

# MAINE STATE LEGISLATURE

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FIRST SPECIAL SESSION

ONE HUNDRED AND SEVENTH LEGISLATURE

Legislative Document

No. 2181

H. P. 1990

House of Representatives, February 5, 1976

Speaker laid before the House and Referred to the Committee on Business Legislation. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mr. Bustin of Augusta.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SEVENTY-SIX

AN ACT Concerning Certain Nonprofit Hospital or  
Medical Service Organizations.

Be it enacted by the People of the State of Maine, as follows:

24 MRSA § 2302, as last amended by PL 1973, c. 585, § 12, is repealed and the following enacted in place thereof:

§ 2302. Incorporation

1. Superintendent's approval. The articles of incorporation, and amendments thereto, of every corporation organized under this chapter shall be submitted to the superintendent for approval, which, if granted, shall be in-dorsed thereon before the same are filed with the Secretary of State.

2. Requirements.

A. The governing board of a corporation organized under this chapter shall consist of at least 32 members. Half of the board shall be men and half shall be women.

B. The majority, but not more than 60%, of any governing board or committee of a corporation organized under this chapter shall be consumers. The consumer representation shall be representative of the social, economic and ethnic populations of the State, the geographic areas of the service area and major purchasers of health care.

(1) A major purchaser of health care is an entity, other than a provider, which either directly or indirectly provides health care for its employees or members.

(2) A consumer is a subscriber who is not a provider.

C. The minority of any governing board or committee of a corporation organized under this chapter, but not less than 40%, shall be direct or indirect providers.

(1) A direct provider is a person whose primary current activity is the provision of health care to individuals or the administration of facilities or institutions in which such care is provided.

(2) An indirect provider is:

(a) A person who has a fiduciary interest in any facility or institution which provides health care to individuals. "Fiduciary interest" means a position or interest with respect to such entity affected with the character of a trust, including membership on a board of directors, officers, majority shareholders, agents and attorneys;

(b) A person who receives directly or indirectly or through that person's spouse more than 1/10 of his gross annual income from any relationship with the health care system;

(c) A person who is a member of the immediate family of any person defined by division (a) or (b). "Immediate family" means parents, spouse, children, brothers or sisters who reside in the same household; or

(d) A person who is employed by an employer who is engaged in any policy or contract of individual or group health insurance.

D. No member of the governing board of a corporation organized under this chapter shall serve more than 2 3-year terms.

E. The following provisions shall apply to nominations for membership on the governing board of a corporation organized under this chapter:

(1) No executive officer or employee of a corporation organized under this chapter shall serve on the nominating committee;

(2) Nominations by the nominating committee for membership on the governing board of a corporation organized under this chapter shall be 2 or more persons for each position to be filled;

(3) The bylaws of a corporation organized under this chapter shall make provisions for nomination by petition by 1/10 of 1% of the subscribers;

(4) The nominating committee of a corporation organized under this chapter shall be elected by the entire board of directors;

(5) No member of the board of directors of a corporation organized under this chapter shall be a member of that corporation's nominating committee.

#### STATEMENT OF FACT

The purpose of this bill is to insure a partnership between providers and consumers of health care in policy matters affecting the health insurance of 500,000 Maine people.