PROPOSITION ___
[I-21-2016]

hospital executive compensation act

ANALYSIS BY LEGISLATIVE COUNCIL

Proposition ___ would limit the total annual compensation and the total value of any post-employment compensation (including a severance package) for persons who primarily perform executive, managerial or administrative duties and who work for a hospital, hospital group or affiliated medical entity ("covered hospital or medical entity") to no more than the amount of the annual salary and expense allowance of the President of the United States (which is currently $450,000).

The limitation on total annual compensation would apply to arrangements made or authorized on or after the effective date of this measure. The compensation limits under this measure would not apply to medical or health care professionals whose primary duties are the direct provision of medical care, research or direct patient care. This measure would not apply to a government-owned hospital.

Proposition ___ would require the governing authority, controlling person and owner ("controlling authority") of a covered hospital or medical entity to post annually on its public website, file with the attorney general and, on request, make available to the public specific information regarding:

1. Persons who primarily performed executive, managerial or administrative duties and who in the past year received more than the amount of the annual salary and expense allowance of the President of the United States in either total annual compensation or through a post-employment compensation arrangement.

2. Any penalty that has been imposed on the controlling authority for a violation of this measure.

Proposition ___ would require the attorney general to assess each controlling authority an annual fee to cover the costs of enforcing this measure.

Proposition ___ would authorize the attorney general or the general public to enforce the provisions of this measure and provide for penalties or equitable relief for violating this measure, including civil penalties, license suspension, revocation or restrictions, dissolution of the controlling authority and revocation of the tax-exempt status, if any, of a covered hospital or medical entity or the controlling authority. A violation of the compensation limits under this measure would be treated as a violation under this state's consumer fraud statutes and would be subject to a civil penalty of up to $200,000.