

MAINE STATE LEGISLATURE

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STATE OF MAINE

R E P O R T

OF THE

ATTORNEY GENERAL

for the calendar years

1949 - 1950

June 29, 1950

To David B. Soule, Insurance Commissioner
Re: Associated Hospital Service of Maine

On June 5th I received your memo dated June 1st, in which you state that in 1939, under a Special Act, Chapter 24, P&SL 1939, a charter was given to the Associated Hospital Service of Maine. You call my attention to the fact that Section 3 of said Chapter 24 sets forth the purposes of said corporation as "to establish, maintain and operate a non-profit hospital service plan whereby hospital care may be provided, etc." You further call my attention to Chapter 149, P. L. 1939, in which the Insurance Commissioner is authorized to license a non-profit hospital service plan whereby hospital care could be provided, and under this statute the Associated Hospital Service of Maine has been licensed by your department since its incorporation in 1939.

In 1945, by Chapter 21, P&SL 1945, the purposes of the Associated Hospital Service of Maine were amended to provide that the corporation may establish and operate a non-profit medical service plan whereby medical or surgical services expense is provided to such persons or groups of persons as shall become members of such plan under contract with the corporation. However, at the time of this amendment in 1943, no change was made in Chapter 149, P. L. 1939.

You have now been approached by the Associated Hospital Service of Maine requesting a license for the purpose of operating such medical service plan. In view of the general law which authorizes you to license non-profit hospital service plans, but does not contain any reference to non-profit medical service plans, you ask me if you would be justified and acting within your authority to license the Associated Hospital Service of Maine to operate a non-profit medical service plan.

In reply I wish to advise you that under the general statute you have no authority to license the Associated Hospital Service to operate a non-profit medical service plan. However, they are authorized to do so by the Private and Special Act of 1943, and I understand from Mr. Paul that they have amended their corporate purposes accordingly.

It is my opinion that in order for you legally to license anyone to operate a non-profit medical service, the statute should be broadened which was passed in 1939 and is now Section 217 of Chapter 56, R. S. 1944.

If Associated Hospital Service enters the medical service field under the Private and Special Act, they do so at their own risk and not under license from your department, under the law as it now stands.

RALPH W. FARRIS
Attorney General

June 29, 1950

To Frank S. Carpenter, Treasurer of State
Re: Deposits of State Funds

I have your memo of June 20th, relating to the interpretation of the second paragraph of Section 11 of Chapter 15, R. S. 1944, relating to the authority of the Treasurer of State to deposit State moneys in banking institutions, trust companies, mutual savings banks, etc.