COMMITTEE REPORT

April 18, 2018

**S. 1116**

Introduced by Senators Timmons and Talley

S. Printed 4/18/18--H.

Read the first time March 22, 2018.

**THE COMMITTEE ON JUDICIARY**

To whom was referred a Bill (S. 1116) to amend Act 432 of 1947, as amended, relating to the establishment of the Greenville Health System, so as to change the name to Greenville Health Authority, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass with amendment:

Amend the bill, as and if amended, by adding an appropriately numbered SECTION to read:

/ SECTION \_\_\_. All parties to the Master Affiliation Agreement must immediately disclose to the General Assembly and the general public the salaries, bonuses, and other compensation agreements of its executives. /

Renumber sections to conform.

Amend title to conform.

F. GREGORY DELLENEY, JR. for Committee.

**A** **BILL**

TO AMEND ACT 432 OF 1947, AS AMENDED, RELATING TO THE ESTABLISHMENT OF THE GREENVILLE HEALTH SYSTEM, SO AS TO CHANGE THE NAME TO GREENVILLE HEALTH AUTHORITY, AND TO PROVIDE FOR THE FULFILLMENT OF GREENVILLE HEALTH AUTHORITY’S PURPOSE THROUGH THE OPERATION OF FACILITIES AND DELIVERY OF SERVICES BY AGREEMENT WITH NONPROFIT ENTITIES; AND TO RATIFY THE ACTIONS OF THE GREENVILLE HEALTH SYSTEM IN ENTERING INTO THE AMENDED MASTER AFFILIATION AGREEMENT AND THE LEASE AND CONTRIBUTION AGREEMENT.

Whereas, by passage of Act 432 in 1947, the General Assembly provided for the operation and maintenance of adequate hospital facilities for the residents of Greenville County by the establishment of the Greenville General Hospital Board of Trustees, now known as the Greenville Health System and upon passage of this act, as the Greenville Health Authority; and

Whereas, the powers conferred upon the Greenville Health System include the power to operate hospitals and other health care facilities, acquire and dispose of real and personal property, enter into affiliation and other similar agreements, and to exercise the powers granted to regional health service districts; and

Whereas, since the establishment of the Greenville Health System, the provision of health care services has changed drastically and the Greenville Health System has developed into an integrated multi‑hospital and multi‑county delivery system, including an academic medical center and an affiliation with an employed multi‑county physician network; and

Whereas, to facilitate the improvement of health care in its service area and to respond to the changing demands and environment for providing health care services, the Greenville Health System provided for the establishment of two nonprofit entities, the Strategic Coordinating Organization, whose purpose is to, among other things, provide strategic direction for the entire integrated health system with centralized corporate, support, and compliance services, and the Upstate Affiliate Organization, who purpose is to, among other things, provide hospital and health care services in the Greenville Health System service area; and

Whereas, the decision to establish the two nonprofit entities did not include input from the Greenville Delegation, Greenville County Council, or the citizens of Greenville County through an advisory referendum; and

Whereas, the decision not to seek an affirmative vote by the Greenville Delegation, Greenville City Council, or the citizens of Greenville County by an advisory referendum created the appearance of uncertainty as to the legitimacy of the reorganization’s effectiveness and authority; and

Whereas, subsequent to the establishment of the Upstate Affiliate Organization and Strategic Coordinating Organization the three entities entered into a Master Affiliation Agreement, dated as of March 9, 2016, for the purpose of establishing a system designed to develop, through their own efforts and the participation of other entities in the future, an extensive integrated health care delivery system; and

Whereas, in furtherance of the affiliation goals and objectives, the shared vision, shared governance and foundation principals, and shared commitments, all as set forth in the Master Affiliation Agreement, the Greenville Health System, and the Upstate Affiliate Organization entered into a Lease and Contribution Agreement, dated March 9, 2016, for the purpose of leasing Greenville Health System assets to the Upstate Affiliate Organization in exchange for the Upstate Affiliate Organization’s assumptions of Greenville Health System’s obligation to operate facilities and provide health care services; and

Whereas, the Master Affiliation has been amended to address many concerns expressed by the members of the Greenville Delegation, Greenville City Council, and the citizens of Greenville County through their elected officials. Now, therefore,

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. The General Assembly ratifies the actions of the Greenville Health System in entering into the amended Master Affiliation Agreement and the Lease and Contribution Agreement.

SECTION 2. Section 4(A) of Act 432 of 1947, as last amended by Section 1 of Act 102 of 2015, is further amended to read:

“(A) For the purpose of operating and at all times maintaining adequate hospital facilities for the residents of Greenville County, including those residents in the City of Greenville and as otherwise provided by law, including, but not limited to, Section 44‑7‑78, Code of Laws of South Carolina, 1976, there is established the Greenville Health ~~System~~ Authority (formerly known as the Greenville Hospital System and later as the Greenville Health System) which must be governed by a board of trustees selected pursuant to this section.”

SECTION 3. Section 5 of Act 432 of 1947, as last amended by Section 2 of Act 105 of 2013, is further amended by adding an appropriately numbered item to read:

“( ) provide for the fulfillment of the Greenville Health Authority’s purpose through agreements and leases by the Greenville Health Authority with not‑for‑profit entities. The power conferred upon the Greenville Health Authority by this item includes the power to participate in a system comprised of nonprofit entities in which strategy is centrally established and coordinated, affiliated nonprofit entities are part of the system and provide care, programs and services, and resources of system participants are used in support of the system.”

SECTION 4. The authorizations and powers conferred in this act on the Greenville Health Authority are in addition to any authorizations and powers previously conferred by the General Assembly on the Greenville Health Authority and nothing contained in this act shall be construed to limit or restrict the authorizations and powers of the Greenville Health Authority.

SECTION 5. If any section, subsection, paragraph, subparagraph, sentence, clause, phrase, or word of this act is for any reason held to be unconstitutional or invalid, such holding shall not affect the constitutionality or validity of the remaining portions of this act, the General Assembly hereby declaring that it would have passed this act, and each and every section, subsection, paragraph, subparagraph, sentence, clause, phrase, and word thereof, irrespective of the fact that any one or more other sections, subsections, paragraphs, subparagraphs, sentences, clauses, phrases, or words hereof may be declared to be unconstitutional, invalid, or otherwise ineffective.

SECTION 6. This act takes effect upon approval by the Governor.

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