

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 852

BY WAYS AND MEANS COMMITTEE

AN ACT

1 RELATING TO HOSPITALS; PROVIDING LEGISLATIVE FINDINGS AND INTENT; AMEND-  
2 ING CHAPTER 13, TITLE 39, IDAHO CODE, BY THE ADDITION OF A NEW SECTION  
3 39-1360, IDAHO CODE, TO ESTABLISH PROVISIONS REGARDING CONTINUING  
4 ACCOUNTABILITY FOR DISTRICT-CONVERTED HOSPITALS; AND DECLARING AN  
5 EMERGENCY AND PROVIDING AN EFFECTIVE DATE.  
6

7 Be It Enacted by the Legislature of the State of Idaho:

8 SECTION 1. LEGISLATIVE FINDINGS AND INTENT. (1) The Legislature finds  
9 that:

10 (a) Idaho law authorizes the conveyance of public hospital district as-  
11 sets to nonprofit corporations under specific statutory conditions in-  
12 tended to preserve community accountability, transparency, and public  
13 benefit;

14 (b) Subsequent experience has revealed that the elimination of pub-  
15 lic governance structures may significantly reduce public oversight,  
16 transparency, and local control over essential health care institu-  
17 tions; and

18 (c) Public trust in health care governance is a compelling state in-  
19 terest and that additional safeguards are necessary to ensure that non-  
20 profit hospitals receiving public assets continue to operate consis-  
21 tently with the public purposes for which those assets were conveyed.

22 (2) (a) It is the intent of the Legislature that this act be remedial and  
23 prospective in nature and to clarify, enforce, and preserve the condi-  
24 tions under which public hospital assets may continue to be held by non-  
25 profit entities.

26 (b) It is not the intent of the Legislature to invalidate or retroac-  
27 tively void any prior lawful conveyance, but rather to establish rea-  
28 sonable conditions on the continued holding and control of public hos-  
29 pital assets in order to protect patients, taxpayers, and local commu-  
30 nities.

31 SECTION 2. That Chapter 13, Title 39, Idaho Code, be, and the same is  
32 hereby amended by the addition thereto of a NEW SECTION, to be known and des-  
33 ignated as Section 39-1360, Idaho Code, and to read as follows:

34 39-1360. CONTINUING ACCOUNTABILITY FOR DISTRICT-CONVERTED HOSPI-  
35 TALS. (1) Any nonprofit hospital corporation that has received hospital  
36 facilities or assets from a hospital district pursuant to section 39-1359,  
37 Idaho Code, shall remain subject to the requirements of this section  
38 notwithstanding the dissolution of the hospital district.

39 (2) A nonprofit hospital as described in subsection (1) of this section  
40 shall annually publish and make publicly available:

1 (a) A description of its membership structure, including eligibility  
2 criteria and selection process;

3 (b) The method by which members nominate and select members of the gov-  
4 erning board;

5 (c) A list of governing board members, terms of service, and any mate-  
6 rial conflicts of interest; and

7 (d) A summary of any material transactions, affiliations, or negoti-  
8 ations that may result in a transfer of control, merger, or consolida-  
9 tion.

10 (3) A failure to comply with the provisions of this section shall con-  
11 stitute a violation of the conditions under which the hospital assets were  
12 conveyed pursuant to section 39-1359, Idaho Code, and shall be enforceable  
13 by the attorney general through an action for declaratory or injunctive re-  
14 lief in district court.

15 SECTION 3. An emergency existing therefor, which emergency is hereby  
16 declared to exist, this act shall be in full force and effect on and after  
17 July 1, 2026.