

MAINE STATE LEGISLATURE

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127th MAINE LEGISLATURE

SECOND REGULAR SESSION-2016

Legislative Document

No. 1573

S.P. 624

In Senate, January 26, 2016

**An Act To Improve Hospital Governance by Clarifying the
Requirement for a Certificate of Need for Intracorporation
Transfers**

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

Reference to the Committee on Health and Human Services suggested and ordered printed.

A handwritten signature in cursive script, reading "Heather J.R. Priest".

HEATHER J.R. PRIEST
Secretary of the Senate

Presented by President THIBODEAU of Waldo.

Cosponsored by Representative GILLWAY of Searsport and

Senator: BRAKEY of Androscoggin, Representatives: BURSTEIN of Lincolnville, GATTINE of Westbrook, HERBIG of Belfast, KINNEY of Knox, KRUGER of Thomaston.

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

2 **Sec. 1. 22 MRSA §329, sub-§1**, as enacted by PL 2001, c. 664, §2, is amended to
3 read:

4 **1. Transfer of ownership; acquisition by lease, donation, transfer; acquisition of**
5 **control.** Any transfer of ownership or acquisition under lease or comparable
6 arrangement or through donation or any acquisition of control of a health care facility
7 under lease, management agreement or comparable arrangement or through donation that
8 would have required review if the transfer or acquisition had been by purchase, except in
9 emergencies when that acquisition of control is at the direction of the department or
10 except if the transfer of ownership or acquisition of control involves only entities or
11 health care facilities that are direct or indirect subsidiaries of the same parent corporation,
12 is between a parent corporation and its direct or indirect subsidiaries or is between entities
13 or health care facilities all under direct or indirect ownership of or ultimate control by the
14 same parent corporation immediately prior to the transfer or acquisition;

15 **SUMMARY**

16 This bill clarifies that a certificate of need is not required when there is a change in
17 ownership or acquisition of control in which the entities or health care facilities involved
18 are already in the same corporate family, such as when the entities or health care facilities
19 involved are subsidiaries of the same parent corporation or the transaction involves a
20 parent corporation and its subsidiary.