

Summary of Bill: When a nonprofit health care service contractor or health maintenance organization transfers control or governance of a charitable trust or material charitable trust assets, it must notify the Attorney General's office. The notice requirements are specified.

The Attorney General reviews the proposal and determines whether the proposal involves a charitable interest and whether the proposal is a conversion transaction. Some transactions may not be a conversion transaction if immaterial assets are involved. If the Attorney General concludes the proposal involves a charitable interest and is a conversion transaction, the Attorney General refers the matter to the Insurance Commissioner. The Insurance Commissioner's office undertakes regulation of the proposed transaction, which includes assessment of the fair market value of the charitable interest. Several considerations are set forth to guide the Insurance Commissioner's regulatory process, and include public hearings on the proposal.

A condition of state regulation may include payment of proceeds into the health services account.

Appropriation: None.

Fiscal Note: Requested on January 20, 2001.

Effective Date: Ninety days after adjournment of session in which bill is passed.