

# MAINE STATE LEGISLATURE

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# 118th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1997

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Legislative Document

No. 1568

S.P. 506

In Senate, March 18, 1997

**An Act to Amend the Board of Directors of Nonprofit Hospital or  
Medical Service Organizations.**

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Reference to the Committee on Banking and Insurance suggested and ordered printed.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN  
Secretary of the Senate

Presented by Senator MILLS of Somerset.

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

2           **Sec. 1. 24 MRSA §2302**, as amended by PL 1975, c. 708, §§1 and  
4 2, is further amended to read:

6           **§2302. Incorporation**

8           The articles of incorporation, and amendments thereto, of  
10 every corporation organized under this chapter shall must be  
12 submitted to the superintendent for approval, which, if granted,  
shall must be ~~indorsed~~ endorsed thereon before the same are filed  
with the Secretary of State.

14           There ~~shall be not less than~~ must be at least 14 elected  
16 directors, at least a majority of whom shall ~~be~~ are consumer  
representatives. For purposes of this section, "consumer  
18 representative" means a person who does not derive more than 20%  
of annual income, whether directly or through that person's  
20 spouse, from the delivery of health care services. The remaining  
22 directors shall at all times must be licensed health  
professionals who contract with the corporation for the direct  
24 provision of health services, or persons employed by  
participating health care institutions or organizations that  
26 contract with the corporation to provide health services to the  
corporation's subscribers, or persons employed by associations of  
28 providers and professionals of health care services. No A  
director shall may not serve more than 3 consecutive 3-year terms.

30           In addition to the 14 elected directors, a board of  
32 directors of a corporation organized under this chapter must  
contain the following public directors:

34           1. Appointee of Senate President. A director appointed by  
the President of the Senate;

36           2. Appointee of House Speaker. A director appointed by the  
38 Speaker of the House; and

40           3. Commissioner of Human Services. The Commissioner of  
Human Services, who serves ex officio.

42           The public directors appointed pursuant to subsections 1 and  
44 2 may not serve more than 3 consecutive 3-year terms.

46           **Sec. 2. Terms of public directors of the board of directors of**  
48 **nonprofit hospital or medical service organizations.** Notwithstanding  
the Maine Revised Statutes, Title 24, section 2302, the term of  
the initial appointee of the President of the Senate pursuant to  
50 Title 24, section 2302 is 2 years; thereafter the term is for 3  
years.

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## SUMMARY

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6 This bill amends the composition of the board of directors  
of nonprofit hospital or medical service organizations to require  
the addition of 3 public directors, one each appointed by the  
8 President of the Senate and the Speaker of the House, and the  
Commissioner of Human Services. The public directors are subject  
10 to the same term restrictions as are placed on the current  
directors, except that the initial term of the appointee of the  
12 President of the Senate is only 2 years, so that the terms of the  
public directors are staggered.