

3590--A

2013-2014 Regular Sessions

I N A S S E M B L Y

January 28, 2013

Introduced by M. of A. GLICK, PRETLOW, JAFFEE, O'DONNELL, CRESPO --
Multi-Sponsored by -- M. of A. PERRY -- read once and referred to the
Committee on Health -- recommitted to the Committee on Health in
accordance with Assembly Rule 3, sec. 2 -- committee discharged, bill
amended, ordered reprinted as amended and recommitted to said commit-
tee

AN ACT to amend the public health law, in relation to capping compen-
sation for hospital executives

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

1 Section 1. The public health law is amended by adding a new section
2 2827 to read as follows:
3 S 2827. LIMITATION ON SALARY FOR HOSPITAL EXECUTIVES. 1. NOTWITH-
4 STANDING ANY INCONSISTENT SECTION OF LAW, FOR THE PURPOSES OF 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

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

LBD04566-02-4

1 OFFICER, PRESIDENT, EXECUTIVE PRESIDENT, VICE PRESIDENT, EXECUTIVE VICE
2 PRESIDENT, EXECUTIVE VICE PRESIDENT-CORPORATE, EXECUTIVE VICE PRESI-
3 DENT-OPERATIONS, SENIOR VICE PRESIDENT, AND SENIOR VICE PRESIDENT OF
4 FINANCE OR ANY OTHER COMPARABLE POSITION; AND

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

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

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

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