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SB 317

Excerpts from Consumers Union's "A Model Nonprofit Conversion Act"  
Entities Covered by Model Act

Presented By Blue Cross Blue Shield of Montana

SENATE PUBLIC HEALTH, WELFARE & SAFETY	
EXHIBIT NO.	14
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BILL NO.	56317

**Digest**

The Legislature recognizes the substantial changes in market and health care conditions that are affecting nonprofit corporations, and further recognizes the need for equal regulatory treatment and competitive equality for nonprofits. This bill subjects a nonprofit corporation to requirements before the nonprofit corporation enters into any agreement or transaction to sell, transfer, lease, exchange, option, convey, convert, give, enter a joint venture, merge or otherwise dispose of a material amount of its assets to a for-profit corporation or entity or to a mutual corporation or entity or to another nonprofit corporation or entity with a different mission. The Legislature recognizes the vital service hospitals, medical-surgical facilities, health maintenance organizations, health service corporations, and other nonprofit health providers/insurers provide and therefore includes special protections for the public when this type of conversion is proposed.

**"Nonprofit"** is a corporation formed or operating for charitable or public benefit purposes.

**Special requirements for health care entities**

Where the applicant is a nonprofit hospital, medical-surgical facility, health maintenance organization, health service corporation or other nonprofit health provider/insurer, the Attorney General shall determine the effect the proposed transaction will have on the availability and accessibility of health care services to the affected community and the for-profit's ability to maintain and improve health care access and coverage.