) Moving expenses for new employees;                             | 376 |
| (f) Discounts on hospital supplies and services.                   | 377 |
| (6) The board may provide holiday leave by observing Martin        | 378 |
| Luther King day, Washington-Lincoln day, Columbus day, and         | 379 |
| Veterans' day on days other than those specified in section 1.14   | 380 |
| of the Revised Code.   | 381 |
| (7) The board may grant to employees the insurance benefits        | 382 |
| authorized by section 339.16 of the Revised Code.                  | 383 |
| (8) Notwithstanding section 325.19 of the Revised Code, the        | 384 |
| board may grant to employees, including hourly rate employees,     | 385 |
| such personal holidays as the board determines to be customary and | 386 |
| usual in the hospital field in its community.                      | 387 |
| (9) The board of county hospital trustees may provide              | 388 |

employee recognition awards and hold employee recognition dinners.

Page 14

| (10) The board may grant to employees the recruitment and          | 390 |
|--|-----|
| retention benefits specified under division (I) of this section.   | 391 |
| (I) Notwithstanding sections 325.191 and 325.20 of the             | 392 |
| Revised Code, the board of county hospital trustees may provide,   | 393 |
| without the prior authorization of the board of county             | 394 |
| commissioners, scholarships for education in the health care       | 395 |
| professions, tuition reimbursement, and other staff development    | 396 |
| programs to enhance the skills of health care professionals for    | 397 |
| the purpose of recruiting or retaining qualified employees.        | 398 |
| The board of county hospital trustees may pay reasonable           | 399 |
| expenses for recruiting or retaining physicians and other          | 400 |
| appropriate health care practitioners.                             | 401 |
|  | 400 |
| Sec. 5155.01. The board of county commissioners shall make         | 402 |
| all contracts for new buildings and for additions to existing      | 403 |
| buildings necessary for the county home, and shall prescribe rules | 404 |
| for the management and good government of such the home and to     | 405 |
| promote sobriety, morality, and industry among residents. The      | 406 |
| superintendent or administrator of the county home shall be        | 407 |
| responsible for maintaining buildings in good repair.              | 408 |
| In all cases in which both the husband and wife have been          | 409 |
| admitted to such county home such couple, unless otherwise         | 410 |
| requested by either of them, shall not be separated, and shall be  | 411 |
| given quarters in the same part of such facility.                  | 412 |
| The superintendent or administrator may employ an                  | 413 |
| administrative assistant and such additional necessary personnel,  | 414 |
| at rates of wages to be fixed by the board of county               | 415 |
| commissioners, as may not be found available on the part of the    | 416 |
| residents of the facility. The superintendent or administrator and | 417 |
| administrative assistant shall be removed if either of them        | 418 |
| requires or permits residents or employees to render services for  | 419 |

Page 15

Sec. 5155.14. At the request of the superintendent or

commissioners or operator shall set apart from the county home

administrator of the county home, the board of county

509

510

511

(C) The daily average census;

Page 18

542

Page 19

3721.01 of the Revised Code.

| (B) Whenever the buildings of a county home or a county   | 602 |
|---|-----|
| nursing home have become unsuitable for habitation, or whenever                                 | 603 |
| the population of <del>such</del> a <u>county home or a county nursing</u> home is              | 604 |
| too small for economical and efficient operation, or for any other                              | 605 |
| reason made of record, the board of county commissioners may close                              | 606 |
| such the home or sell it to a third party, and provide for the                                  | 607 |
| care of the its residents thereof, and of other persons afterwards                              | 608 |
| determined eligible for county care, by housing them in another                                 | 609 |
| county home, <del>or</del> a home licensed under Chapter 3721. of the Revised                   | 610 |
| Code, or <del>in such</del> private homes within the county <del>as</del> <u>that</u> the board | 611 |
| considers proper, and upon such terms as may be agreed upon by the                              | 612 |
| boards of the respective counties.  | 613 |

- (C) Whenever the board of county commissioners closes a 614 county home or a county nursing home pursuant to division (B) of 615 this section, the board may lease the county home to an 616 individual, partnership, firm, association, or corporation for the 617 establishment of a home licensed under Chapter 3721. of the 618 Revised Code. Any lease granted under this division and any 619 renewals thereof of it shall not be for a longer period than five 620 years. The form of any such lease shall be approved by the 621 prosecuting attorney. 622
- (D) Whenever the board of county commissioners determines 623 that a county home or a county nursing home is unsuitable for 624 habitation or its operation is economically unfeasible, the board 625 may sell or lease the home together with all of its contents of 626 personal property used in connection with and incidental to its 627 operation, as a single unit, to an individual, partnership, firm, 628 association, or corporation for the establishment of a home 629 licensed under Chapter 3721. of the Revised Code. Any lease 630 granted under this division and renewals thereof shall not be for 631 a period longer than five years. The form of any such lease shall 632 be approved by the prosecuting attorney. No sale or lease shall be 633

| made under this division unless it is authorized by a resolution   | 634 |
|--|-----|
| passed by a majority of the members of the board of county         | 635 |
| commissioners. No sale shall be made under this division until the | 636 |
| board receives an appraisal of the value of the real and personal  | 637 |
| property to be sold, as determined by one or more competent        | 638 |
| appraisers. When a sale or lease is authorized, a deed or lease    | 639 |
| shall be made by the board to the highest responsible bidder after | 640 |
| the advertisement, once a week for four consecutive weeks, in a    | 641 |
| newspaper of general circulation within the county. The board may  | 642 |
| reject any bids and readvertise until such time as the home and    | 643 |
| its contents used in connection with and incidental to its         | 644 |
| operation are sold or leased.                                      | 645 |
| operation are both or reasen.                                      |     |

This division applies only to a sale or lease executed prior 646 to December 31, 1983.

**Section 2.** That existing sections 140.01, 339.06, 5155.01, 648 5155.02, 5155.03, 5155.04, 5155.14, 5155.16, 5155.19, 5155.27, and 649 5155.31 and sections 140.051, 5155.05, 5155.06, 5155.07, 5155.28, 650 and 5155.30 of the Revised Code are hereby repealed. 651

Section 3. (A) Except as provided in division (B) of this 652 section, the amendments to divisions (B), (D), (E), (F), and (J) 653 of section 140.01 of the Revised Code and the repeal and 654 reenactment of section 140.051 of the Revised Code by this act are 655 intended to confirm and validate the amendments to those divisions 656 of section 140.01 of the Revised Code and the enactment of section 657 140.051 of the Revised Code by Am. Sub. S. B. 109 of the 113th 658 General Assembly. This confirmation and validation is advisable to 659 eliminate any legal challenge that has been or may be raised 660 concerning the constitutionality of those amendments and that 661 enactment by Am. Sub. S.B. 109 of the 113th General Assembly on 662 the grounds that they may have violated the following requirements 663 contained in Section 15 of Article II, Ohio Constitution: 664

| Sub. H. B. No. 239 As Passed by the Senate                        |     |
|---|-----|
| (1) That no bill shall contain more than one subject, which       | 665 |
| shall be clearly expressed in its title;                          | 666 |
| (2) That every bill shall be considered by each house on          | 667 |
| three different days, unless two-thirds of the members elected to |     |
| the house in which it is pending suspend the requirement.         |     |
| (B) The amendments to division (D) of section 140.01 of the       | 670 |
| Revised Code by this act, insofar as they re-enact the phrase     | 671 |
| "director of development," are intended to ratify the amendments  | 672 |
| made to that division by Am. Sub. S.B. 227 of the 115th General   | 673 |
| Assembly enacted subsequent to the amendments enacted in that     | 674 |
| division by Am. Sub. S.B. 109 of the 113th General Assembly.      | 675 |