



Sub. S.B. 55

123rd General Assembly
(As Passed by the Senate)

Sens. White, Schafrath, Spada, Gardner, Mumper, Kearns, Wachtmann

BILL SUMMARY

- Authorizes a county hospital board of trustees to hold executive sessions to consider trade secrets.
- Excludes from the Public Records Law information pertaining to county hospital employees and county hospital information that constitutes trade secrets.
- Exempts from the Prevailing Wage Law public improvements undertaken by a county hospital when none of the funds used have been appropriated by the board of county commissioners, the state, or a municipal corporation from funds generated by the levy of a tax or are proceeds of obligations secured by the full faith and credit of the state, the county, or a municipal corporation.
- Authorizes county hospitals to observe four designated state holidays on dates other than those specified by state law.
- Specifies permissible investments for certain county hospital funds.
- Makes other changes to the County Hospital Law, including changes pertaining to construction of branch outpatient health facilities in other counties, donations of funds, property, and services, and the hospital administrator's employment and functions.

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CONTENT AND OPERATION

Exemption from the Open Meetings Law for certain county hospital matters

Existing law requires public officials to take official action and to conduct all deliberations upon official business only in open meetings unless the subject matter is specifically excepted by law (sec. 121.22(A) and (C)). Public officials generally may hold an executive session (a portion of a meeting closed to the public) only after a majority of a quorum of the public body determines, by a roll call vote, to hold an executive session and only at a regular or special meeting for the sole purpose of considering any of several enumerated subject matters (sec. 121.22(G)). The bill adds to the list of excepted subject matters the consideration of *trade secrets* by a county hospital operated under Chapter 339. of the Revised Code (sec. 121.22(G)(7)). "Trade secret" is defined as information, including the whole or any portion or phase of any scientific or technical information, design, process, procedure, formula, pattern, compilation, program, device, method, technique, or improvement, or any business information or plans, financial information, or listing of names, addresses, or telephone numbers, that satisfies both of the following: (1) it derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use, and (2) it is the subject of efforts that are reasonable under the circumstances to maintain its secrecy (sec. 1333.61(D)--not in the bill).

Normally, under existing law, if a public body holds an executive session to consider any of the enumerated subject matters, the motion and vote to hold the executive session must state which one or more of the matters are to be considered at the executive session. The bill contains a similar requirement for the consideration of trade secrets by a county hospital. (Sec. 121.22(G).)

Exemption from the Public Records Law for certain records of county hospitals

The Public Records Law generally requires that all public records kept by a public office be promptly prepared and made available for inspection to any person at all reasonable times during regular business hours. Specified records are excluded from the definition of a "public record" and therefore do not have to be made available for public inspection. (Sec. 149.43(A)(1) and (B).)

The bill adds as an exclusion any information of a county hospital operated under Chapter 339. of the Revised Code that constitutes a trade secret as defined above *and* any records held by the hospital pertaining to its employees (sec. 149.43(A)(1)(p)).

Exemption from the Prevailing Wage Law for certain public improvements of county hospitals

Generally, under existing law, every public authority authorized to contract for, or construct with its own forces, a public improvement must have the Bureau of Employment Services determine the prevailing rates of wages of mechanics and laborers for the class of work called for by the public improvement in the locality where the work is to be performed. The schedule of wages must be made part of the specifications for the work done by contract. (Sec. 4115.04.)

The bill exempts public improvements undertaken by, or under contract for, a county hospital if none of the funds used in constructing the improvements are the proceeds of bonds or other obligations which are secured by the full faith and credit of the state, the county, or a municipal corporation and none of the funds used in constructing the improvements, including funds used to repay any amounts borrowed to construct the improvements, are funds that have been appropriated for that purpose by the board of county commissioners, the state, or a municipal corporation from funds generated by the levy of a tax. The bill provides, however, that a county hospital may elect to apply the Prevailing Wage Law to a public improvement undertaken by, or under contract for, the county hospital. (Sec. 4115.04(B)(4).)

Holiday leave benefits for county hospital employees

State law entitles full-time county employees to eight hours of holiday pay for ten specified days each year. The bill provides that for four of these days (Martin Luther King Day, Washington-Lincoln Day, Columbus Day, and Veterans' Day) a county hospital may observe the holiday on days other than those designated by state law (in sec. 1.14--not in the bill).¹ (Secs. 325.19(D)(2)(b) and 339.06(H)(6).)

Changes to the law pertaining to authority to construct an outpatient health facility

Under existing law, a board of county commissioners may purchase, acquire, lease, appropriate, and construct a county hospital or hospital facilities. After a county hospital or hospital facilities have been fully completed and sufficiently equipped for occupancy, any subsequent improvements, enlargements, or rebuilding must be made by the board of county hospital trustees or a hospital commission. (Sec. 339.01(B).)

Under existing law, a board of county hospital trustees or a hospital commission may purchase, acquire, lease, appropriate, or construct an "outpatient health facility" in *another county* as a branch of the county hospital. Written notice must be provided *to the other county's* board of county commissioners. (Sec. 339.01(C)(1).) If the board of county commissioners of the *county in which the hospital is located* provides a subsidy for uncompensated care, the board of county hospital trustees or hospital commission may establish and operate the outpatient health facility outside the county only if the board of county commissioners approves the establishment, and, even if approved, no funds generated by a tax levy may be used to finance the acquisition, construction, repair, maintenance, or operation of the facility (sec. 339.01(C)(3)). Otherwise, the board of county hospital trustees or hospital commission may establish and operate the facility unless the board of county commissioners of the *county where the facility is to be located* adopts a resolution, no later than 60 days after receiving the notice mentioned above, denying the trustees or commission the right to establish the facility (sec. 339.01(C)(2)).

The bill adds *a board of county commissioners* to the entities listed and authorized to purchase, acquire, lease, appropriate, or construct an outpatient

¹ Section 1.14 specifies that the four holidays are legal holidays to be celebrated, respectively, on the third Monday in January, the third Monday in February, the second Monday in October, and November 11.

health facility in another county as a branch of a county hospital. The bill also requires that *notice* be provided to the board of county commissioners of a county with a county hospital when its board of trustees or commission proposes to locate an outpatient health facility in another county as well as (similar to existing law) to the board of county commissioners of the other county. The bill provides that the board of county commissioners *of the county where the facility is proposed to be located*, by resolution adopted within 40 days after receipt of the previously mentioned notice, *may object* to the proposed facility. The resolution must include an explanation of the objection and *may make any recommendations* the board of county commissioners considers necessary. The board must send a copy of the resolution to the board of county hospital trustees or hospital commission and to the board of county commissioners of the county that proposed to locate the facility in the other county. However, the bill *removes the ability* of the board of county commissioners *of the county where the facility is proposed to be located* to *deny* the right to establish the facility in their county. (Sec. 339.01(C)(1) and (2).)

The bill does provide that the board of county commissioners *of the county proposing to locate the facility* in the other county may *deny the right* to establish the facility in the other county, if the county where the facility is proposed to be located objects. To do so, the board of county commissioners of the county proposing to locate the facility in the other county must adopt a resolution, not later than 20 days after receiving a resolution of objection from the other board of county commissioners, denying the board of county hospital trustees or hospital commission the right to establish the facility (sec. 339.01(C)(2)). Finally, the bill removes the prohibition against using *funds generated by a tax levy* to finance an outpatient health facility when the board of the county commissioners of the county proposing to locate the facility in another county approves its establishment and a subsidy has been provided by the board to the county hospital for uncompensated care (sec. 339.01(C)(3)).

Bond for county hospital trustees

Under current law, each trustee is required to be bonded for the proper performance of the trustee's duties, in whatever sum the board of county commissioners requires and with sureties approved by the board. The expense of the bonding is paid for out of hospital operating funds. The bill removes the requirement for a trustee's bond. (Sec. 339.03.)

Disposition of property and money by a board of county hospital trustees

Background

Under current law, a board of county hospital trustees, upon completion of construction or leasing and equipping of a county hospital, assumes and continues the operation of the hospital. The board has the entire management and control of the hospital. The board also has control of the property of the hospital, including management and disposal of surplus property other than real estate or an interest in real estate, and has control of all funds used in the hospital's operation, including moneys received from the operation of the hospital, moneys appropriated for its operation by the board of county commissioners, and moneys resulting from special levies submitted by the board of county commissioners. (Sec. 339.06(A).)

Investments

Current law authorizes the *hospital's administrator* or the administrator's designee to deposit funds *not needed for immediate expenses* in interest bearing or noninterest bearing accounts or United States government obligations. The bill removes this authorization and provides instead that all or part of the moneys determined not to be necessary to meet current demands on the hospital may be invested by the *board of hospital trustees or its designee* in any classifications of securities and obligations eligible for deposit or investment of county moneys under a provision of the Uniform Depository Act (sec. 135.35, not in the bill), subject to the approval of the board's written investment policy by the county investment advisory committee established as required under the Uniform Depository Act (sec. 135.341, not in the bill). (Sec. 339.06(A).)

Donations of funds, property, and services

Under current law, the board of county hospital trustees submits a budget, annually, to the board of county commissioners. The board of trustees is not permitted to expend funds until its budget is submitted to and approved by the board of county commissioners. Thereafter, funds may be disbursed by the board of trustees, consistent with the approved budget, for the uses and purposes of the hospital, for the replacement of necessary equipment, or for the acquisition, leasing, or construction of permanent improvements to county hospital property. The bill adds an authorization for funds to be used for making a donation as authorized by the bill. The bill provides that, for the public purpose of improving the health, safety, and general welfare of the community, the board of trustees may donate to a nonprofit entity any of the following: (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, office facilities, and other

property that is not real estate or an interest in real estate, and (3) services rendered by the hospital. (Sec. 339.06(B) and (C).)

Employment of a hospital administrator

Under existing law, a board of county hospital trustees must employ an administrator who has authority to employ necessary hospital personnel and to *deposit hospital moneys* in banks or trust companies or into specified interest-bearing or noninterest-bearing accounts or United States government obligations. The bill removes the authority for the administrator to so deposit hospital moneys and authorizes a board of county hospital trustees to provide for the administration of the county hospital either by directly employing a hospital administrator or by entering into a contract for the management of the hospital under which an administrator is provided. If an administrator is employed directly, the board, as under existing law, must adopt a job description delineating the administrator's powers and duties and may pay the administrator's salary and other benefits from funds provided for the hospital. The administrator, as under existing law, must ensure that the hospital has physicians, nurses, and other necessary employees. Similar to existing law, the administrator may directly employ these types of personnel or may enter into contracts or grant authority to practice in the hospital. If the employees are directly employed, they are required to be in the unclassified civil service, as under existing law. (Secs. 339.03, 339.06, and 339.07.)

HISTORY

ACTION	DATE	JOURNAL ENTRY
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