

SB 664-FN - AS INTRODUCED

2026 SESSION

26-3261

05/09

SENATE BILL        **664-FN**

AN ACT            limiting hospital executive compensation in communities designated as distressed place-based economies under certain circumstances.

SPONSORS:        Sen. Rochefort, Dist 1; Sen. Lang, Dist 2; Sen. Gannon, Dist 23; Sen. Ward, Dist 8; Sen. McConkey, Dist 3; Sen. Long, Dist 20; Sen. McGough, Dist 11; Rep. Korzen, Coos 7; Rep. Peternel, Carr. 6

COMMITTEE:      Health and Human Services

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ANALYSIS

This bill provides that any hospital located in an economically distressed community that conducts a workforce reduction affecting more than 10 employees in a single department within a specified period shall be subject to a temporary freeze on certain executive compensation. The bill provides for enforcement by the charitable trusts unit of the department of justice.

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Explanation:      Matter added to current law appears in ***bold italics***.  
Matter removed from current law appears [~~in brackets and struckthrough.~~]  
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

*In the Year of Our Lord Two Thousand Twenty-Six*

AN ACT limiting hospital executive compensation in communities designated as distressed place-based economies under certain circumstances.

*Be it Enacted by the Senate and House of Representatives in General Court convened:*

1 1 Statement of Purpose and Findings. The general court finds that:

2 I. New Hampshire's hospitals-particularly those located in economically distressed regions-  
3 serve as essential public health anchors and major local employers. Their stability is critical to the  
4 health and economic wellbeing of the communities they serve.

5 II. Investigative reporting in the Caledonian Record and InDepthNH.com has highlighted  
6 significant workforce reductions conducted by certain New Hampshire hospitals. These reductions  
7 have included layoffs exceeding 10 employees in departments despite continued growth or insulation  
8 of executive compensation packages.

9 III. Workforce reductions of this scale in distressed communities exacerbate health care  
10 access problems, worsen staffing shortages, and destabilize local economies already vulnerable to  
11 employment loss and declining population trends.

12 IV. Hospitals that accept New Hampshire Medicaid funds have heightened obligations to  
13 ensure that public dollars and charitable assets are used in a manner consistent with their mission  
14 and fiduciary duties. Allowing executive compensation to rise during periods of major staff  
15 reductions undermines public trust and may constitute misuse of charitable resources.

16 V. The New Hampshire attorney general's charitable trust unit has unique statutory  
17 responsibility to ensure fidelity to charitable purpose, prevent misuse of charitable assets, and  
18 protect the public interest in the operation of charitable health care institutions.

19 VI. To ensure accountability, fairness, and responsible stewardship of charitable and public  
20 resources, the general court finds it necessary to temporarily freeze C-suite executive compensation  
21 following major workforce reductions and to provide strong enforcement authority, including license  
22 revocation or receivership where warranted.

23 2 New Chapter; Hospital Executive Compensation Accountability in Distressed Communities.  
24 Amend RSA by inserting after chapter 151-J the following new chapter:

25 CHAPTER 151-K

26 HOSPITAL EXECUTIVE COMPENSATION ACCOUNTABILITY IN DISTRESSED

27 COMMUNITIES

28 151-K:1 Definitions. In this chapter:

29 I. "Hospital" means any facility licensed under RSA 151:2, I(d), that accepts New Hampshire  
30 Medicaid payments.

1 II. "C-suite executive" means the chief executive officer, president, chief operating officer,  
2 chief financial officer, chief medical officer, chief nursing officer, chief quality officer, or any senior  
3 leader designated by the hospital's governing board.

4 III. "Compensation" includes salary, bonuses, incentive pay, retention or severance  
5 packages, deferred compensation, fringe benefits, allowances, and any other remuneration.

6 IV. "Distressed place-based economy" means any municipality or region designated as  
7 economically distressed pursuant to RSA 162-U or by the department of business and economic  
8 affairs, the U.S. Economic Development Administration, or any successor program.

9 V. "Workforce reduction" means the involuntary termination, layoff, or reduction in force of  
10 more than 10 employees in a single department, within any 6-month period.

11 151-K:2 Compensation Freeze.

12 I. Any hospital located in a distressed place-based economy that conducts a workforce  
13 reduction affecting more than 10 employees in a single department within any 6-month period shall  
14 be subject to an 18-month freeze on C-suite executive compensation.

15 II. The freeze applies to all forms of compensation, including salary adjustments, bonuses,  
16 incentive payments, deferred compensation contributions, allowances, or vesting, and any increase  
17 in fringe benefits.

18 III. The freeze period shall begin on the date the workforce reduction is initiated and shall  
19 be compared against the preceding 18 months of compensation.

20 151-K:3 Reporting Requirements.

21 I. Within 10 days of initiating a workforce reduction, a hospital subject to this chapter shall  
22 file with the charitable trust unit:

23 (a) Written notice of the reduction.

24 (b) The number of employees affected and departments impacted.

25 (c) A detailed report of C-suite compensation over the prior 18 months.

26 (d) A certification from the governing board that no executive compensation increases  
27 will occur during the freeze.

28 II. All filings under this section are public records.

29 151-K:4 Enforcement; Authority of the Charitable Trust Unit.

30 I. The department of justice, charitable trust unit shall enforce this chapter and may  
31 investigate any hospital believed to be in violation.

32 II. If the charitable trust unit finds reasonable cause of violation, it may:

33 (a) Conduct examinations and compel production of records;

34 (b) Issue administrative compliance orders;

35 (c) Impose civil penalties not exceeding \$10,000 per violation;

36 (d) Order restitution or clawback of improperly awarded executive compensation;

37 (e) Contract with independent auditors;

**SB 664-FN - AS INTRODUCED**

**- Page 3 -**

1 (f) Refer matters for civil or criminal enforcement under RSA 7:19-7:32 or RSA 292-B.

2 II. No hospital may offset the effects of this chapter by further reducing frontline staffing or  
3 patient-care expenditures.

4 151-K:5 Rulemaking. The director of charitable trusts, in consultation with the department of  
5 health and human services, shall adopt rules pursuant to RSA 541-A to implement this chapter,  
6 including reporting standards, investigative and enforcement procedures, and criteria for  
7 determining when license suspension, revocation, or receivership is warranted.

8 3 Effective Date. This act shall take effect 60 days after its passage.

LBA  
26-3261  
1/30/26

**SB 664-FN- FISCAL NOTE  
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**FISCAL IMPACT:**

The Office of Legislative Budget Assistant is unable to complete a fiscal note for this bill as it is awaiting information from the Department of Justice. The Department was initially contacted on 1/30/26 for a fiscal note worksheet. When completed, the fiscal note will be forwarded to the Senate Clerk's Office.

**AGENCIES CONTACTED:**

Department of Justice