



General Assembly

January Session, 2009

**Raised Bill No. 1100**

LCO No. 4518

\*04518\_\_\_\_\_JUD\*

Referred to Committee on Judiciary

Introduced by:  
(JUD)

**AN ACT CONCERNING MEDICAL GROUP CLINIC CORPORATIONS.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2009*) As used in sections 1 to 6,  
2 inclusive, of this act:

3 (1) "Health system" means a nonprofit entity consisting of a parent  
4 corporation of one or more hospitals licensed pursuant to chapter 368v  
5 of the general statutes, and affiliated through governance,  
6 membership or some other means; and

7 (2) "Provider" means a physician licensed under chapter 370 of the  
8 general statutes, a chiropractor licensed under chapter 372 of the  
9 general statutes or a podiatrist licensed under chapter 375 of the  
10 general statutes.

11 Sec. 2. (NEW) (*Effective July 1, 2009*) (a) Any health system may  
12 organize and become a member of a medical group clinic corporation  
13 for the purpose of practicing medicine and providing health care  
14 services through employees or agents of such corporation who are  
15 licensed pursuant to section 20-9 of the general statutes and through

16 other providers.

17 (b) Such medical group clinic corporation shall not operate for profit  
18 and may operate at such locations as are designated by its members.

19 Sec. 3. (NEW) (*Effective July 1, 2009*) (a) Sections 1 to 6, inclusive, of  
20 this act shall not apply to any corporation organized prior to July 1,  
21 2009, for the purposes of practicing medicine and providing health  
22 care services to the public under any other law specifically authorizing  
23 the provision of such services by a corporation that was valid at the  
24 time of such corporation's organization. Any such corporation may  
25 bring itself within the provisions of sections 1 to 6, inclusive, of this act  
26 by amending its certificate of incorporation in such manner as to be  
27 consistent with the requirements of sections 1 to 6, inclusive, of this act  
28 and by affirmatively stating in the amended certificate of incorporation  
29 that the members or shareholders, as the case may be, have elected to  
30 bring the corporation within the provisions of sections 1 to 6, inclusive,  
31 of this act. To the extent that such corporation has a current provider  
32 agreement with the Department of Social Services, the provider  
33 agreement shall automatically transfer to the new corporation upon  
34 the amendment to its certificate of incorporation.

35 (b) Any actions taken by a medical group clinic corporation formed  
36 under chapter 594 of the general statutes, revision of 1958, revised to  
37 1995, and in existence on September 30, 1995, and continuing to  
38 operate as such a corporation from September 30, 1995, until July 1,  
39 2009, are hereby validated, provided such corporation elects not later  
40 than July 1, 2010, to bring itself within the provisions of sections 1 to 6,  
41 inclusive, of this act in the manner described in subsection (a) of this  
42 section.

43 Sec. 4. (NEW) (*Effective July 1, 2009*) No medical group clinic  
44 corporation organized under sections 1 to 6, inclusive, of this act shall  
45 engage in any business other than the rendering of health care services  
46 for which it was specifically incorporated, except that nothing in  
47 sections 1 to 6, inclusive, of this act or in any other provision of law

48 applicable to corporations shall be interpreted to prohibit such medical  
49 group clinic corporation from investing its funds in real estate,  
50 mortgages, stocks, bonds or any other type of investments, or from  
51 owning real or personal property incident to the rendering of  
52 professional services.

53       Sec. 5. (NEW) (*Effective July 1, 2009*) The corporate name of a  
54 medical group clinic corporation organized under sections 1 to 6,  
55 inclusive, of this act shall contain the words "corporation" or the  
56 abbreviation "Inc." and shall also contain either a word or words  
57 descriptive of the professional service to be rendered by the medical  
58 group clinic corporation or shall include a reference to the name of the  
59 member health system.

60       Sec. 6. (NEW) (*Effective July 1, 2009*) Chapter 602 of the general  
61 statutes is applicable to a medical group clinic corporation organized  
62 pursuant to sections 1 to 6, inclusive, of this act, except to the extent  
63 that any of the provisions of sections 1 to 6, inclusive, of this act are  
64 interpreted to be in conflict with the provisions of said chapter 602, in  
65 which event the provisions of sections 1 to 6, inclusive, of this act shall  
66 take precedence with respect to such medical group clinic corporation.  
67 A medical group clinic corporation organized under sections 1 to 6,  
68 inclusive, of this act may consolidate or merge only with another  
69 medical group clinic corporation organized under sections 1 to 6,  
70 inclusive, of this act or under chapter 594 of the general statutes,  
71 revision of 1958, revised to 1995, that is validated pursuant to section 3  
72 of this act, a professional corporation organized under chapter 594a of  
73 the general statutes, a limited liability company organized under  
74 chapter 613 of the general statutes or a partnership or limited liability  
75 partnership organized under chapter 614 of the general statutes, if  
76 such corporation, company or partnership is organized to render the  
77 same specific professional services.

78       Sec. 7. Section 33-182i of the general statutes is repealed and the  
79 following is substituted in lieu thereof (*Effective July 1, 2009*):

80 Chapter 601 is applicable to a corporation organized pursuant to  
81 this chapter except to the extent that any of the provisions of this  
82 chapter are interpreted to be in conflict with the provisions of chapter  
83 601, in which event the provisions of this chapter shall take precedence  
84 with respect to a corporation organized pursuant to the provisions of  
85 this chapter. A professional corporation organized under this chapter  
86 may consolidate or merge only with another professional corporation  
87 organized under this chapter, a limited liability company organized  
88 under chapter 613, [or] a partnership or limited liability partnership  
89 organized under chapter 614 or a medical group clinic corporation  
90 organized under sections 1 to 6, inclusive of this act, if such  
91 corporation, company, [or] partnership or medical group clinic  
92 corporation is organized to render the same specific professional  
93 service. A merger or consolidation of any professional corporation  
94 organized under this chapter with any foreign corporation, foreign  
95 limited liability company, foreign partnership or foreign limited  
96 liability partnership is prohibited.

97 Sec. 8. Section 19a-630a of the general statutes is repealed and the  
98 following is substituted in lieu thereof (*Effective July 1, 2009*):

99 As used in sections 19a-638 to 19-639c, inclusive, "affiliate" means a  
100 person, entity or organization controlling, controlled by or under  
101 common control with another person, entity or organization. In  
102 addition to other means of being controlled, a person is deemed  
103 controlled by another person if the other person, or one of that other  
104 person's affiliates, officers or management employees, acting in such  
105 capacity, acts as a general partner of a general or limited partnership or  
106 manager of a limited liability company. "Affiliate" does not include a  
107 medical group clinic corporation organized under sections 1 to 6,  
108 inclusive of this act.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2009</i>	New section

Sec. 2	<i>July 1, 2009</i>	New section
Sec. 3	<i>July 1, 2009</i>	New section
Sec. 4	<i>July 1, 2009</i>	New section
Sec. 5	<i>July 1, 2009</i>	New section
Sec. 6	<i>July 1, 2009</i>	New section
Sec. 7	<i>July 1, 2009</i>	33-182i
Sec. 8	<i>July 1, 2009</i>	19a-630a

**Statement of Purpose:**

To validate certain medical group clinic corporations in existence in 1995 and continuing in existence since 1995 that comply with the requirements of this act, and allow for the establishment of new medical group clinic corporations.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*