

6242

2011-2012 Regular Sessions

I N A S S E M B L Y

March 10, 2011

Introduced by M. of A. GLICK, PRETLOW, JAFFEE, BARRON, O'DONNELL, CRESPO  
-- read once and referred to the Committee on Health

AN ACT to amend the public health law, in relation to capping compensation for hospital executives

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 Section 1. The public health law is amended by adding a new section  
2 2823 to read as follows:

3 S 2823. LIMITATION ON SALARY FOR HOSPITAL EXECUTIVES. 1. NOTWITH-  
4 STANDING ANY INCONSISTENT SECTION OF LAW, FOR THE PURPOSES FOR THIS  
5 SECTION: (A) "HOSPITAL" SHALL MEAN ANY HOSPITAL ORGANIZED UNDER THIS  
6 ARTICLE THAT RECEIVES PAYMENT BY PROVIDING SERVICES TO: RECIPIENTS  
7 ELIGIBLE FOR MEDICAL ASSISTANCE PURSUANT TO TITLE ELEVEN OF ARTICLE FIVE  
8 OF THE SOCIAL SERVICES LAW; ENROLLEES ELIGIBLE FOR MEDICAL ASSISTANCE  
9 PURSUANT TO SUCH TITLE AND ENROLLED IN APPROVED MANAGED CARE ORGANIZA-  
10 TIONS PURSUANT TO SECTION THREE HUNDRED SIXTY-FOUR-J OF SUCH TITLE ELEV-  
11 EN; ENROLLEES ELIGIBLE FOR FAMILY HEALTH PLUS AND ENROLLED IN APPROVED  
12 ORGANIZATIONS PURSUANT TO TITLE ELEVEN-D OF ARTICLE FIVE OF THE SOCIAL  
13 SERVICES LAW; ENROLLEES ELIGIBLE FOR THE CHILD HEALTH INSURANCE PROGRAM  
14 AND ENROLLED IN APPROVED ORGANIZATIONS PURSUANT TO TITLE ONE-A OF ARTI-  
15 CLE TWENTY-FIVE OF THIS CHAPTER; AND ENROLLEES OF THE ELDERLY PHARMACEU-  
16 TICAL INSURANCE COVERAGE PROGRAM, PURSUANT TO TITLE THREE OF ARTICLE TWO  
17 OF THE ELDER LAW; AND

18 (B) "HOSPITAL EXECUTIVE" SHALL MEAN A PERSON OR GROUP HAVING ADMINIS-  
19 TRATIVE OR MANAGERIAL AUTHORITY OF A HOSPITAL, WHICH SHALL INCLUDE, BUT  
20 NOT BE LIMITED TO, THE FOLLOWING POSITIONS: CHIEF EXECUTIVE OFFICER,  
21 CHIEF EXECUTIVE, EXECUTIVE OFFICER, EXECUTIVE DIRECTOR, CHIEF FINANCIAL  
22 OFFICER, PRESIDENT, EXECUTIVE PRESIDENT, VICE PRESIDENT, EXECUTIVE VICE  
23 PRESIDENT, EXECUTIVE VICE PRESIDENT-CORPORATE, EXECUTIVE VICE PRESI-  
24 DENT-OPERATIONS, SENIOR VICE PRESIDENT, AND SENIOR VICE PRESIDENT OF  
25 FINANCE OR ANY OTHER COMPARABLE POSITION; AND

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets  
[ ] is old law to be omitted.

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1 (C) "TOTAL ANNUAL SALARY" MEANS THE TOTAL AMOUNT OF COMPENSATION TO BE  
2 PAID TO A HOSPITAL EXECUTIVE FOR SERVICES IN A CALENDAR YEAR, PROVIDED  
3 SUCH TERM SHALL INCLUDE DEFERRED COMPENSATION EARNED DURING THAT CALEN-  
4 DAR YEAR, ANY EMPLOYER CONTRIBUTIONS TO A RETIREMENT PLAN MADE IN SUCH  
5 CALENDAR YEAR, AND ANY LUMP-SUM CASH PAYMENT MADE TO SUCH HOSPITAL EXEC-  
6 UTIVE IN SUCH CALENDAR YEAR INCLUDING, BUT NOT LIMITED TO, CASH BONUSES,  
7 SEVERANCE PAY, OR OTHER BENEFITS UPON TERMINATION OF EMPLOYMENT.

8 2. NOTWITHSTANDING ANY INCONSISTENT PROVISION OF LAW, NO EMPLOYMENT  
9 CONTRACT OF A HOSPITAL EXECUTIVE SHALL PROVIDE FOR A TOTAL ANNUAL SALARY  
10 IN EXCESS OF TWO HUNDRED FIFTY THOUSAND DOLLARS.

11 3. IN ADDITION TO THE PAYMENT OF THE TOTAL ANNUAL SALARY, A HOSPITAL  
12 MAY PROVIDE FOR THE PAYMENT OF THE COST OF INSURANCE BENEFITS FOR A  
13 HOSPITAL EXECUTIVE, INCLUDING, BUT NOT LIMITED TO HEALTH INSURANCE,  
14 DISABILITY INSURANCE, OR LIFE INSURANCE; PROVIDED THAT ANY SUCH PAYMENTS  
15 FOR WHOLE LIFE, SPLIT DOLLAR OR OTHER LIFE INSURANCE POLICIES HAVING A  
16 CASH VALUE SHALL BE INCLUDED IN THE TOTAL ANNUAL SALARY OF THE HOSPITAL  
17 EXECUTIVE FOR PURPOSES OF THIS SECTION, AND PROVIDED FURTHER THAT ANY  
18 PAYMENTS FOR THE EMPLOYEE CONTRIBUTION, CO-PAY OR UNCOVERED MEDICAL  
19 EXPENSES UNDER A HEALTH INSURANCE PLAN ALSO SHALL BE INCLUDED IN THE  
20 TOTAL ANNUAL SALARY OF THE HOSPITAL EXECUTIVE. NOTWITHSTANDING ANY OTHER  
21 PROVISION OF LAW, PAYMENTS FOR SUCH INSURANCE BENEFITS MAY BE BASED ON  
22 THE HOSPITAL EXECUTIVE'S TOTAL SALARY ONLY. ANY PAYMENTS FOR TRANSPORTA-  
23 TION OR TRAVEL EXPENSES IN EXCESS OF ACTUAL DOCUMENTED EXPENSES INCURRED  
24 IN THE PERFORMANCE OF DUTIES FOR THE HOSPITAL, AND OTHER LUMP SUM  
25 PAYMENT NOT SPECIFICALLY EXCLUDED FROM THE TOTAL ANNUAL SALARY PURSUANT  
26 TO THIS SECTION, SHALL BE INCLUDED IN THE TOTAL ANNUAL SALARY OF THE  
27 HOSPITAL EXECUTIVE FOR PURPOSES OF THIS SECTION. NOTHING IN THIS SECTION  
28 SHALL PROHIBIT A HOSPITAL EXECUTIVE FROM WAIVING ANY RIGHTS PROVIDED FOR  
29 IN AN EXISTING CONTRACT OR AGREEMENT AS HEREAFTER PROHIBITED IN FAVOR OF  
30 REVISED COMPENSATION OR BENEFIT PROVISIONS AS PERMITTED IN THIS SECTION.

31 S 2. This act shall take effect immediately, provided that the  
32 provisions of this act shall only apply to any employment contracts for  
33 persons serving as hospital executives that are entered into, amended or  
34 extended on or after the date on which this act shall become a law.