

ASSEMBLY, No. 2342

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED FEBRUARY 3, 2020

Sponsored by:
Assemblyman PAUL D. MORIARTY
District 4 (Camden and Gloucester)

SYNOPSIS

Requires each hospital board of trustees to adopt a written policy governing conflicts of interest.

CURRENT VERSION OF TEXT

As introduced.



1 **AN ACT** concerning hospital boards of trustees and supplementing
2 Title 26 of the Revised Statutes.

3
4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

6
7 1. a. The board of trustees of a general hospital licensed
8 pursuant to P.L.1971, c.136 (C.26:2H-1 et seq.) shall adopt a
9 written policy governing conflicts of interest on the part of board
10 members. Each general hospital shall maintain its board's written
11 policy governing conflicts of interest in its administrative records,
12 which policy shall be available to the Department of Health and
13 Senior Services.

14 The written policy shall be updated annually.

15 Each general hospital shall post on its website its most current
16 written policy governing conflicts of interest, and shall make it
17 publicly available upon request.

18 b. The written policy adopted pursuant to subsection a. of this
19 section shall include, at a minimum, requirements for:

20 (1) the disclosure by a board member of any actual conflict of
21 interest on the member's part with respect to any matter pending
22 before the board;

23 (2) a prohibition on the board member voting on any such
24 matter relating to the awarding of such contract; and

25 (3) the maintenance by the board of a record of the disclosure by
26 the board member of the actual conflict of interest.

27 c. Each hospital board of trustees shall disseminate the written
28 policy to all current board members upon its adoption and to each
29 new board member upon appointment to the board.

30 d. In the case where a board member has an actual conflict of
31 interest in a matter involving the awarding of a contract in an
32 amount greater than \$25,000, a general hospital shall solicit at least
33 three bids or three proposals, whichever is applicable, with respect
34 to that contract. If it is not practicable to solicit at least three bids
35 or three proposals, the general hospital shall, within five business
36 days of the solicitation, provide the department with an explanatory
37 letter that the department shall keep on file for the hospital.

38
39 2. This act shall take effect on the 180th day after enactment.

40

41

42

STATEMENT

43

44 This bill requires that each general hospital, as a condition of
45 licensure, adopt a written policy governing conflicts of interest on
46 the part of its board members.

47 The board of trustees is required to adopt a written policy
48 governing conflicts of interest on the part of board members. Each

1 general hospital is to maintain the policy in its administrative
2 records, which will be available to the Department of Health and
3 Senior Services (DHSS). The written policy is to be updated
4 annually. Each general hospital is to post on its website its most
5 current written policy governing conflicts of interest, and make it
6 publicly available upon request.

7 The written policy is to include, at a minimum, requirements
8 for: (1) the disclosure by a board member of any actual conflict of
9 interest on the member's part with respect to any matter pending
10 before the board; (2) a prohibition on the board member voting on
11 the awarding of such a contract; and (3) the maintenance by the
12 board of a record of the disclosure by the board member of the
13 actual conflict of interest.

14 Each hospital board of trustees is to disseminate the written
15 policy to all current board members upon its adoption and to each
16 new board member upon appointment to the board.

17 In the case where a board member has an actual conflict of
18 interest in a matter involving the awarding of a contract in an
19 amount greater than \$25,000, a general hospital is to solicit at least
20 three bids or three proposals, whichever is applicable, with respect
21 to that contract. If it is not practicable for the general hospital to
22 solicit at least three bids or three proposals, the general hospital is
23 to, within five business days of the solicitation, provide DHSS with
24 an explanatory letter that DHSS will keep on file for the hospital.