



House of Representatives

General Assembly

File No. 586

January Session, 2011

House Bill No. 6614

House of Representatives, April 19, 2011

The Committee on Judiciary reported through REP. FOX of the 146th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT CONCERNING MEDICAL FOUNDATIONS.

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

1 Section 1. Section 33-182aa of the general statutes is repealed and
2 the following is substituted in lieu thereof (*Effective October 1, 2011*):

3 As used in this chapter:

4 (1) "Certificate of incorporation" means a certificate of incorporation,
5 as defined in section 33-1002, or any predecessor statute thereto;

6 (2) "Hospital" means a nonstock corporation organized under
7 chapter 602, or any predecessor statute thereto, or by special act and
8 licensed as a hospital pursuant to chapter 368v;

9 (3) "Health system" means a nonstock corporation organized under
10 chapter 602, or any predecessor statute thereto, consisting of a parent
11 corporation of one or more hospitals licensed pursuant to chapter
12 368v, and affiliated through governance, membership or some other

13 means; [and]

14 (4) "Medical school" means a school of allopathic medicine leading
15 to the M.D. degree, accredited by the Liaison Committee on Medical
16 Education, and affiliated through governance with or part of a
17 university that is either incorporated in this state or established
18 pursuant to any provision of the general statutes and accredited by the
19 New England Association of Schools and Colleges Commission on
20 Institutions of Higher Education; and

21 ~~[(4)]~~ (5) "Provider" means a physician licensed under chapter 370, a
22 chiropractor licensed under chapter 372, an optometrist licensed under
23 chapter 380 or a podiatrist licensed under chapter 375.

24 Sec. 2. Subsection (a) of section 33-182bb of the general statutes is
25 repealed and the following is substituted in lieu thereof (*Effective*
26 *October 1, 2011*):

27 (a) Any hospital, [or] health system or medical school may organize
28 and become a member of a medical foundation under the provisions of
29 chapter 602 for the purpose of practicing medicine and providing
30 health care services as a medical foundation through employees or
31 agents of such medical foundation who are licensed pursuant to
32 section 20-9 and through other providers. Such medical foundation
33 shall be governed by a board of directors, which shall consist of an
34 equal or greater number of providers than nonprovider employees of
35 the members, in addition to such other directors as may be elected by
36 the members.

37 Sec. 3. Section 33-182ee of the general statutes is repealed and the
38 following is substituted in lieu thereof (*Effective October 1, 2011*):

39 Notwithstanding the provisions of subsection (a) of section 33-1045,
40 the corporate name of a medical foundation organized under this
41 chapter shall contain the words "corporation" or the abbreviation "Inc."
42 or "Corp.", and shall also contain either a word or words descriptive of
43 the professional service to be rendered by the medical foundation or

44 shall include a reference to the name of the member hospital, [or]
45 health system or medical school.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2011</i>	33-182aa
Sec. 2	<i>October 1, 2011</i>	33-182bb(a)
Sec. 3	<i>October 1, 2011</i>	33-182ee

JUD *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 12 \$	FY 13 \$
Secretary of the State	GF - Potential Revenue Gain	Less than \$1,000	Less than \$1,000

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill allows medical schools to organize as a medical foundation and be given the status of a nonprofit entity. This may result in a potential revenue gain to the Secretary of the State for various business filing fees. Business filing fees for nonprofit entities range from \$20-\$60. It is expected that this bill will result in a potential revenue gain of less than \$1,000 in FY 12 and FY 13.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**HB 6614*****AN ACT CONCERNING MEDICAL FOUNDATIONS.*****SUMMARY:**

PA 09-212 authorized any hospital or health system to organize and become a member of, and practice medicine and provide health care services as, a medical foundation through its employees or agents who are licensed physicians and through other specified providers. A medical foundation is a nonprofit entity that may operate at whatever locations its members select.

This bill adds certain medical schools to the list of entities that may organize and join a medical foundation for this purpose. To be eligible, a medical school must be (1) a school of allopathic (or conventional) medicine leading to the M.D. degree, (2) accredited by the Liaison Committee on Medical Education (see BACKGROUND), and (3) affiliated through governance with or part of a university that is incorporated in Connecticut or established under state law and accredited by the New England Association of Schools and Colleges Commission on Institutions of Higher Education.

The bill applies the same provisions in existing law regarding medical foundation governance, organization, powers, limitations, filing requirements, merger and consolidation, and other matters to medical foundations organized by medical schools (CGS §§ 33-182aa to -182ff).

The bill also makes a conforming change.

EFFECTIVE DATE: October 1, 2011

BACKGROUND

Liaison Committee on Medical Education

The Liaison Committee on Medical Education is the accrediting body for medical education programs leading to the M.D. degree in the United States and Canada. It is sponsored by the Association of American Medical Colleges and the American Medical Association.

COMMITTEE ACTION

Judiciary Committee

Joint Favorable

Yea 41 Nay 0 (04/05/2011)