

1 SENATE JOINT MEMORIAL 43

2 44TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2000

3 INTRODUCED BY

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9 A JOINT MEMORIAL

10 REQUESTING THE ATTORNEY GENERAL, THE DEPARTMENT OF HEALTH,
11 THE HUMAN SERVICES DEPARTMENT AND THE NEW MEXICO HEALTH
12 POLICY COMMISSION TO WORK COOPERATIVELY TO PRESERVE HEALTH
13 CARE SERVICES AND PROTECT THE VALUE OF CHARITABLE ASSETS IN
14 THE EVENT A NONPROFIT HOSPITAL CONVERTS TO A FOR-PROFIT
15 HOSPITAL.

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17 WHEREAS, the New Mexico legislature recognizes the
18 importance of local hospitals as an integral part of the
19 health care delivery system in this state; and

20 WHEREAS, the assets of a nonprofit hospital are
21 charitable assets that have been dedicated to nonprofit
22 purposes and should continue to meet the health needs of the
23 people of this state; and

24 WHEREAS, nonprofit hospitals receive significant
25 subsidies from the people of New Mexico through tax
exemptions and donations of both money and in-kind services;

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1 and

2 WHEREAS, nonprofit hospitals in New Mexico may convert
3 to for-profit status through merger with or acquisition by
4 for-profit hospital chains and that may put at risk the
5 charitable assets of those facilities as well as the
6 continuation of the health care services they provide; and

7 WHEREAS, appropriate oversight by state agencies and
8 officials with responsibilities for health care matters and
9 charitable organizations, including the attorney general, the
10 department of health, the human services department and the
11 New Mexico health policy commission, will protect health care
12 services and charitable assets in the event of conversion of
13 nonprofit hospitals to for-profit status;

14 NOW, THEREFORE, BE IT RESOLVED BY THE LEGISLATURE OF THE
15 STATE OF NEW MEXICO that the attorney general, the department
16 of health, the human services department and the New Mexico
17 health policy commission work cooperatively and to the full
18 extent of their authority under the law of the state to
19 preserve health care services and to protect the full and
20 fair value of charitable assets in the event that a nonprofit
21 hospital converts to a for-profit hospital status; and

22 BE IT FURTHER RESOLVED that, in the event of conversion
23 of a nonprofit hospital, the full value of the hospital's
24 nonprofit assets be preserved in the nonprofit sector through
25 distribution to one or more new or existing nonprofit
organizations, and that such assets be used to meet the
health needs of the people of New Mexico; and

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1 BE IT FURTHER RESOLVED that the impact of a conversion
2 of a nonprofit hospital on health care in an affected
3 community should be examined before that nonprofit hospital
4 converts to for-profit status, and that those important
5 health care services continue following the conversion; and

6 BE IT FURTHER RESOLVED that the public affected by
7 conversion of a nonprofit hospital to a for-profit hospital
8 status be afforded opportunities to participate in the
9 process of conversion and oversight by state agencies and
10 officials through adequate opportunities for public input and
access to information; and

11 BE IT FURTHER RESOLVED that copies of this memorial be
12 transmitted to the attorney general, the secretary of health,
13 the secretary of human services and the director of the New
14 Mexico health policy commission.