



118th MAINE LEGISLATURE

FIRST REGULAR SESSION-1997

Legislative Document

No. 1642

H.P. 1165

House of Representatives, March 22, 1997

Resolve, to Require the Superintendent of Insurance to Develop Criteria for an Independent Fairness Review Prior to Conversion of a Non-profit Entity to a For-profit Entity.

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

JOSEPH W. MAYO, Clerk

Presented by Representative MITCHELL of Portland.

1. Development of criteria. **Resolved:** Sec. That the Superintendent of Insurance shall develop appropriate criteria 2 for determining whether the terms and conditions of any proposed plan for a nonprofit hospital or medical service organization to 4 convert to a for-profit corporation or mutual benefit corporation or entity or engage in for-profit activity are fair and б equitable; and be it further

Sec. 2. Report. Resolved: That the Superintendent of Insurance shall submit to the Joint Standing Committee on Banking and 10 Insurance of the 118th Legislature no later than February 1, 1998 a report that includes the criteria for determining whether the 12 terms and conditions of the plan for any proposed nonprofit hospital or medical service organization to convert to a 14 for-profit corporation or mutual benefit corporation or entity or engage in for-profit activity are fair and equitable, an explanation of why and through what process the criteria were 16 chosen and any legislation suggested by the superintendent to 18 protect the public interest and the subscribers of the nonprofit hospital and medical service organization. 20

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SUMMARY

This resolve requires the Superintendent of Insurance to 26 develop criteria to be considered in determining whether a conversion plan of a nonprofit hospital or medical service organization to a for-profit corporation or mutual benefit 28 corporation or entity or engage in for-profit activity is fair 30 and equitable. The superintendent must report back to the Joint Standing Committee on Banking and Insurance of the 118th Legislature no later than February 1, 1998 with the criteria and 32 any legislation recommended by the superintendent to protect the 34 public interest and the subscribers of the nonprofit hospital and medical service organization.

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