



General Assembly

Amendment

February Session, 2014

LCO No. 4477

SB0003504477SD0

Offered by:

SEN. LOONEY, 11th Dist.

SEN. FASANO, 34th Dist.

To: Subst. Senate Bill No. 35

File No. 419

Cal. No. 286

"AN ACT CONCERNING NOTICE OF ACQUISITIONS, JOINT VENTURES AND AFFILIATIONS OF GROUP MEDICAL PRACTICES."

1 After the last section, add the following and renumber sections and
2 internal references accordingly:

3 "Sec. 501. Section 33-182bb of the general statutes is repealed and the
4 following is substituted in lieu thereof (*Effective October 1, 2014*):

5 (a) Any nonprofit hospital, nonprofit health system or medical
6 school may organize and become a member of a medical foundation
7 under the provisions of chapter 602 for the purpose of practicing
8 medicine and providing health care services as a medical foundation
9 through employees or agents of such medical foundation who are
10 licensed pursuant to section 20-9 and through other providers. No
11 entity other than a nonprofit hospital, nonprofit health system, medical
12 school or other entity that organizes, consolidates or merges with a
13 medical foundation pursuant to this chapter may be a member of a

14 medical foundation. Such medical foundation shall be governed by a
15 board of directors, which shall consist of an equal or greater number of
16 providers than nonprovider employees of the members. [in addition
17 to such other directors as may be elected by the members.]

18 (b) Any medical foundation organized on or after July 1, 2009, shall
19 file a copy of its certificate of incorporation and any amendments to its
20 certificate of incorporation with the Office of Health Care Access
21 division of the Department of Public Health not later than ten business
22 days after the medical foundation files such certificate of incorporation
23 or amendment with the Secretary of the State pursuant to chapter 602.

24 (c) Any medical group clinic corporation formed under chapter 594
25 of the general statutes, revision of 1958, revised to 1995, which amends
26 its certificate of incorporation pursuant to subsection (a) of section 33-
27 182cc, shall file with the Office of Health Care Access division of the
28 Department of Public Health a copy of its certificate of incorporation
29 and any amendments to its certificate of incorporation, including any
30 amendment to its certificate of incorporation that complies with the
31 requirements of subsection (a) of section 33-182cc, not later than ten
32 business days after the medical foundation files its certificate of
33 incorporation or any amendments to its certificate of incorporation
34 with the Secretary of the State.

35 (d) Any medical foundation, regardless of when organized, shall file
36 notice with the Office of Health Care Access division of the
37 Department of Public Health and the Secretary of the State of its
38 liquidation, termination, dissolution or cessation of operations not later
39 than ten business days after a vote by its board of directors or
40 members to take such action. Not later than ten business days after
41 receiving a written request from the office, a medical foundation shall
42 provide the office with a statement of its mission and a description of
43 the services it provides, and a description of any significant change in
44 its services during the preceding year as reported on the medical
45 foundation's most recently filed Internal Revenue Service return of
46 organization exempt from income tax form, or any replacement form

47 adopted by the Internal Revenue Service.

48 (e) A medical foundation shall not operate for profit and may
49 operate at such locations as are designated by its members.

50 Sec. 502. Section 33-182dd of the general statutes is repealed and the
51 following is substituted in lieu thereof (*Effective October 1, 2014*):

52 (a) For purposes of this section, (1) "affiliate" means any person that
53 directly or indirectly through one or more intermediaries, controls or is
54 controlled by or is under common control with any health care facility,
55 institution, provider or person that is regulated in any way under this
56 chapter, and (2) "controlled by" means a person, or a person's affiliates,
57 officers, agents or management employees, acts as a general partner or
58 manager of the person in question.

59 (b) No medical foundation organized under this chapter shall
60 engage in any business other than the rendering of health care services
61 for which it was specifically incorporated, except that nothing in this
62 chapter or in any other provision of law applicable to corporations
63 shall be interpreted to prohibit such medical foundation from
64 investing its funds in real estate, mortgages, stocks, bonds or any other
65 type of investments, or from owning real or personal property incident
66 to the rendering of professional services.

67 (c) No medical foundation may be a member of, affiliated with,
68 partners with, a party to a joint venture with, or otherwise enter into a
69 business relationship with, a for-profit health system or a health
70 system that includes a for-profit hospital.

71 (d) No medical foundation may be affiliated with, partners with,
72 party to a joint venture with or otherwise enter into a business
73 relationship with a for-profit hospital or other entity that owns,
74 controls or is affiliated with a for-profit hospital."

This act shall take effect as follows and shall amend the following sections:		
Sec. 501	<i>October 1, 2014</i>	33-182bb
Sec. 502	<i>October 1, 2014</i>	33-182dd