



General Assembly

**Amendment**

February Session, 2014

LCO No. 4492

**\*SB0003504492SD0\***

Offered by:

SEN. LOONEY, 11<sup>th</sup> Dist.

SEN. FASANO, 34<sup>th</sup> 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 Section 33-182bb of the general statutes is repealed and the  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 another person. A  
55 person is deemed controlled by another person if the other person, or  
56 one of that other person's affiliates, officers, agents or management  
57 employees, acts as a general partner or manager of the person in  
58 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."

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